



# RIDE THE **FUTURE**

ANNUAL REPORT 2021-22



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dared to go with innovation

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## **BOARD OF DIRECTORS**

Sh. Onkar Singh Pahwa- Chairman cum Managing Director

Sh. Rishi Pahwa- Jt. Managing Director

Sh. Mandeep Singh Pahwa- Whole-time Director

Sh. Bhupinder Singh Dhiman-Non-Executive Director

Sh. Anil Arora-Independent Director

Sh. Girish Paman Vanvari- Independent Director

Sh. Mahesh Kumar Mittal- Independent Director

Sh. Bhavdeep Sardana- Independent Director

\*Smt. Sarabjit Kaur Pahwa-Whole-time Director

\*\*Sh. Nem Chand Jain- Independent Director

\*\*Sh. Jugdiep Singh- Independent Director

\*Resigned on 21.01.2022 from Directorship

\*\*Resigned on 06.09.2021 from Directorship

## **REGISTERED OFFICE**

G.T. Road, Dhandari Kalan, Ludhiana 141003. Ph.: 0161-4684800 (100 lines); FAX: 0161- 2511493

Email: avon@avoncycles.com; Website: www.avoncycles.com

CIN: U35921PB1951PLC001699

## **WORKS**

**Plant 1:** G.T. Road, Dhandari Kalan, Ludhiana, Punjab-141003

**Plant 2:** F-1 F-2 & NS-4 E.P.I.P., Hajipur Industrial Area, Hajipur, Dist. Vaishali, Bihar-844101

## **STATUTORY AUDITORS**

M/s. J. Arora & Co.

Chartered Accountants: 1st Floor, C/o Shri Ram Enterprises, Opp. Ravi Dutt Motors, Mall Road

Ferozepur City - 152002

## **BANKERS**

Punjab National Bank, Miller Ganj, Ludhiana

State Bank of India, Miller Ganj, Ludhiana

HDFC Bank Limited, The Mall Road, Ludhiana

Axis Bank Limited, The Mall Road, Ludhiana

## AVON CYCLES LIMITED

Regd. Office: G.T. Road, Dhandari Kalan, Ludhiana-141003  
E-mail : avon@avoncycles.com | CIN: U35921PB1951PLC001699

### NOTICE

Shorter notice is hereby given that the 71<sup>st</sup> Annual General Meeting of the members of Avon Cycles Limited will be held on Friday, September 30, 2022 at 4.30 P.M. at the Registered Office of the Company at G.T. Road, Dhandari Kalan, Ludhiana to transact the following Business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including audited consolidated financial statements) for the financial year ended 31<sup>st</sup> March, 2022 and the Reports of the Directors and the Auditors thereon.
2. To declare a Dividend on Equity Shares for the financial year 2021-22.
3. To appoint a Director in place of Sh. Rishi Pahwa (DIN: 00286399), who retires by rotation and, being eligible, offers himself for re-appointment.

#### SPECIAL BUSINESS:

##### 4. **Appointment of Statutory Auditors to fill casual vacancy**

To appoint Statutory Auditors of the Company and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** subject to the provisions of section 139 and 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, M/s H.K. Chitkara and Company, Chartered Accountants (Firm Registration No. 001571N), be and are hereby appointed as Statutory Auditors of the Company, to fill the casual vacancy caused by the resignation of M/s J. Arora and Company, Chartered Accountant.

**RESOLVED FURTHER THAT** M/s H.K. Chitkara and Company, Chartered Accountants, be and are hereby appointed as statutory auditors of the Company to hold the office from 28.09.2022 until the conclusion of 71<sup>st</sup> General Meeting of the Company, at such remuneration plus applicable taxes and out of pocket expenses as may be recommended by the Audit Committee in consultation with Statutory Auditors and duly approved by the Board of Directors of the Company.”

##### 5. **Appointment of Statutory Auditors**

To appoint Statutory Auditors of the Company and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** subject to the provisions of section 139 and 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, M/s H.K. Chitkara and Company, Chartered Accountants (Firm Registration No. 001571N), be and are hereby appointed as Statutory Auditors of the Company, to hold the office from conclusion of 71<sup>st</sup> Annual General Meeting, for a period of five years namely 2022-23, 2023-24, 2024-25, 2025-26 and 2026-27 at such remuneration plus applicable taxes and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with Auditors and duly approved by the Board of Directors of the Company.

**RESOLVED FURTHER THAT** any Director of the Company be and is hereby authorised severally to do all such acts, deeds and things to give effect to this resolution.”

6. To ratify the remuneration of Sh. Rishi Mohan Bansal., Cost Accountant (Registration No. 102056) of the Company for the Financial Year 2022-23 and in this regard 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 148 and all other applicable provisions of the Companies Act, 2013, if any and the Companies (Audit and Auditors) Rules, 2014, the Shareholders hereby ratify the remuneration of Rs. 25,000 payable to Sh. Rishi Mohan Bansal., Cost Accountant, appointed by the Board of Directors on 09.06.2021 as Cost Auditors of the Company to conduct the audit of cost records of the Company for the Financial year 2022-23.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

7. **To appoint Sh. Mahesh Kumar Mittal (DIN: 00765808), as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV of the Companies Act 2013, alongwith the Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions, if any, Sh. Mahesh Kumar Mittal (DIN: 00765808), who was appointed as an additional Director in the capacity of Independent Director of the Company w.e.f. 30.11.2021 by the Board of Directors on the recommendations of Nomination & Remuneration Committee in accordance with the provisions of Section 161(1) of the Act and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of five years with effect from 30.11.2021, not subject to retirement by rotation.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

8. **To appoint Sh. Bhavdeep Sardana (DIN: 03516261), as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV of the Companies Act 2013, alongwith the Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions, if any, Sh. Bhavdeep Sardana (DIN: 03516261), who was appointed as an additional Director in the capacity of Independent Director of the Company w.e.f. 30.11.2021 by the Board of Directors on the recommendations of Nomination & Remuneration Committee in accordance with the provisions of Section 161(1) of the Act and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of five years with effect from 30.11.2021, not subject to retirement by rotation.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

9. **To Re-appoint Sh. Anil Arora (DIN: 07995587) as Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

“**RESOLVED THAT** pursuant to provisions of Sections 149 and 152 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions of Companies Act, 2013 and rules made thereunder Sh. Anil Arora (DIN: 07995587) who was appointed an independent Director of the Company and holds office upto 19.11.2022 and in respect of whom the Company has received a notice under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, being eligible, be and is hereby re-appointed as Director( In Independent Capacity) not liable to retire by rotation on the Board as such for second term of five years w.e.f. 20.11.2022 i.e. upto 19.11.2027.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution.”

10. **To consider appointment of Sh. Bhupinder Singh Dhiman (DIN: 09712443) as a Non-Executive Director of the Company and, in this regard, pass the following Resolution as an Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of the Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Qualification

of Directors) Rules, 2014 (including any statutory modification(s) or enactment thereof for the time being in force Sh. Bhupinder Singh Dhiman (DIN: 09712443), who was appointed as an Additional Director by the Board of Directors with effect from 23.08.2022, in terms of Section 161(1) of the Act and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive Director of the Company, liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion it may consider necessary, expedient and desirable to give effect to this resolution.”

By order of the Board

Place: Ludhiana  
Dated: 27.09.2022

Sd/-  
(Rishi Pahwa)  
Jt. Managing Director  
DIN: 00286399

**NOTES:**

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on poll instead of himself/ herself and the proxy need not be a member of the company. Proxy Form, in order to be effective, must be delivered at the Regd. Office of the Company at least 48 hours before the scheduled time of the meeting. A blank Proxy Form is enclosed.
2. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of total Share Capital of Company carrying voting rights. A Member holding more than ten percent of total Share Capital of Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person.
3. The Company has fixed Thursday, September 29, 2022 as the 'Record Date' for determining entitlement of Members to final dividend for the financial year ended March 31, 2022.
4. A statement pursuant to Section 102(1) of the Companies Act, 2013 (Act) relating to the special businesses to be transacted at the AGM is annexed hereto. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during business hours except on holidays, up to and including the date of the Annual General Meeting, and also at the Meeting.
5. Corporate Members intending to send their authorized representative(s) to attend the Meeting pursuant to Section 113 of the Act are requested to send to the Company, a certified copy of the relevant Board Resolution/ Authority Letter/ Power of Attorney, authorizing their representatives together with the specimen signatures of the representative(s) to attend and vote on their behalf at the Meeting.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 FOR THE ITEMS SET OUT IN THE ACCOMPANYING NOTICE ARE AS UNDER:**

**Item No. 04.**

Members of the Company at its 68<sup>th</sup> Annual General Meeting held on 30.09.2019, had appointed M/s J. Arora & Company (Firm Registration Number 011921N) as Statutory Auditors of the Company for five years i.e from financial year 2019-20 to financial year 2023-24.

M/s J. Arora & Company vide their letter dated 27.09.2022 have resigned from the position of Statutory Auditors of the Company (resignation from closure of business hours of the Company on 27.09.2022) resulting into casual vacancy in the office of the Statutory Auditors of the Company as envisaged by section 139(8) of the Companies Act, 2013.

The Board of Directors at its meeting held on 27.09.2022, as per the recommendation of the Audit Committee, and pursuant to the provisions of section 139(8) of the Companies Act, 2013 has appointed M/s H.K. Chitkara and Company, Chartered Accountants (Firm Registration No. 001571N) to hold office till the conclusion of 71<sup>st</sup> Annual General Meeting and to fill the casual vacancy caused by the resignation of M/s J. Arora & Company subject to the approval by the members at the 71<sup>st</sup> Annual General Meeting of the Company, at such remuneration plus taxes and out of pocket expenses as may be determined and recommended by the Audit Committee in consultation with Statutory Auditors and duly approved by the Board of Directors of the Company.

The Company has received consent letter and eligibility certificate from M/s H.K. Chitkara & Company, Chartered Accountants, to act as Statutory Auditors of the Company in place of M/s J. Arora & Company alongwith confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013.

None of the Director, Key Managerial Person and their relatives are in any way, concerned or interested, financial or otherwise, in the aforesaid Ordinary Resolution.

The Board accordingly recommends the Ordinary Resolution set out at item no. 04 of the accompanying the Notice for approval of the Members.

**Item No. 05**

The Board of Directors at its meeting held on 27.09.2022, as per the recommendation of Audit Committee and pursuant to section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, recommended the appointment of M/s H.K. Chitkara and Company, Chartered Accountants (Firm Registration No. 001571N), as Statutory Auditors of the Company to hold office for a period of five years namely 2022-23, 2023-24, 2024-25, 2025-26 and 2026-27 at such remuneration plus applicable taxes and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with Auditors and duly approved by the Board of Directors of the Company.

The Company has received consent letter and eligibility certificate from M/s H.K. Chitkara & Company, Chartered Accountants, to act as Statutory Auditors of the Company in place of M/s J. Arora & Company alongwith confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013.



None of the Director, Key Managerial Person and their relatives are in any way, concerned or interested, financial or otherwise, in the aforesaid Ordinary Resolution.

The Board accordingly recommends the Ordinary Resolution set out at item no. 05 of the accompanying the Notice for approval of the Members.

#### **Item No. 06.**

To ratify the remuneration of Sh. Rishi Mohan Bansal, Cost Accountant (Registration No. 102056) of the Company for the Financial Year 2022-23.

The Board has appointed Sh. Rishi Mohan Bansal, Cost Accountant (Registration No. 102056) of the Company for the Financial Year 2022-23 to conduct the audit of the cost records of the Company for the Financial Year 2022-23 at a remuneration of Rs. 25000/-

In Accordance with the provisions of the section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Shareholders of the Company. Accordingly, consent of the Shareholders is sought for passing an ordinary resolution as set out at item no. 06 of the notice for ratification of the remuneration payable to Cost Auditors for the financial year 2022-23.

The Board recommends the resolution as set out in the Notice for the approval of the Shareholders of the Company. None of the Directors or Key Managerial Personnel or their relatives, are in any way concerned or interested financially or otherwise in the proposed resolution as set out in the Notice.

#### **Item No. 07**

It is proposed to appoint Sh. Mahesh Kumar Mittal (DIN: 00765808), as an independent Director under section 149 of the Companies Act 2013 to hold office for a term of 5 (five) consecutive years on the Board of the Company, not liable to retire by rotation.

Sh. Mahesh Kumar Mittal holds a key position in the top leadership of Aarti Steels Limited and Aarti International Limited.

The Board of Directors feels that his presence on the Board will benefit the Company.

The company has received consent in writing from him to act as a Director and a declaration that he is not disqualified to act as Director u/s 164(6) of the Act and in the opinion of management he meets the criteria of independence as required under the Act.

A notice u/s 160 of the Act has since been received from one of the members proposing his candidature for the office of independent director. In the opinion of the Board the proposed director fulfills the conditions specified in the Act and the rules made thereunder for appointment as independent director of the Company.

**Item No. 08**

It is proposed to appoint Sh. Bhavdeep Sardana (DIN: 03516261), as an independent Director under section 149 of the Companies Act 2013 to hold office for a term of 5 (five) consecutive years on the Board of the Company, not liable to retire by rotation.

Sh. Bhavdeep Sardana holds Directorship in various Companies and having huge experience in Finance and Marketing.

The Board of Directors feels that his presence on the Board will benefit the Company.

The company has received consent in writing from him to act as a Director and a declaration that he is not disqualified to act as Director u/s 164(6) of the Act and in the opinion of management he meets the criteria of independence as required under the Act.

A notice u/s 160 of the Act has since been received from one of the members proposing his candidature for the office of independent director. In the opinion of the Board the proposed director fulfills the conditions specified in the Act and the rules made thereunder for appointment as independent director of the Company.

**Item No. 09**

It is proposed to re-appoint Sh. Anil Arora (DIN: 07995587), as an independent Director under section 149 of the Companies Act 2013 to hold office for a term of 5 (five) consecutive years on the Board of the Company, not liable to retire by rotation.

Presently Sh. Anil Arora is our Independent Director and having huge experience in the field of Laws.

The Board of Directors feels that his presence on the Board will benefit the Company.

The company has received consent in writing from him to act as a Director and a declaration that he is not disqualified to act as Director u/s 164(6) of the Act and in the opinion of management he meets the criteria of independence as required under the Act.

A notice u/s 160 of the Act has since been received from one of the members proposing his candidature for the office of independent director. In the opinion of the Board the proposed director fulfills the conditions specified in the Act and the rules made thereunder for appointment as independent director of the Company.

**Item No. 10**

It is proposed to appoint Sh. Bhupinder Singh Dhiman (DIN: 09712443), as an Non- Executive Director under Sections 149, 150, 152 and 161, read with Schedule IV of the Companies Act 2013, alongwith the Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions, if any.

Sh. Bhupinder Singh Dhiman is having huge experience in the fields of Industrial Laws and Administration of Companies.

The Board of Directors feels that his presence on the Board will benefit the Company.

The company has received consent in writing from him to act as a Director and a declaration that he is not disqualified to act as Director u/s 164(6) of the Act and in the opinion of management he meets the criteria of independence as required under the Act.

A notice u/s 160 of the Act has since been received from one of the members proposing his candidature for the office of director. In the opinion of the Board the proposed director fulfills the conditions specified in the Act and the rules made thereunder for appointment as Non-Executive Director of the Company.

By order of the Board

Place: Ludhiana  
Dated: 27.09.2022

Sd/-  
(Rishi Pahwa)  
Jt. Managing Director  
DIN: 00286399

### Route map of the venue of the Annual General Meeting



## AVON CYCLES LIMITED

Regd. Office: G.T. Road, Dhandari Kalan, Ludhiana-141003  
Email : avon@avoncycles.com | CIN: U35921PB1951PLC001699

### BOARD'S REPORT

To the Members,

Your Directors feel pleasure in submitting their 71<sup>st</sup> Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2022.

#### 1. FINANCIAL HIGHLIGHTS

The Company's financial performance for the year under review alongwith previous year's figures is given hereunder:

(₹ in Lakh)

PARTICULARS	STANDALONE		CONSOLIDATED	
	F.Y. 2021-22	F.Y. 2020-21	F.Y. 2021-22	F.Y. 2020-21
Revenue from Operations and other income	86,928.40	75,354.28	86,907.54	75,354.28
Profit for the year after meeting all expenses but before providing for depreciation & Income Tax	10,948.36	11,549.36	10,701.42	11,544.35
Depreciation for the Current year	2,809.09	2,495.99	2,809.09	2,495.99
Profit after depreciation but before Income Tax	8,139.27	9,053.37	7,892.33	9,048.36
Provision for tax - Current	1,509.00	1,675.00	1,509.00	1,675.00
- Deferred	521.23	531.19	512.80	531.19
Profit after tax	6,109.04	6,847.18	5,870.53	6,842.17
Balance b/f from earlier year	55,079.64	48,519.95	55,074.63	48,519.95
Add: Other Comprehensive Income(Loss)	(65.66)	3.44	(65.66)	3.44
Less: Appropriations				
Dividend	179.29	179.29	179.29	179.29
Dividend Distribution Tax	--	--	--	--
Amount transferred to General Reserve	2,500.00	500.00	2,500.00	500.00
Prior Period Adjustments	--	--	--	--
Tax adjustments of earlier years	220.64	(388.36)	220.64	(388.36)
Balance carried to Balance Sheet	58,203.93	55,079.64	57,960.41	55,074.63

## **2. STATE OF THE COMPANY'S AFFAIRS**

Your Company is leading manufacturer of Bicycles, E-Rikshaws, E-Scooter and their parts, led by strong Management. M/s Avon Newage Cycles Private Limited (Wholly Owned Subsidiary) has also started production of premium bicycles. A new wholly owned subsidiary has also been incorporated i.e. Avon Energies And Investments Private Limited which will deal in Solar Power Energy and Investments.

## **3. DIVIDEND**

Your Directors are pleased to recommend a Dividend of Rs. 20 per share for the year ended 31<sup>st</sup> March, 2022. The Dividend if approved and declared at the forthcoming Annual General Meeting on 30th September, 2022, would result in total dividend outflow of Rs. 170.66 Lakh.

## **4. RESERVES**

An amount of Rs. 25 crore has been transferred to the General Reserve.

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

There was no change in the nature of business during the year under review.

## **6. SHARE CAPITAL**

During the period under review, Company buyback 43155 no. of equity shares of Rs. 86.31 Lakh from its shareholder M/s Kaushalya Devi Pahwa Charitable Trust.

## **7. CREDIT RATING OF SECURITIES**

The Company is not required to obtain the credit rating of its Securities.

## **8. TRANSFER OF UNCLAIMED DIVIDEND/MATURED DEPOSITS/MATURED DEBENTURES TO INVESTOR EDUCATION AND PROTECTION FUND**

No amount has been transferred to the Investor Education and Protection Fund as no eligible amount was payable.

## **9. DIRECTORS**

During the year under review following changes took place in composition of Board:

### **a) Appointment/ re-appointment of Directors:**

Sh. Anil Arora, Independent Director has completed his first term as Independent Director, now he is willing to act as Independent Director for second term. Sh. Girish Paman Vanvari was appointed as an Independent Director by the Board of Directors on 06.09.2021 and Sh. Mahesh Kumar Mittal and Sh. Bhavdeep Sardana were also appointed as Independent Directors by the Board on 30.11.2021 subject to the approval of the Shareholders. Sh. Rishi Pahwa (DIN: 00286399) retires by rotation at this Annual General Meeting and being eligible offer himself for re-appointment.

### **b) Resignation from Directorship:**

During the year under review Sh. Jugdeip Singh and Sh. Nem Chand Jain resigned from Independent Directorship on 06.09.2021. Smt. Sarabjit Kaur, Whole-time Director also resigned from Directorship on 21.01.2022.

**Declaration by Independent Directors:** The Independent Directors have submitted their disclosures to the Board that they have fulfilled all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 and the relevant rules.

- c) **Separate meeting of Independent Directors:** In terms of requirements under schedule IV of the Companies Act, 2013, a separate meeting of independent directors was held on 01.09.2021.
- d) **Remuneration Policy:** The Company's Policy relating to appointment of Directors, payment of Managerial Remuneration, Directors' qualifications, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 went under no change during the year.

#### **10. BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW**

During the year under review 10 Meetings of the Board of Directors were held namely on 19.04.2021, 09.06.2021, 06.09.2021, 18.10.2021, 10.11.2021, 30.11.2021, 20.12.2021, 22.12.2021, 31.12.2021 and 21.01.2022.

#### **11. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE, NOMINATION AND REMUNERATION COMMITTEE AND CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Company has three Committees namely Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee.

The Audit Committee consisted of the following members:

- 1) Sh. Girish Paman Vanvari-Chairman
- 2) Sh. Onkar Singh Pahwa- Member
- 3) Sh. Anil Arora-Member

Sh. Nem Chand Jain was member of the Committee, resigned on 06.09.2021. Two Audit Committee Meetings were held during the year under review namely on 01.09.2021, and 30.03.2022 respectively.

The Nomination and Remuneration Committee consisted of following members:

- 1) Sh. Anil Arora-Chairman
- 2) Sh. Onkar Singh Pahwa-Member
- 3) Sh. Girish Paman Vanvari

Sh. Nem Chand Jain was member of the Committee, resigned on 06.09.2021. The above composition of the Nomination & Remuneration Committee consists of Independent Directors viz., Sh. Girish Paman Vanvari and Sh. Anil Arora who form the majority. Company held one meetings of Nomination & Remuneration Committee during year under review on 01.09.2021.

The Corporate Social Responsibility Committee consisted of the following members:

- 1) Sh. Bhavdeep Sardana-Chairman
- 2) Sh. Onkar Singh Pahwa- Member
- 3) Sh. Rishi Pahwa- Member
- 4) Sh. Mandeep Singh Pahwa-Member

The Committee has been constituted as per law having at least one member as independent director. Two meeting of CSR Committee were held during the year under review namely on 01.04.2021 and 01.09.2021.

## **12. DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, the Board hereby submits its Responsibility Statement:—

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

## **13. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

The Company has Internal Financial Controls which are adequate and are operating effectively. The controls are adequate for ensuring the orderly & efficient conduct of the business, including adherence to the Company's policies, the safeguarding of assets, the prevention & detection of frauds & errors, the accuracy & completeness of accounting records and timely preparation of reliable financial information.

## **14. FRAUD REPORTED BY THE AUDITORS**

There were no instances of fraud during the year and consequently, the Auditors have not reported any fraud to the Board under Section 143 (12) of the Companies Act, 2013.

## **15. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. However, detail of related party transaction is attached as per Annexure-A (AOC- 2).

## **16. CONSOLIDATED FINANCIAL STATEMENTS**

The Audited Consolidated Financial Statements prepared by the Company, in accordance with the Indian Accounting Standards (Ind AS), are duly provided in the Annual Report of the Company.

## **17. DETAILS OF SUBSIDIARIES/ASSOCIATE COMPANIES**

M/s Avon Newage Cycles Private Limited is wholly owned subsidiary of the Company. Avon Newage Cycles Private Limited has started production of high end bicycles and this will definitely contribute to the overall performance of the Company. Avon Energies and Investments Private Limited become wholly owned subsidiary of the Company during the period under review and not started its operations. M/s Avon Infrabiz Private Limited is our Associate Company and dealing in real estates. Details of Subsidiary and Associate Company is attached as per annexure Annexure-B.

The Company has got incorporated a foreign Company in England on 30.06.2020 under the name-Avon Cycles Holdings Limited. The Company now intends to close this Company. No other Company became or ceased as subsidiary, joint venture, or associate during the year.

## **18. PUBLIC DEPOSITS**

During the period under review, the Company has not accepted/renewed any deposits from public in terms of the Companies Act, 2013 and rules made thereunder.

## **19. GENERAL DISCLOSURES**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016.
2. There was no instance of one time settlement with any Bank or Financial Institution.

## **20. CORPORATE SOCIAL RESPONSIBILITY**

Under Corporate Social Responsibility (CSR) provisions, the Company has formed requisite CSR Committee. The committee has framed CSR policy which has been approved by the Board as per requirement of section 135 of the Companies Act, 2013. The composition of CSR committee and CSR Policy has been displayed on the website of the Company namely [www.avoncycles.com](http://www.avoncycles.com). Two meetings of CSR Committee were held during the year under review namely on 01.04.2021 and 01.09.2021. The Annual Report on Company's CSR activities of the Company is furnished in Annexure-C and attached to this report.

## **21. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information pertaining to conservation of energy, technology absorption, Foreign Exchange Earnings and Outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in Annexure-D and is attached to this report.



## **22. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY**

The Risk Management includes identifying types of risks and its assessment, risk handling and monitoring and reporting. The following are the elements of risks which in the opinion of the Board may threaten the very existence of the Company itself:

- a. Product obsolescence vis -a - vis non-acceptance of models could adversely affect the revenue stream and profitability.
- b. Small manufacturers in the unorganized sector have set up their units which certainly pose a threat to the organized sector.
- c. Cheap imports from China are also threatening the Bicycle Industry.
- d. Steel prices are changing on regular basis and there is wide fluctuation in chemical industry and other metals including Nickel, Brass etc, which are governed by external forces.

## **23. VIGIL MECHANISM**

The Company has established a vigil mechanism which is overseen through the Audit Committee. The genuine concerns are expressed by the Employees and Seniors. The Company has also provided adequate safeguards against victimization of Employees and Seniors who express their concerns. The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of employees and the Company.

## **24. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

During the year under review, your Company has filed scheme of arrangement with NCLT Chandigarh for merger of M/s Pahwa Estates and Investments Private Limited with M/s Avon Cycles Limited and further demerger of the Business of Solar Energies/wind Energy business to M/s Avon Energies and Investments Private Limited.

National Company Law Tribunal (NCLT), Chandigarh Bench, has passed an order dated 22.07.2022, wherein NCLT has instructed the Company to conduct meetings of secured and unsecured creditors so that scheme of arrangement be successfully implemented. The meeting of secured and unsecured creditors were conducted successfully.

## **25. AUDITORS AND AUDITORS' REPORTS:**

### **STATUTORY AUDITORS:**

M/s J. Arora & Company, Chartered Accountant were the Statutory Auditors of the Company for the Financial Year 31.03.2022. Auditors' Report submitted by the Statutory Auditors does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self-explanatory. M/s J. Arora & Company vide their letter dated 27.09.2022 have resigned from the position of Statutory Auditors of the Company (resignation from closure of business hours of the Company on 27.09.2022) resulting into casual vacancy in the office of the Statutory Auditors of the Company. The Board of Directors at its meeting held on 27.09.2022, as per the recommendation of the Audit Committee, and pursuant to the provisions of section 139(8) of the Companies Act, 2013 has appointed M/s H.K. Chitkara and Company, Chartered

Accountants (Firm Registration No. 001571N) to hold office for a period of five years namely 2022-23, 2023-24, 2024-25, 2025-26 and 2026-27 subject to the approval by the members at the 71<sup>st</sup> Annual General Meeting of the Company.

#### **COST AUDITORS**

The Company is maintaining the Cost Records specified by the Central Government under section 148(1) of the Companies Act, 2013. For the Financial Year 2021-22, Cost Audit was applicable, as per the provisions of Companies Act, 2013 and Companies (Cost Records and Audit) Rules, 2014. Sh. Rishi Mohan Bansal, Cost Accountant (Registration No. 102056) was appointed as Cost Auditors of the Company for the Financial Year 2022-23 to conduct the audit of the cost records of the Company.

#### **SECRETARIAL AUDIT:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s M.L. Arora & Associates, Practicing Company Secretaries, to undertake the Secretarial Audit of the Company for Financial year 2021-22. The Secretarial Audit Report is annexed herewith as Annexure-E. The report is self-explanatory.

#### **INTERNAL AUDIT AND CONTROL**

Internal Auditor's findings are discussed by management and suitable corrective actions are taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

#### **26. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE SECRETARIAL AUDITORS IN THEIR REPORTS**

The Statutory Auditors of the Company and the Secretarial Auditors have not made any reservation or qualification or adverse remark in their respective reports.

#### **27. COMPLIANCE WITH SECRETARIAL STANDARDS**

The Company is following all the applicable Secretarial Standards issued by Institute of Companies Secretaries of India (ICSI.)

#### **28. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN 31.03.2022 AND THE DATE OF THIS REPORT**

No adverse or unfavourable material changes took place between 31.03.2022 and the date of this report which had an effect on the financial position of the company.

#### **29. ANNUAL RETURN**

The Annual Return of the Company is available on its corporate website at <https://www.avoncycles.com/Corporate/Investors>.

#### **30. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has duly set up an Internal Complaints Committee (ICC) in line with the

requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, to redress Complaints received regarding sexual harassment. However, the Company has not received any such Complaint during the period under review. The Directors pay special attention to this matter.

**31. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

The particulars of Loans and investments made under section 186 have been disclosed in the financial statements. The Company has given Corporate Guarantee to IndusInd Bank to make good any default committed by the persons who get finance for the purchase of E-Rickshaw of Avon Cycles Ltd. from IndusInd Bank. Further Exim Bank of India and HDFC Bank has disbursed a term loan of Rs. 15,00,00,000 each i.e Rs. 30,00,00,000 in total to M/s Avon Newage Cycles Private Limited (Wholly Owned Subsidiary of Avon Cycles Limited) for which corporate guarantee has been extended by Avon Cycles Limited. the quantum of such loans, investments, guarantee and security in connection with loan to any bodies corporate or persons is within the limits of the Board of Directors as required under section 186 of the Companies Act, 2013.

**32. REGISTRAR AND SHARE TRANSFER AGENT**

M/s Link Intime India Pvt. Ltd. are the Registrar and Transfer Agent of the Company.

**33. LOANS RECEIVED FROM DIRECTOR**

The Company has receive unsecured loans from its Directors. At the same time some of the loan has been repaid.

**34. ACKNOWLEDGEMENTS**

Your Directors place on record their sincere thanks to the suppliers, the customers, the bankers, business associates, consultants, and various Government Authorities for their continued support to the company during the year under review. Your Directors also acknowledge gratefully the employees for their dedication.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Date: 27.09.2022

Place: Ludhiana

Sd/-

Rishi Pahwa

Jt. Managing Director

DIN: 00286399

Sd/-

Mandeep Singh Pahwa

Executive Director

DIN: 00248245

## ANNEXURE-A

### Form No. AOC-2 For The Year 2021-22

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

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

**1. Details of contracts or arrangements or transactions not at arm's length basis:**  
Avon Cycles Limited has not entered into any contracts/ arrangements/ transactions with its related parties which are not at Arm's Length Price during the year 2021-22.

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

Sr.No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
1	Avon Fitness Machines Pvt. Limited (Sh. Onkar Singh Pahwa, Sh. Mandeep Singh Pahwa and Sh. Rishi Pahwa are common directors)	1. Sale of goods to Avon Fitness Machines Pvt. Limited 2. Property given on rent to Avon Fitness Machines Pvt. Limited 3. Rendering of services to Avon Fitness Machines Pvt. Limited 4. Rendering of services to Avon Fitness Machines Pvt. Limited	1. Ongoing 2. Ongoing 3. Ongoing 4. 11 years Royalty agreement	1. Sale of goods: Rs. 36,703. 2. Rent Received Rs. 74,20,236 3. Availment of services: Rs. 6,795/- 4. Royalty receipt of Rs. 39,56,873/- for use of brand name 'AVON'. Terms stipulated in agreement dt. 31.05.2014.	15.03.2021	—
2	Pahwa Estates & Holdings Pvt. Limited (Sh. Onkar Singh Pahwa, Sh. Mandeep Singh Pahwa Sh. Rishi Pahwa and Smt. Sarabjit Kaur Pahwa are common Directors)	Property obtained on lease from Pahwa Estates and Holdings Pvt. Limited	15 years	Property obtained on lease. Terms as per agreement dt. 01.02.2013 and 15.09.2014 (Amt. of rent/interest: Rs. 27,28,045)	15.03.2021	—
3	Hans Raj Pahwa & Brothers (Partnership Firm in which Directors are interested)	1. Availing of canteen services from Hans Raj Pahwa & Brothers	Ongoing	Canteen running expenses Rs. 3,60,799.	15.03.2021	—
4	Aditragh Enterprises (Relative's entity)	Purchase and sale of goods from/to Aditragh Enterprises	Ongoing	1. Purchase of goods Rs. 19,30,25,844. 2. Sale of goods of Rs. 5,93,157.91.	15.03.2021	—
5	NRG Enterprises (Relative's entity)	Purchase and sale of goods from/to NRG Enterprises	Ongoing	1. Purchase of goods of Rs. 11,83,08,582. 2. Sale of goods of Rs. 29,78,805.62.	15.03.2021	—
6	Wheel Craft (Relative's entity)	Purchase of goods from Rolex Metals Pvt. Limited	Ongoing	1. Purchase of goods of Rs. 2,26,55,155. 2. Sale of goods of Rs. 1,86,523.33.	15.03.2021	—

Sr.No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
7	Smt. Pallavi Pahwa (Wife of Director)	Office or place of profit held by Smt. Pallavi Pahwa	Ongoing	Being employee of Company salary drawn: Rs. 19,88,000.	15.03.2021	—
8	Smt. Jasmine Pahwa (Wife of Director)	Office or place of profit held by Smt. Jasmine Pahwa	Ongoing	Being employee of company salary drawn: Rs. 19,88,000.	15.03.2021	—
9	Newage Cycles Private Limited (Wholly Owned Subsidiary)	Purchase and sale of goods from/to Newage Cycles Private Limited (Wholly Owned Subsidiary)	Ongoing  Transaction Done on 03.02.2022	1. Purchase of goods of Rs. 39,32,945.99 2. Sale of goods of Rs. 80,46,215.05 3. Transfer of Land of Rs. 20,14,78,824.36	15.03.2021  21.01.2022	—
10	Avon Infrabiz Private Limited (Associate Company)	Purchase and sale of goods from/to Avon Infrabiz Private Limited	Ongoing	1. Purchase of goods of Rs. 46,934 2. Sale of goods of Rs. 1,90,588.85 3. Sale of Fixed Assets of Rs. 3,39,00,000	15.03.2021	—

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Date: 27.09.2022

Place: Ludhiana

Sd/-  
Rishi Pahwa  
Jt. Managing Director  
DIN: 00286399

Sd/-  
Mandeep Singh Pahwa  
Executive Director  
DIN: 00248245

## ANNEXURE-B

### Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

#### Statement containing salient features of the financial statement of subsidiaries/associate companies/ joint ventures for the year 2021-22.

#### Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

1.	Sr. No.:	1	2
2.	Name of the subsidiary	M/s Avon Newage Cycles Private Limited	M/s Avon Energies & Investments Private Limited
3.	The date since when subsidiary was acquired	26.11.2020	24.12.2021
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2021 to 31.03.2022 (same as of holding company's reporting period)	01.04.2021 to 31.03.2022 (same as of holding company's reporting period)
5.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	NA	NA
6.	Share capital (Authorized, Issued, Subscribed and paid up)	Authorised Capital: Rs. 25,00,00,000 Issued Capital: Rs. 18,92,80,000 Subscribed Capital: Rs. 18,92,80,000 Paid Up Capital: Rs. 18,92,80,000	Authorised Capital: Rs. 1,00,000 Issued Capital: Rs. 1,00,000 Subscribed Capital: Rs. 1,00,000 Paid Up Capital: Rs. 1,00,000
7.	Reserves & surplus	0	0
8.	Total assets	71,52,00,460	111,056
9.	Total Liabilities (excluding Share Capital and Reserves & surplus)	30,30,38,352	0
10.	Investments	0	0
11.	Turnover	7,016,635	0
12.	Profit before taxation	(3,594,653)	0
13.	Provision for taxation	0	0
14.	Profit after taxation	(2,751,592)	0
15.	Proposed Dividend	0	0
16.	% of shareholding	100%	100%

1. Names of subsidiaries which are yet to commence operations: Avon Energies and Investments Private Limited
2. Names of subsidiaries which have been liquidated or sold during the year: NIL

**Part “B”: Associates**  
**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related**  
**to Associate Companies for the year 2021-22.**

Name of Associates	Avon Infrabiz Private Limited
1. Latest audited Balance Sheet Date	31.03.2022
2. Date on which the Associate was associated or acquired	11.12.2020
3. Shares of Associate held by the Company on the year end	
- No.	1,50,00,100
- Amount of Investment in Associates/Joint Venture	Rs.15,00,01,000
- Extend of Holding %	49.51%
4. Description of how there is significant influence	49.51 % shareholding
5. Reason why the associate/joint venture is not consolidated	NA
6. Networth attributable to Shareholding as per latest audited Balance Sheet	Rs. 1398.07 Lakh
7. Profit / Loss for the year	Rs. (168.28) Lakh
i. Considered in Consolidation	Rs. ( 83.32) Lakh
ii. Not Considered in Consolidation	Rs. (84.96) Lakh

1. Names of associates which are yet to commence operations: NIL
2. Names of associates which have been liquidated or sold during the year: NIL

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Date: 27.09.2022  
Place: Ludhiana

Sd/-  
Rishi Pahwa  
Jt. Managing Director  
DIN: 00286399

Sd/-  
Mandeep Singh Pahwa  
Executive Director  
DIN: 00248245

**ANNEXURE-C**  
**Annual Report on CSR Activities**

1. Brief outline on CSR Policy of the Company

The Company's CSR initiatives are inspired by the opportunity to contribute towards sustainable future and its nourishment. The Company's Corporate Strategy ensures inculcating social developments as an integral part of its business enterprise and to contribute to make substantial improvements in the social framework of the nearby community.

2. Composition of CSR Committee

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee Attended during the year
1	Sh. Anil Arora	Independent Director and Chairman of the Committee	2	2
2	Sh. Onkar Singh Pahwa	Managing Director and Member of the Committee	2	2
3	Sh. Rishi Pahwa	Jt. Managing Director and Member of the Committee	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company at <https://www.avoncycles.com/Corporate/CSR>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

Not Applicable for the financial year under review.

5. (a) Average net profit of the company as per sub-section (5) of section 135 :Rs. 8640.54 Lakh

(b) Two percent of average net profit of the company as per sub-section (5) of section 135: Rs. 172.81 Lakh

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(d) Amount required to be set-off for the financial year, if any: Nil

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: Rs. 172.81 Lakh

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): Rs. 150.75 Lakh

(b) Amount spent in Administrative Overheads: NIL

(c) Amount spent on Impact Assessment, if applicable: NIL



(d) Total amount spent for the Financial Year [(a)+(b)+(c)]. Rs. 150.75 Lakh

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year.	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of Transfer	Name of fund	Amount	Date of Transfer
*Rs. 150.75 Lakh	Rs.23.08 Lakh	28.04.2022	NA	NA	NA

\* In addition to Rs. 150.75 Lakh, the Company also spent Rs. 20.97 Lakh on ongoing CSR Projects for Financial Year 2020-21.

(f) Excess amount for set-off, if any:

Sr. No	Particular	Amount (Rs. in Lakh)
I	Two percent of average net profit of the company as per sub-section (5) of section 135	172.81
II	Total amount spent for the Financial Year	150.75
III	Excess amount spent for the financial year [(ii)-(i)]	0.00
IV	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.00
V	Amount available for set-off in succeeding financial years [(iii)-(iv)]	0.00

7. (a) Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

Sr. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Amount spent in the reporting Financial Year	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding financial years	Deficiency, if any
					Amount (in ₹)	Date of transfer		
1.	2020-21	Rs. 50,85,873	Rs. 50,85,873	Rs.20,97,135	NA	NA	Rs.29,88,738	

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: NO

If Yes, enter the number of Capital assets created/ acquired: NA

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: NA

(₹ in Lakh)

Sr. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner
1.	2	3	4	5	6
			CSR Registration Number, if applicable Name Registered address	Name	Registered address
NA	NA	NA	NA	NA	NA

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135.

An amount of Rs. 50.86 lakh was remaining unspent related to ongoing projects of 2020-21 and same was transferred to a separate unspent CSR Account out of which Rs. 20.97 Lakh is spent in the financial year 2021-22, some of the projects are completed and some are still ongoing and expected to be completed in the coming years.

Further, for the financial year 2021-22, an amount of Rs. 23.08 lakh is remaining unspent related to ongoing projects. This amount has been transferred to a separate unspent CSR Account. The said ongoing projects are also expected to be completed in the coming financial years.

Sd/-  
(Onkar Singh Pahwa)  
Managing Director  
DIN: 01189248

Sd/-  
Anil Arora  
(Chairman CSR Committee)  
DIN: 07995587

## ANNEXURE-D

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN

#### A) Conservation of Energy

Steps taken for conservation of energy:

All the units have taken various measures in conservation of energy. The thrust is to measure the existing system parameters and then implement improvements. Emphasis is also given to optimise the operation of various equipments which also lead to energy conservation.

The following steps were taken by the Company for conservation of energy:

1. VFD changed at ESD1-01 No/
2. Air Cooler provided at Brazing Area-2 nos.
3. Installed LED Light in Main hall GF and 1st Floor.-65 nos.

#### B) Technology Absorption

The efforts made towards technology absorption;

- New PT plant Installed-01
- Robotic Welding for Fork-01
- Wire Cut Machine installed-01
- Quadrant Fitting Machine-01

The benefits derived like product improvement, cost reduction, product development or import substitution;

- New PT plant installed which helps in improving productivity
- Robotic Welding for Fork resulted in productivity improvement and quality improvement
- Wire cut Machine Installed which is helping in quality improvements
- Quadrant Fitting Machine helps in productivity improvement and quality improvement
- Technology Imported: No
- Whether the technology been fully absorbed:  
The technology imported in earlier years has been fully absorbed.
- If not fully absorbed, areas where absorption has not taken place, and the reasons thereof;  
N.A.

#### C) Foreign exchange earnings and Outgo-

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

(₹ in Lakh)

Particulars	2021-22	2020-21
Income in Foreign Exchange (FOB value of exports)	6131.94	3197.81
CIF value of Imports	5527.06	2180.09
Expenditure in Foreign Exchange (others)	15.30	0

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Date: 27.09.2022

Place: Ludhiana

Sd/-

Rishi Pahwa  
Jt. Managing Director  
DIN: 00286399

Sd/-

Mandeep Singh Pahwa  
Executive Director  
DIN: 00248245

## ANNEXURE-E

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2022

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

To,  
The Members,  
Avon Cycles Limited,  
G. T. Road, Dhandari Kalan,  
Ludhiana

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Avon Cycles Limited (CIN: U35921PB1951PLC001699) (hereinafter referred as "the Company"), having its Registered Office at G.T. Road, Dhandari Kalan, Ludhiana. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts, statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives, during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereunder:

- I. We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year 2021-2022 and we report about the Company Law matters as under:
  - a. The books of account and the registers and other statutory records are being maintained at the registered office of the company.
  - b. The Company has maintained various statutory registers and minutes of the proceedings of the Board Meetings, Committee Meetings and General Meetings in compliance with the Companies Act, 2013;
  - c. The Company has filed all the forms, returns, documents and resolutions as were required to be filed with the Registrar of Companies ('ROC') and other authorities and all the formalities relating to the same were complied with although some forms were filed with additional fees.
  - d. The Company has circulated agenda of the Board Meetings and Committee Meetings adequately in advance.

- e. The Company's Board Meetings, Committee Meetings and Shareholders' Meetings were held in compliance with the Act, including the requirement of quorum for all the meetings. Adequate notice has been given to all directors to schedule the Board Meetings or committee meetings. Agenda and notes on agenda were sent / delivered in advance, and the Directors can seek further details or clarifications on the agenda.

Ten Board Meetings were held during the year. Two meetings of the Audit Committee were held during the year. Two Meetings of the Nomination and Remuneration Committee were held during the year. Two Meetings of the CSR Committee were held during the year. The Annual General Meeting of the Company was held on 30.09.2021. Three EGMs were held.

- f. As per the minutes of the meetings of the Board and the Committees of the Board, the decisions of the Board and Committees of the Board were unanimous;
- g. The Company has complied with the provisions of appointment and re-appointment of Directors, including the appointment of Independent Directors in accordance with the provision of law. The tenure of appointment of Independent director has been specified. Declarations of Independence was obtained from the Independent Director appointed;
- h. Sh. Onkar Singh Pahwa and Sh. Rishi Pahwa, Managing Directors of the Company are functioning as such in one more company each.
- i. The Annual General Meeting was held after giving notice to the Shareholders, the Directors and the Auditors. The necessary disclosures with respect to Annual General Meeting were given in the Notice;
- j. The company has no amounts outstanding which should be transferred to the Investor Education and Protection Fund;
- k. As per the information furnished and on the basis of the books of account and as stated to us, the Company has entered into certain Related Party Transactions wherein the transactions were at arm's length policy and in the ordinary course of business. The approval of the Board was obtained for the transactions with related parties;
- l. The company had made Loans and advances and investments u/s 186 of the Companies Act, 2013 and they are covered as main objects of the company;
- m. There was no case of share transfer or share transmission during the year;
- n. The Company has bought back 43155 Equity Shares from one of the shareholders namely- Kaushalya Devi Pahwa Trust, during the year;
- o. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Independent Directors. Presently, the Company has four Independent Directors on its Board.
- p. The Company has no holding company.

The Company has now two subsidiaries:

- (i) Avon Newage Cycles Private Limited and (ii) Avon Energies and Investments Private Limited  
The Company has one associate company namely- Avon Infrabiz Private Limited;
  - q. The Company had passed resolution u/s 180 (1) (a) & (c) of the Companies Act, 2013 previously. The borrowings of the company are within the limits, specified earlier;
  - r. The Company has in place a CSR Committee, u/s 135 of the Companies Act 2013 and its Chairman is an Independent Director. It has calculated the funds to be spent under the CSR policy during the year. However a small portion of the funds remained unspent;
  - s. Company's Audit Committee is in place;
  - t. The Whistle Blowing Mechanism is in place
  - u. The Company has not passed any Board Resolution by circulation;
  - v. As informed, no show cause notice was received by the company under the Companies Act, 2013.
  - w. Secretarial Standards issued by the Institute of Company Secretaries of India have been followed.
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') was not applicable as the Company is not a listed entity;
- III. Under the Depositories Act 1996, the Company has voluntarily got some of its shares dematerialized in 2016-17;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder are applicable to the company to the extent of Imports and Exports of capital goods, raw materials and the products manufactured. The Foreign Exchange Receivables and Payables are got hedged.

The Company has no ECBs.

The Company has got incorporated a Foreign Company in England on 30.06.2020 under the name- Avon Cycles Holdings Limited. The Company now intends to close this Company

- V. The following regulations and guidelines as prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were examined:
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 were not applicable to the Company;
  - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 were not applicable as the Company is not a listed entity;
  - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,

1992 were not applicable as the Company is not a listed entity. Also the paid-up capital base of the company is very small.

VI. Other Major Acts/Laws/Provisions as applicable specifically to the Company are reported hereunder:

- a. The Company is not a listed entity, so the Stock Exchange regulations are not applicable.
- b. There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws/ Rules/ Provisions of:

- (I) The Income Tax Act, 1961.
- (ii) The Customs Act, 1962.
- (iv) The Goods and Services Tax Act, 2017
- (vii) The Information Technology Act, 2000.
- (viii) The Motor Vehicles Act, 1988.
- (ix) Applicable Labour Laws and the Industrial Laws.
- (x) Import and Export Regulations
- (xi) The Pollution Control laws, namely
  - a. Environment (Protection) Act, 1986 and various rules made thereunder.
  - b. Air (Prevention and Control of Pollution) Act, 1981 and rules made thereunder.
  - c. Water (Prevention and Control of Pollution) Act, 1984 and rules made thereunder.
- (xii) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.  
We may state that we have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed, provide a reasonable basis for our opinion. We have not verified the correctness and appropriateness of Financial Records and Books of Account of the Company. Wherever required, we have obtained the Management Representation about the Compliances of Laws, Rules and Regulations and happening of events etc.

Place: Ludhiana  
Date: 26.09.2022

For M.L. Arora & Associates,  
Company Secretaries.

Sd/-  
(Madan Lal Arora)  
Prop.

FCS: 1226; C.P. No.: 2646  
UDIN: F001226D001049295



# Independent Auditors' Report

**To The Members of Avon Cycles Limited**

**Report on the Audit of the Standalone Ind AS Financial Statements**

## **Opinion**

We have audited the accompanying standalone financial statements of M/s. Avon Cycles Limited which comprise the Balance Sheet as at 31<sup>st</sup> March, 2022, the Statement of Profit & Loss (including OCI), the statement of changes in equity and the statement of Cash Flow for the year then ended and summary of significant accounting policies and other explanatory information comprising Notes to Accounts.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('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, 2022, its profit & loss and its Cash Flows for the year ended on that date.

## **Basis for Opinion**

We conducted our audit in accordance with the standards on auditing (SAs) specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended 31<sup>st</sup> March 2022. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

## **Information Other than Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors are responsible for the other information. The other information comprises Board's Report, Report on Corporate Governance and Business Responsibility report but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of standalone financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially consistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to me materially misstated. If, based on the work we performed, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Ind AS Standalone Financial Statements**

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the standalone financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting standards and the matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified u/s 143(10) of the Act. Those Standards require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud & error. In making those risk assessments, the auditors considers internal control relevant to the Company's preparation and fair presentation of the standalone

financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the standalone financial statements.

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

### **Opinion**

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended 31st March 2022 and are therefore the key audit matters. We describe these matters in our auditor's report as applicable unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, based on our audit, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
  - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account and with the returns received from branches not visited by us.
  - (d) In our opinion, the aforesaid Ind AS standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
  - (e) On the basis of the written representations received from the Directors as on 31 March 2022 taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2022 from being appointed as a Director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - (g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2021, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS standalone financial statements - Refer Note 37 to the Ind AS standalone financial statements;
  - ii. The Company has made provision in its standalone financial statements as required under the applicable law or accounting standards for material foreseeable losses on long term contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv.
    - a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
  - v) The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.

For J. Arora & Co.  
Chartered Accountants  
Firm's Registration No: 011921N

Place: Ludhiana  
Date: 27.09.2022

Sd/-  
Jeevan Arora  
Proprietor  
Membership No: 090809  
UDIN: 22090809AWVXXK7198

## **Annexure A to the Independent Auditor's Report**

With reference to the Annexure A referred to in the Independent Auditor's Report to the members of the Company on the Ind AS standalone financial statements for the year ended 31<sup>st</sup> March 2022, we report the following:

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a)(i) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.
- (a)(ii) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) The Company has a program of verification of property, plant and equipment to cover most of the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. Pursuant to the program, certain property, plant and equipment were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties of land and buildings which are freehold, are held in the name of the Company. In respect of immovable properties that have been taken on lease and disclosed as Right of Use Assets in the Ind AS standalone financial statements, the lease agreements are in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year except for inventories lying with third parties. However, in respect of certain items, the inventories were verified by the management on a visual estimation which has been relied upon by us. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have been confirmed by them as at March 31, 2022 and discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such confirmations. Discrepancies of 10% or more in aggregate for each class of inventory have not been noticed.
- (b) As disclosed in note 61 to the financial statements, the Company has been sanctioned working capital limits in excess of five crores in aggregate from banks during the year on

the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks are in agreement with the books of accounts of the Company.

- (iii) (a) During the year the Company has provided loans, advances in the nature of loans, provided guarantee and security to companies as follows:

	(₹ in Lakh)
	Loans
Aggregate amount granted/ provided during the year	
- Subsidiaries	2051.00
- Associates	500.00
- Others	920.71
Balance outstanding as at balance sheet	
date in respect of above case	
- Subsidiaries	488.80
- Associates	520.19
- Others	2963.57

- (b) During the year the investments made and the terms and conditions of the grant of all loans to companies are not prejudicial to the Company's interest.
- (c) The Company has granted loans during the year to companies where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular .
- (d) The total amount overdue for more than 90 days is Rs. 1050.00 Lakh. The Company is taking reasonable steps for recovery of principal and interest.
- (e) There were no loans which had fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties.

- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans given, investments made, guarantees and securities given.

- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) The maintenance of Cost Records has been specified by the Central Government u/s 148(1) of the Companies Act, 2013 in respect of generation, transmission, distribution and supply of electricity by the Company. We have broadly reviewed the books of accounts maintained by Company pursuant to rules prescribed by Central Government for maintenance of Cost Records u/s 148(1) of the Companies Act, 2013 in respect of manufacture of power and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (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, Service tax, Goods and Services tax, duty of Customs, duty of Excise, Value added tax, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Goods and Services tax, duty of Customs, duty of Excise, Value added tax, Cess and other material statutory dues were in arrears as at 31<sup>st</sup> March 2022, for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Income-tax or Sales tax or Service tax or Goods and Services tax or duty of Customs or duty of Excise or Value added tax which have not been deposited by the Company on account of disputes except for the following:

Name of the statute	Nature of dues	Amount (Rs. lakh)	Amount paid under protest* (Rs. lakh)	Period to which the amount relates	Forum where dispute is pending
Central excise Act, 1944	Duty of Excise	4.89693	0.48973	2008-09	Customs, Excise And Service Tax Appellate Tribunal
		2.76437	Nil	April 2006 to December 2009	Customs, Excise And Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	29.02327	2.17675	2008-09 to 2011-12	Commissioner Appeal, Central Goods & Service Tax, Ludhiana
Finance Act	Custom Duty	22.39695	1.67977	2018-19	Commissioner (Appeal), Central Goods & Service Tax, Ludhiana



- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) Term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associate. The Company does not have any joint venture.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company. The Company does not have any joint venture.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by cost auditor, secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the order are not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with Section 177 and 188 of

Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (COR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) (d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 58 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in

compliance with second proviso to sub section 5 of Section 135 of the Act.

- (b) The amounts remaining unspent under sub-section (5) of section 135 of the Companies Act in respect of ongoing projects, has been transferred to a special account in compliance of provision of sub section (6) of Section 135 of Companies Act.
- (xxi) The requirement to report on clause 3(xxi) of the Order is not applicable to the standalone financial statements of the Company.

For J. Arora & Co.  
Chartered Accountants  
Firm's Registration No: 011921N

Place: Ludhiana  
Date: 27.09.2022

Sd/-  
Jeevan Arora  
Proprietor  
Membership No: 090809  
UDIN: 22090809AWVXXK7198

## **Annexure B to the Independent Auditor's Report**

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section 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 Cycles Limited (“the Company”) as of 31<sup>st</sup> March 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

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

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

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. 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 control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

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

## **Meaning of Internal Financial Controls Over Financial Reporting**

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

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, 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 issued by the ICAI.

For J. Arora & Co.  
Chartered Accountants  
Firm's Registration No: 011921N

Place: Ludhiana  
Date: 27.09.2022

Sd/-  
Jeevan Arora  
Proprietor  
Membership No: 090809  
UDIN: 22090809AWVXXK7198

**Avon Cycles Limited, Ludhiana**  
**Standalone Balance Sheet as at 31.03.2022**

(Amount ₹ in Lakh)

Particulars	Note	As at 31.03.2022	As at 31.03.2021	
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
a)	Property Plant & Equipment	2	16,259.08	14,092.26
b)	Right-of-Use Asset	3	425.04	472.66
c)	Investment Properties	2.1	1,696.05	2,949.83
d)	Capital Work in Progress		447.04	2,245.38
e)	Other Intangible Assets	2.3	55.43	56.87
f)	Financial Assets:			
	i) Non Current Investments	4	11,975.60	7,603.69
	ii) Long Term Loans & Advances	5	-	0.65
	iii) Other Financial Assets	6	6,594.03	764.92
g)	Other Non current assets	7	4,388.36	5,606.74
	<b>Total Non- Current Assets</b>		<u>41,840.63</u>	<u>33,793.00</u>
<b>Current Assets</b>				
a)	Inventories	8	6,609.48	11,490.67
b)	Financial Assets:			
	i) Current Investments	9	8,474.26	8,973.44
	ii) Trade Receivables	10	13,963.69	13,299.87
	iii) Cash & Cash Equivalents	11	18,039.37	13,468.94
	iv) Other Balances with Banks	12	1,980.88	6,345.01
	v) Short Term Loans & Advances	13	4,415.01	3,800.29
	vi) Other Financial Assets	14	173.49	308.18
c)	Current Tax Assets		1,782.66	1,778.29
d)	Other Current Assets	15	1,448.14	3,120.26
e)	Assets held for Sale	2.2	62.27	62.27
	<b>Total Current Assets</b>		<u>56,949.25</u>	<u>62,647.22</u>
	<b>TOTAL ASSETS</b>		<u>98,789.88</u>	<u>96,440.22</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
a)	Share Capital	16	85.33	89.64
b)	Other Equity	17	74,089.34	68,547.04
	<b>Total Equity</b>		<u>74,174.67</u>	<u>68,636.68</u>
<b>LIABILITIES</b>				
<b>Non-Current Liabilities</b>				
a)	Financial Liabilities:			
	i) Long Term Borrowings	18	3,784.11	2,903.83
	ii) Lease Liability	19	246.64	270.44
	iii) Other Financial Liabilities	20	783.84	497.34
b)	Long-Term Provisions	21	3,878.60	4,763.60
c)	Deferred Tax Liability (net)		2,300.03	1,806.73

d)	Other Non- Current Liabilities	22	<b>247.72</b>	100.95
	<b>Total Non- Current Liabilities</b>		<b><u>11,240.94</u></b>	<u>10,342.89</u>
	<b>Current Liabilities</b>			
a)	Financial Liabilities:			
	l) Short Term Borrowings	23	<b>1,737.97</b>	471.76
	ii) Lease Liability	24	<b>24.18</b>	30.10
	iii) Trade Payables			
	(a) total outstanding dues of micro and small enterprises	25	<b>4,199.67</b>	5,896.78
	(b) total outstanding dues of trade payable other than micro and small enterprises	25	<b>3,453.92</b>	5,868.77
	iii) Other Financial Liabilities	26	<b>937.77</b>	1,557.49
b)	Short Term Provisions	27	<b>52.97</b>	50.86
c)	Current Tax Provisions		<b>1,509.00</b>	1,675.00
d)	Other current Liabilities	28	<b>1,458.79</b>	1,909.89
	<b>Total Current Liabilities</b>		<b><u>13,374.27</u></b>	<u>17,460.65</u>
	<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b><u>98,789.88</u></b>	<u>96,440.22</u>
	Notes on Financial Statements	1 to 63	-	-

As per our report of even date

For J. Arora & Co.

For and on behalf of the Board

For and on behalf of the Board

Chartered Accountants

Firm Registration No.011921N

Sd/-

(Jeevan Arora)

Proprietor

M.No 090809

Place : Ludhiana

Dated: 27.09.2022

UDIN: 22090809AWVXXK7198

Sd/-

(Rishi Pahwa)

Joint Managing Director

DIN: 00286399

Sd/-

(Mandeep Singh Pahwa)

Director

DIN: 00248245

**Avon Cycles Limited, Ludhiana**  
**Standalone Statement of Profit & Loss Account for the period ended 31.03.2022**

(Amount ₹ in Lakh)

Particulars	Note	Year Ended 31.03.2022	Year Ended 31.03.2021
<b>INCOME</b>			
a) Revenue from Operations	29	82,891.52	71,030.52
b) Other Income	30	4,036.88	4,323.76
<b>Total Income</b>		<b>86,928.40</b>	<b>75,354.28</b>
<b>EXPENSES</b>			
a) Cost of Materials Consumed	31	48,930.35	46,890.25
b) Purchases of Stock-in-trade	32	4,234.47	6,163.80
c) Change in Inventories of Finished Goods, Stock-in-trade and Work-in-Progress	33	4,226.56	(6,296.34)
d) Employee Benefits Expense	34	5,302.54	4,451.01
e) Finance Costs	35	549.15	365.93
f) Depreciation & Amortisation Expense	2.5	2,809.09	2,495.99
g) Other Expenses	36	12,563.14	12,034.89
<b>Total Expenses</b>		<b>78,615.30</b>	<b>66,105.53</b>
Profit Before Tax & Exceptional Items		8,313.10	9,248.75
<b>Exceptional Items:</b>			
CSR Expenditure u/s 135 of Companies Act, 2013		173.83	195.38
Profit Before Tax		8,139.27	9,053.37
<b>Tax Expenses</b>			
Current Tax		1,509.00	1,675.00
Deferred Tax		521.23	531.19
<b>Profit for the year</b>		<b>6,109.04</b>	<b>6,847.18</b>
<b>Other Comprehensive Income:</b>			
Re-measurement of post-employment benefit Obligations		(93.59)	17.40
Income Tax Relating to these items		27.93	(13.96)
<b>Other Comprehensive Income, Net of Tax</b>		<b>(65.66)</b>	<b>3.44</b>
<b>Total Comprehensive Income</b>		<b>6,043.38</b>	<b>6,850.62</b>
<b>Earnings per equity share of face value of Basic and diluted (in ₹)</b>	<b>₹10 each</b>	<b>741.80</b>	<b>720.48</b>
Notes on Financial Statements	1 to 63		

As per our report of even date  
For J. Arora & Co.  
Chartered Accountants  
Firm Registration No.011921N

For and on behalf of the Board

For and on behalf of the Board

Sd/-  
(Jeevan Arora)  
Proprietor  
M.No 090809

Sd/-  
(Rishi Pahwa)  
Joint Managing Director  
DIN: 00286399

Sd/-  
(Mandeep Singh Pahwa)  
Director  
DIN: 00248245

Place : Ludhiana  
Dated: 27.09.2022  
UDIN: 22090809AWVXXK7198



**Avon Cycles Limited**  
**Statement of Changes in Equity**

a) **EQUITY SHARE CAPITAL**

**For year ended 31<sup>st</sup> March, 2022** (₹ in Lakh)

Particulars	Amount
<b>Balance as on April 01, 2021</b>	89.64
Proceeds from Issue of Shares	-
Prior Period Errors	-
Changes during the year	(4.32)
<b>Balances as on March 31, 2022</b>	<b>85.33</b>

**For year ended 31<sup>st</sup> March, 2021** (₹ in Lakh)

Particulars	Amount
<b>Balance as on April 01, 2020</b>	89.64
Proceeds from Issue of Shares	-
Prior Period Errors	-
Changes during the year	-
<b>Balances as on March 31, 2021</b>	<b>89.64</b>

b) **OTHER EQUITY**

(₹ in Lakh)

Particulars	Retained Earnings	General Reserve	Capital Redemption	ReserveTotal
Balance as on April 01, 2021	55,079.60	13,467.40	-	68546.99
Profit for the year	6,109.03	-	-	6109.03
Other Comprehensive Income/ (Loss) for the year	(65.66)	-	-	-65.66
Total Comprehensive Income for the year	6,043.38	-	-	6043.38
Transferred to General Reserve	(2,500.00)	-	-	-2500.00
Transferred from General Reserve	-	-	4.32	4.32
Transfer From Retained Earnings	-	2,500.00	-	2500.00
Final Dividend for Financial Year 2020 - 2021 (@ Rs. 15/- per share)	(179.29)	-	-	-179.29
Buy Back of shares	-	(81.99)	-	-81.99
Transfer to Capital Redemption Reserve	-	(4.32)	-	-4.32
Expenses on Buy- Back	(0.06)	-	-	-0.06
Buy - Back Tax	(19.10)	-	-	-19.10
Tax adjustment of earlier years	(220.64)	-	-	-220.64
<b>Balances as on March 31, 2021</b>	<b>58,203.88</b>	<b>15,881.09</b>	<b>4.32</b>	<b>74089.28</b>

As per our report of even date

For J. Arora & Co.

Chartered Accountants

Firm Registration No.011921N

For and on behalf of the Board

For and on behalf of the Board

Sd/-

(Jeevan Arora)

Partner

M.No 090809

Place : Ludhiana

Dated: 27.09.2022

UDIN: 22090809AWVXXK7198

Sd/-

(Rishi Pahwa)

Joint Managing Director

DIN: 00286399

Sd/-

(Mandeep Singh Pahwa)

Director

DIN: 00248245

**Avon Cycles Limited**  
**Standalone Cash Flow Statement For The Period Ended 31.03.2022**

(Amount ₹ in Lakh)

Particulars	2021	-	2022	2020	-	2021
<b>A. Cash Flow From Operating Activities</b>						
Net profit before tax			8,139.27			9,053.26
<b>Adjustments for :</b>						
Interest expenses	465.12			282.54		
Depreciation and Amortisation on PPE	2,760.84			2,448.01		
Profit/ Loss on Sales/ Fair Valuation of Investment	(2,242.24)			(2,849.23)		
Profit on Sales of Fixed Assets	(135.33)			(76.77)		
Loss on sale of Fixed Assets	-			-		
Interest Received	(732.62)			(1,072.25)		
Dividend Received	(20.49)			(16.98)		
(Profit)/loss on Share Trading	(510.71)			(505.26)		
Other Non-Operating Income	(77.84)			(46.47)		
Other Comprehensive Income	(65.66)			3.44		
Prior Period Adjustment	-			-		
Rent	(290.56)		(849.49)	(220.99)		(2,053.96)
Operating profit before working capital changes			<u>7,289.78</u>			<u>6,999.31</u>
<b>Adjustments for :</b>						
Trade Receivables	(663.82)			291.97		
Inventories	4,881.20			(6,450.50)		
Loan & Advances	(614.07)			725.81		
Other Financial Assets	(5,694.42)			4,962.94		
Other Assets (excluding Advance Tax)	1,756.42			(910.72)		
Trade Payables	(4,111.97)			6,219.07		
Other Financial Liabilities	(362.93)			1,292.27		
Provisions (Excluding Provision of Income Tax)	2.11			102.24		
Other Liabilities	188.97		(4,618.51)	1,556.83		7,789.91
Cash generations from operation			<u>2,671.27</u>			<u>14,789.21</u>
Taxes Paid			(2,143.65)			(1,689.00)
<b>Net Cash from operating activities (A)</b>			<u>527.62</u>			<u>13,100.21</u>
<b>B. Cash Flow From Investing Activities</b>						
Purchase of Fixed Assets	(6,434.74)			(4,197.43)		
Purchase of Investment	(3,872.70)			(6,644.66)		
Sale of Fixed Assets	4,695.94			223.24		
Interest Received	732.62			1,072.25		
Dividend Received	20.49			16.98		
Profit/Loss on Sales of Investment	2,242.24			2,849.23		
Profit/Loss on Share Trading	510.71			505.26		
Other Non-Operating Income	77.84			46.47		
Rent Received	290.56		(1,737.04)	220.99		(5,907.67)
<b>Net Cash From Investing Activities (B)</b>			<u>(1,737.04)</u>			<u>(5,907.67)</u>
<b>C. Cash Flow From Financing Activities</b>						
Interest Paid	(465)			(282.54)		
Dividend Paid	(179)			(179.29)		
Payment on Buy-Back of shares/ expenses on buy-back	(86)			-		
Proceeds/(Repayments) of/from loan funds	2,147		1,416	1,075.30		613.47
<b>Net Cash From Financing Activities (C)</b>			<u>1,416</u>			<u>613.47</u>
<b>Total (A + B + C)</b>			<u>206</u>			<u>7,806.01</u>
<b>Cash &amp; Cash Equivalents as on 01/04/21</b>			<u>19,813.95</u>			<u>12,007.94</u>
<b>Cash &amp; Cash Equivalents as on 31/03/22</b>			<u>20,020.25</u>			<u>19,813.95</u>

Note: The above Cash Flow statement has been prepared under Indirect Method as set out in Ind AS - 7 "Statement of Cash Flows".

In terms of our report attached  
For J. Arora & Co.  
Chartered Accountants  
Firm Registration No.011921N

For and on behalf of the Board

For and on behalf of the Board

Sd/-  
(Jeevan Arora)

Proprietor

M.No 090809

Place : Ludhiana

Dated: 27.09.2022

UDIN: 22090809AWVXXK7198

Sd/-

(Rishi Pahwa)

Joint Managing Director

DIN: 00286399

Sd/-

(Mandeep Singh Pahwa)

Director

DIN: 00248245

## Avon Cycles Limited

### Notes on Standalone Financial Statements for the period ended March 31, 2022

#### BACKGROUND

Avon Cycles Ltd. is a closely held company limited by shares, incorporated and domiciled in India. The registered address of the Company is located at G.T Road, Dhandari Kalan, Ludhiana - 141003. The Company is engaged in diversified businesses primarily dealing in manufacturing of Bicycle & Cycle Parts, E-Bikes, E-Rickshaws and Power.

#### 1) SIGNIFICANT ACCOUNTING POLICIES

##### a) Basis of Preparation:

###### i) Compliance with IndAs:

The Standalone Financial Statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] as amended thereafter and other relevant provisions of the Act.

###### ii) Historical Cost Convention:

The Standalone financial statements have been prepared on a historical cost basis, except for the following:

- a) Certain financial assets and liabilities (including derivative instruments) and contingent consideration that is measured at fair value;
- b) Defined benefit plans - plan assets measured at fair value.

##### b) Foreign currency translation:

###### i) Functional and presentation currency:

Items included in the Standalone financial statements of Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Standalone Financial Statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

###### (ii) Transactions and Balances:

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

##### c) Revenue Recognition:

Ind As 115 was issued on 28th March 2018 and supersedes Ind As 11 Construction Contracts and Ind As 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind As 115 establishes a five step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for

transferring goods or services to a customer. Ind As 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to the contract with their customers. The standard also specifies the accounting for incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures. The Company adopted Ind As 115 using modified retrospective method of adoption with the date of initial application of 1st April, 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or to only contracts that are not completed at this date. The Company elected to apply standard to contracts that are not completed at the date of initial application.

### **Recognising revenue from major business activities**

#### **Sale of Goods:**

**Timing of recognition:** The Company manufactures and sells Bicycle, Bicycle Parts, Ebikes, E-Rickshaws and Power. Sales are recognised when products are delivered to the dealer, the dealer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect dealer's acceptance of the products. Delivery occurs when the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the dealer, and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the company has objective evidence that all criteria for acceptance have been satisfied.

**Measurement of revenue:** The products are sold with volume discounts and customers have a right to return faulty products in the wholesale market. Revenue from sales is based on the price specified in the sales contracts, net of the estimated volume discounts and returns at the time of sale. Accumulated experience is used to estimate and provide for the discounts and returns. The volume discounts are assessed based on anticipated annual purchases. No element of financing is deemed present as the sales are made with a credit term of 60 days, which is consistent with market practice. Export sales are accounted for on the basis of Let Export date. Export incentives are accounted for on accrual basis. Revenue related to service coupons is deferred and is recognised whenever claimed by the dealer.

Interest income is recognised on time basis. Royalty income is recognised on accrual basis.

#### **d) Government Grants:**

Grants from the government are recognised at their fair value when there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions. Government grant relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income. Government grants relating to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss over the expected lives of the related assets and presented within other income.

**e) Income Tax:**

**i) Current Tax:**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Current income tax assets/liabilities for current year is recognized at the amount expected to be paid to and/or recoverable from the tax authorities.

**ii) Deferred Tax:**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Standalone financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In that case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**iii) Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment**

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

1. Whether an entity considers uncertain tax treatments separately.
2. The assumptions an entity makes about the examination of tax treatments by taxation authorities.

3. How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

4. How an entity considers changes in facts and circumstances.

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. The Company applies significant judgement in identifying uncertainties over income tax treatments.

**f) Leases:**

**As a lessee**

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

#### **As a lessor**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

#### **g) Impairment of Assets:**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non- financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

#### **h) Cash and Cash Equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

#### **l) Inventories:**

##### **Raw materials and stores, work in progress, traded and finished goods**

Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in- progress and finished goods comprises direct materials, direct



labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs. Costs are assigned to individual items of inventory on the basis of weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. . Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**j) Non-current assets held for sale:**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

**k) Property, Plant and Equipment:**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

**Depreciation methods, estimated useful lives and residual value:**

Depreciation is calculated using the Written Down Value method to allocate their cost, net of their residual values, over their estimated useful lives which is in conformity with the

requirements of the Companies Act, 2013. Depreciation is not recorded on Work - in- Progress until construction and installation is complete and asset is ready for its intended use.

**The estimated useful lives are as follows:**

Type of Asset	Useful Lives
Factory Buildings	30 Years
Other Buildings - RCC Structure	60 Years
Other Buildings - Non RCC Structure	30 Years
Leasehold Improvements	Lease Term
Plant & Equipment	15 Years
Furniture & Fixtures	10 Years
Office Equipment	10/ 5 Years
Computer Equipment	6 / 3 years
Vehicles	8 Years

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

**i) Investment Properties:**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not classified as owner occupied property, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using the written down value method over their estimated useful lives. Investment properties generally have a useful life of 30-60 years. The useful life has been determined based on technical evaluation performed by the management's expert.

**m) Intangible Assets:**

**Computer Softwares:** Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use.
- Management intends to complete the software and use it.
- There is an ability to use the software.
- It can be demonstrated how the software will generate probable future economic benefits.
- Adequate technical, financial and other resources to complete the development and to use the software are available, and
- The expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

**Trade Marks:** Trade marks are recognised as an asset as and when expense is incurred.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use. Intangible Assets are depreciated using the Written Down Value method to allocate their cost, net of their residual values, over their estimated useful lives which is in conformity with the requirements of the Companies Act, 2013.

**n) Trade and other payables**

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 45-60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

**o) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer material provision of a long-term loan arrangement on or before the end of the reporting period with settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the Standalone financial statements for issue, not to demand payment as a consequence of the breach.

**p) Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

**q) Provisions and Contingent Liabilities:**

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Contingent assets are neither recognised nor disclosed in Financial Statements.

**r) Employee benefits**

**(i) Short-term obligations**

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' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**(ii) Other long-term employee benefit obligations**

The liabilities, if any, which needs to be settled after 12 months from the end of the period in which the employees render the related services are are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of reporting period using the projected unit credit method.

**(iii) Post-employment obligations**

The group operates the following post-employment schemes:

- a) defined benefit plans such as gratuity, pension, post-employment medical plans; and
- b) defined contribution plans such as provident fund.

### **Gratuity obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

### **Defined contribution plans**

The group pays provident fund contributions to publicly administered provident funds as per local regulations. The group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

#### **(iv) Bonus plans**

The group recognises a liability and an expense for bonuses. The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

#### **s) Financial Assets:**

##### **(I) Classification:**

The company classifies its financial assets in the following measurement categories :-

- a) Those to be measured subsequently at fair value (either through other comprehensive income or through Statement of profit and loss), and
- b) Those measured at amortised cost.
- c) Investments in Subsidiaries are measured at Cost less impairment loss, if any.
- d) Investments in Associates are measured at Cost less impairment loss, if any.

The classification depends on the company's business model for managing the financial assets and the contractual terms of cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at the fair value through other comprehensive income.

**ii) Measurement:**

At initial recognition, the company measures a financial asset at its fair value plus transaction cost that are directly attributable to the acquisition of the financial asset. In the case of a financial asset at fair value through profit or loss, transaction costs of financial assets are expensed in the Statement of profit and loss.

The company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss. Investments in Subsidiaries and Associates is measured at Cost less impairment loss, if any.

**iii) Impairment of Financial Assets:**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less cost of disposal and its value in use.

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**iv) Derecognition of Financial Asset:**

A Financial Asset is derecognised only when:

- a) The Company has transferred the rights to receive the cash flows from the financial assets, or,
- b) Retains the contractual rights to receive the cash flows of the financial asset, but assumes contractual obligation to pay the cash flows to one or more recipient.

**v) Income Recognition:**

**Interest Income:** Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument

(for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

**Dividends:** Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the group, and the amount of the dividend can be measured reliably.

**t) Impairment of Non Financial Assets:**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable amount. The recoverable amount is higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from assets or group of assets (cash-generating units). Non-Financial assets suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**u) Offsetting Financial Instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

**v) Derivatives that are not designated as hedges:**

The Company enters into certain derivative/ forward contracts to hedge foreign currency risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss.

**w) Estimates & Judgements:**

The preparation of Standalone financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management has made judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses.

The areas involving critical estimates or judgements are:

- i) Estimation of current tax expense and payable.
- ii) Designation of financial assets /liabilities through FVTPL.
- iii) Estimation of defined benefit obligation.
- iv) Recognition of deferred tax assets for carried forward tax losses.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, , including expectations of future events that may have a financial impact on company and that are believed to be reasonable under the circumstances.

**x) Applicability of New and Revised Ind As:**

On March 23, 2022, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2022. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 1, 2022:

- i) Ind AS 101 – First time adoption of Ind AS
- ii) Ind AS 103 – Business Combination
- iii) Ind AS 109 – Financial Instrument
- iv) Ind AS 16 – Property, Plant and Equipment
- v) Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets
- vi) Ind AS 41 – Agriculture

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.



## Notes forming part of the Standalone Financial Statements

### 2. PROPERTY, PLANT & EQUIPMENT AS ON 31.03.2022

(₹ in Lakh)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET CARRYING AMOUNT	
	As on 31.03.2021	Additions/Trfd./ Adjustment	Sale/Trfd. / Adjustment	Total as on 31.03.2022	Upto 31.03.2021	For the year	Sale/ Trfd.	Upto 31.03.2022	As on 31.03.2022	As on 31.03.2021
<b>Own Assets:</b>										
Freehold Land	869.69	-	-	<b>869.69</b>	-	-	-	-	<b>869.69</b>	869.69
Factory Buildings	3,653.97	1,589.87	11.75	<b>5,232.09</b>	1,849.50	<b>265.87</b>	9.51	<b>2,105.86</b>	<b>3,126.23</b>	1,804.47
Other Buildings	143.07	-	-	<b>143.07</b>	86.56	<b>3.24</b>	-	<b>89.80</b>	<b>53.27</b>	56.51
Plant & Machinery	27,166.67	3,112.88	17.76	<b>30,261.79</b>	16,367.22	<b>2,228.93</b>	7.68	<b>18,588.47</b>	<b>11,673.32</b>	10,799.45
Furniture and Fixtures	328.99	15.28	-	<b>344.27</b>	264.2	<b>20.12</b>	-	<b>284.32</b>	<b>59.95</b>	64.79
Office Equipment	333.37	29.29	25.81	<b>336.85</b>	261.42	<b>23.15</b>	13.89	<b>270.68</b>	<b>66.17</b>	71.95
Computer Equipment	205.02	19.01	1.04	<b>222.99</b>	163.38	<b>24.44</b>	0.68	<b>187.14</b>	<b>35.85</b>	41.64
Vehicles	696.14	142.24	96.43	<b>741.95</b>	312.38	<b>122.37</b>	67.4	<b>367.35</b>	<b>374.6</b>	383.76
<b>Total</b>	<b>33,396.92</b>	<b>4,908.57</b>	<b>152.79</b>	<b>38,152.70</b>	<b>19,304.66</b>	<b>2,688.12</b>	<b>99.16</b>	<b>21,893.62</b>	<b>16,259.08</b>	<b>14,092.26</b>

Note: 1. Freehold Land includes Land of value Rs. 6.40 Lac and Factory Building includes Factory Building of value Rs. 2923.29 Lac hypothecated to Banks on Pari - Passu Charge Basis.

2. All title deeds of Immoveable property are in the name of the Company.

### 2.1 INVESTMENT PROPERTIES AS ON 31.03.2022

(₹ in Lakh)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET CARRYING AMOUNT	
	As on 31.03.2021	Additions/Trfd./ Adjustment	Sale/Trfd. / Adjustment	Total as on 31.03.2022	Upto 31.03.2021	For the year	Sale/ Trfd.	Upto 31.03.2022	As on 31.03.2022	As on 31.03.2021
Freehold Land	1,021.14	-	241.55	<b>779.59</b>	-	-	-	-	<b>779.59</b>	1,021.14
Buildings	2,684.83	1,065.69	2,613.77	<b>1,136.75</b>	756.14	<b>60.38</b>	596.23	<b>220.29</b>	<b>916.46</b>	1,928.69
<b>Total</b>	<b>3,705.97</b>	<b>1,065.69</b>	<b>2,855.32</b>	<b>1,916.34</b>	<b>756.14</b>	<b>60.38</b>	<b>596.23</b>	<b>220.29</b>	<b>1,696.05</b>	<b>2,949.83</b>

Note: All title deeds of Immoveable property are in the name of the Company.

### 2.2 INVESTMENT PROPERTIES HELD FOR SALE AS ON 31.03.2022

(₹ in Lakh)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET CARRYING AMOUNT	
	As on 31.03.2021	Additions/Trfd./ Adjustment	Sale/Trfd. / Adjustment	Total as on 31.03.2022	Upto 31.03.2021	For the year	Sale/ Trfd.	Upto 31.03.2022	As on 31.03.2022	As on 31.03.2021
Freehold Land	55.80	-	-	<b>55.80</b>	-	-	-	-	<b>55.80</b>	55.80
Building	7.26	-	-	<b>7.26</b>	0.79	-	-	<b>0.79</b>	<b>6.47</b>	6.47
<b>Total</b>	<b>63.06</b>	<b>-</b>	<b>-</b>	<b>63.06</b>	<b>0.79</b>	<b>-</b>	<b>-</b>	<b>0.79</b>	<b>62.27</b>	<b>62.27</b>

Note: 1. The Company intends to sale parcel of freehold land and building. No impairment loss was recognised in classification of land and building as held for sale as at March 31, 2022. The Company has received an advance of Rs. 12 Lakh shown in Other Current Liabilities (Schedule No. 28)

2. All title deeds of Immoveable property are in the name of the Company.

### 2.3 INTANGIBLE ASSETS AS ON 31.03.2022

(₹ in Lakh)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET CARRYING AMOUNT	
	As on 31.03.2021	Additions/Trfd./ Adjustment	Sale/Trfd. / Adjustment	Total as on 31.03.2022	Upto 31.03.2021	For the year	Sale/ Trfd.	Upto 31.03.2022	As on 31.03.2022	As on 31.03.2021
Softwares	386.35	9.84	-	396.19	345.37	7.97	-	353.34	42.85	40.98
Trade marks	27.23	1.07	-	28.3	11.34	4.38	-	15.72	12.58	15.89
<b>Total</b>	413.58	10.91	-	424.49	356.71	12.35	-	369.06	55.43	56.87

### 2.4 CAPITAL - WORK - IN- PROGRESS:

Ageing as on 31st March, 2022

(₹ in Lakh)

Amount in Capital WIP for a period of:					
	Less Than 1 Year	1-2 years	2-3 years	More than 3 Years	Total
Projects in Progress	428.46	18.58	-	-	447.04
Projects Temporarily Suspended	-	-	-	-	-
<b>Total</b>	428.46	18.58	-	-	447.04

Ageing as on 31st March, 2021

(₹ in Lakh)

Amount in Capital WIP for a period of:					
	Less Than 1 Year	1-2 years	2-3 years	More than 3 Years	Total
Projects in Progress	443.59	419.56	622.49	759.74	2,245.38
Projects Temporarily Suspended	-	-	-	-	-
<b>Total</b>	443.59	419.56	622.49	759.74	2,245.38

### 2.5 Depreciation & Amortisation Expense:

(₹ in Lakh)

Particulars	For the year Ended	For the year Ended
	31.03.2022	31.03.2021
Depreciation on Property, Plant & Equipment	2,688.12	2,328.44
Add: Depreciation on Investment Properties	60.38	104.52
Add: Amortisation on Intangible Assets	12.35	15.05
Add: Depreciation on Right of Use Assets	48.24	47.98
Deapreciation charged to Profit & Loss	<u>2,809.09</u>	<u>2,495.99</u>

### 3 ROU Asset and Lease Liabilities:

The Company has lease contracts for various Lands and buildings which have lease term ranging from 3 years to 30 years. On transition the Company has recognised right of use assets for leases of all assets, other than low value items or which are short term in nature. Lease liabilities were recognised for all such right of use assets equivalent to the amount of discounted value of all future lease payments.

Following are the changes in the carrying value of right of use (ROU) assets for the period ended March 31, 2022:

(₹ in lakh)

	Land	Building	Total As on 31 <sup>st</sup> March, 2022
Balance as on April 01, 2021	209.62	263.04	472.66
Adjustments in Opening Balance	-	-	-
Addition	-	0.62	0.62
Deletion	-	-	-
Depreciation	7.51	40.73	48.24
Balance as on March 31, 2022	202.11	222.93	425.04

Following are the changes in the carrying value of right of use (ROU) assets for the year ended March 31, 2021:

(₹ in lakh)

	Land	Building	Total As on 31 <sup>st</sup> March, 2021
Balance as on April 01, 2020	216.76	305.22	521.98
Adjustments in Opening Balance	0.37	(1.71)	(1.34)
Addition	-	-	-
Deletion	-	-	-
Depreciation	7.51	40.47	47.98
Balance as on March 31, 2021	209.62	263.04	472.66

The aggregate depreciation expense on ROU assets is included under depreciation and amortisation expenses in the statement of Profit & Loss.

The following is the break up of current and non current Lease Liabilities as on March 31, 2022:

Particulars	(₹ in lakh)	(₹ in lakh)
	As at	As at
	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Non - Current Lease Liabilities	246.64	270.44
Current Lease Liabilities	24.18	30.10
Total Lease Liabilities	<u>270.82</u>	<u>300.54</u>

Following is movement in Lease Liabilities during year ended March 31, 2022:

Particulars	(₹ in lakh)	(₹ in lakh)
	As at	As at
	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Balance in Beginning	300.54	328.49
Adjustments in Opening Balance	-	(2.59)
Addition during the year	0.62	30.96
Finance Cost accrued during the period	28.61	30.96
Payment of Lease Liabilities	58.95	56.32
<b>Balance at the End</b>	<u>270.82</u>	<u>300.54</u>

The table below provide details regarding the contractual maturities of lease liabilities as at March 31, 2022 on an undiscounted basis:

Particulars	(₹ in lakh)	(₹ in lakh)
	As at	As at
	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Less than One Year	49.91	58.65
One to Five Years	261.88	258.97
More than Five years	80.11	132.51
<b>Total</b>	<u>391.90</u>	<u>450.13</u>

The following are the amounts recognised in the statement of Profit and Loss:

Particulars	(₹ in lakh)	(₹ in lakh)
	As at	As at
	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Depreciation Expense on Right to Use Asset	48.24	47.98
Interest Expense on Lease Liabilities	28.61	30.96
Expense relating to Low Value and Short Term Leases (included in other Expenses)		0.052.69
<b>Total Amount recognised in profit and Loss account</b>	<u>76.90</u>	<u>81.63</u>

(₹ in lakh)

4. NON- CURRENT INVESTMENTS	As at		As at	
Non-current investments consist of the following :	31 <sup>st</sup> March, 2022		31 <sup>st</sup> March, 2021	
<b>INVESTMENTS CARRIED AT FVTPL</b>				
<b>a) INVESTMENTS QUOTED</b>	<u>Units/Shares</u>		<u>Units/Shares</u>	
<b>(i) Investment in equity/ Pref. shares (quoted)</b>				
Bihar Sponge Ltd of Rs.10 each	100	-	100	-
Steel Strips Tubes Ltd. of Rs.10 each	500	0.02	500	0.02
Indian Acrylic Ltd of Rs.10 each	6,000	0.60	6,000	0.60
Super Poly Fabrics Ltd. of Rs.10 each	3,900	0.39	3,900	0.39
Munjial Auto Industries Ltd of Rs.10 each	1,000	0.54	1,000	0.54
Shivam Autotech Limited of Rs.10 each	1,000	0.18	1,000	0.18
TV Today Network Ltd of Rs.10 each	600	2.23	600	1.59
NDTV Ltd. of Rs.10 each	1,700	3.86	1,700	0.96
NTPC Ltd. of Rs.10 each	16,591	22.40	16,591	17.68
NHPC Ltd. of Rs.10 each	5,034	1.40	5,034	1.23
Punjab National Bank of Rs.10 each	2,355	0.83	2,355	0.86
Bank of Baroda of Rs.10 each	1,427	1.59	1,427	1.06
Jet Airways (India) Limited of Rs.10 each	355	0.28	355	0.33
Tech Mahindra Ltd of Rs.10 each	892	13.38	892	8.84
Reliance Power Ltd of Rs.10 each	1,192	0.16	1,192	0.05
Karur Vyasa Bank of Rs.10 each	816	0.45	816	0.45
Zee Entertainment Pvt. Ltd.	-	-	650,000	12.35
Yes Bank Ltd. of Rs. 2 each	100,000	12.30	100,000	15.60
Shilpa Mediacre Ltd. of Rs. 1 each	16,201	64.51	-	-
		<u>125.12</u>		<u>62.73</u>
<b>b) INVESTMENTS UNQUOTED</b>				
<b>(i) Investment in equity shares of Subsidiary Companies:</b>				
Avon Newage Cycles Pvt. Ltd.	18,928,000	4,149.14	9,464,000	946.40
Avon Energies & Investments Pvt. Ltd.	10,000	1.00	-	-
		<u>4,150.14</u>		<u>946.40</u>
<b>(ii) Investment in equity shares of Associate Companies:</b>				
Avon Infrabiz Pvt. Ltd.	15,000,100	1,500.01	15,000,100	1,500.01
		<u>1,500.01</u>		<u>1,500.01</u>
<b>(iii) Investment in other equity/preference shares:</b>				
<b>a) Fully Paid up shares:</b>				
Pahwa Estates & Holdings (Pvt) Ltd of Rs.100 each	100	2.76	100	2.37
Nimbua Greenfield (Punjab) Ltd of Rs.10 each	84,375	127.12	84,375	122.48
NSE Ltd. of Rs. 1 each	-	-	51,000	601.80
Greenpedia Bikeshare Pvt. Ltd. of Rs. 10/- each	1,580	625.05	790	187.46
		<u>754.93</u>		<u>914.11</u>

(iv)	<b>Investment in AIF/ Real Estate and Pvt. Equity funds(unquoted)</b>				
	ICICI Ventures Pvt. Equity Fund	2,560	18.31	2,560	10.14
	Kaizen Domestic Scheme-I	100	16.79	100	20.92
	Aditya Birla Private Equity Class A Unit	200	0.19	200	0.19
	TVS Shriram Growth -Sch IB	-	-	1	45.86
	Kotak Alternative Opportunity India Fund	-	1.26	-	5.09
	Kotak India Growth Fund-II	200	28.65	200	23.25
	Kotak India Venture Fund- I	16,000	29.33	16,000	12.53
	IIFL Income Opportunity Fund - Spl Situation Fund	-	-	938,541	12.74
	Peninsula Brookfield India Real Estate Fund	282	21.27	282	21.27
	Baring Private Equity India AIF	100	437.57	200	316.63
	India Whizdom Fund	-	-	-	45.60
	Avendus Absolute Return Fund	-	132.68	-	124.91
	Edelweiss Crossover Opportunities Fund	218,813	69.50	528,920	89.19
	Avendus Enhanced Return Fund - Class A1	-	-	-	246.34
	White Oak India Equity Fund	-	-	949,884	163.97
	IIFL Special Opportunities Fund Series-7	973,276	174.86	973,276	133.18
	Motilal Oswal Focussed Business Advantage Fund	1,000,000	164.95	1,000,000	157.47
	Samyakth Leasing Service LLP	-	-	-	25.00
	IIFL Select Series - II	1,200,000	179.78	1,200,000	160.35
	Axis Rera Opportunities Fund - AIF series -I	78	84.39	98	106.41
	Sundaram India Premier Fund	29,558	502.31	29,558	406.67
	IIFL India Private Equity Fund - Series	921,838	95.12	500,285	65.60
	Mindspace Business Parks - REIT	11,800	40.89	11,800	34.79
	ICICI Prudential Emerging Dominance Fund	91,652	108.03	29,350	30.74
	Kotak Optimus Aggressive Scheme - Class	280	386.60	207	251.04
	Motilal Oswal Equity Opp. Fund - Series II	736,800	98.03	-	-
	Edelweiss Crossover Opportunities Fund - Series -III	474,637	60.69	-	-
	White Oak India Equity Fund IV	905,219	104.63	-	-
	Kotak Pre - IPO Opportunities Fund	25,980	278.49	-	-
	India Whizdom Fund - II	2,500,000	267.70	2,500,000	249.83
	Emerging India Credit Opportunities Fund	346	346	-	-
	Baring Private Equity India AIF - II	100	19.29	-	-
	Avendus Enhanced Return Fund II - Class	-	256.90	-	-
	Power Grid Infrastructure Trust AIF	11,000	14.73	-	-
			<u>3,938.94</u>		<u>2,759.71</u>
(v)	<b>Investment in Mutual Funds (Unquoted)</b>				
	HDFC Banking and PSU Debt Fund - Reg Plan - Growth	1,604,353	299.09	1,604,353	286.18
	HDFC Banking and PSU Debt Fund - Direct Growth Option	489,881	93.86	489,881	89.4
			<u>392.95</u>		<u>375.58</u>
	<b>INVESTMENTS CARRIED AT AMORTISED COST:</b>				
(i)	Investment in debentures and bonds (unquoted)				
	Bharat Bond FOF - April 2031- Reg Plan - Growth	9,999,500	1,113.51	9,999,500	1,045.15
			<u>1,113.51</u>		<u>1,045.15</u>
	<b>TOTAL NON-CURRENT INVESTMENTS</b>		<u>11,975.60</u>		<u>7,603.69</u>

Note: The Market Value of Quoted Investments is equal to the carrying value.

<b>5</b>	<b>LONG TERM LOANS &amp; ADVANCES</b>	(₹ in lakh)	(₹ in lakh)
	Long term loan and advances consist of the following :-	As at	As at
		<b>31st March, 2022</b>	31st March, 2021
a)	Unsecured, considered good Other Loans & Advances	-	0.65
		<u>-</u>	<u>0.65</u>
	Other Loans & Advances includes:- Margin Money	-	0.65
<b>6</b>	<b>OTHER FINANCIAL ASSETS</b>	(₹ in lakh)	(₹ in lakh)
	Other Financial assets consist of the following :-	As at	As at
		<b>31st March, 2022</b>	31st March, 2021
	(i) Security deposits	133.02	84.29
	(ii) Bank Deposits with more than 12 months maturity	6,461.01	680.63
	(iii) Other Financial Assets	-	-
		<u>6,594.03</u>	<u>764.92</u>
<b>7</b>	<b>OTHER NON CURRENT ASSETS</b>	(₹ in lakh)	(₹ in lakh)
	Other non current assets consist of the following :-	As at	As at
		<b>31st March, 2022</b>	31st March, 2021
	(i) Advance tax (including refunds receivable)	4,339.04	5,520.74
	(ii) Advances to Related Parties	-	-
	(iii) Other non-current assets	49.32	86.00
		<u>4,388.36</u>	<u>5,606.74</u>
	<b>Other Loans &amp; Advances Consists of:</b>		
	- Deferred Revenue Expenditure	1.33	1.64
	- Prepaid Expenses	25.64	65.71
<b>8</b>	<b>INVENTORIES</b>	(₹ in lakh)	(₹ in lakh)
	Inventories consist of the following :	As at	As at
		<b>31st March, 2022</b>	31st March, 2021
	Raw Materials	264.12	295.38
	Work-in-progress	325.77	270.49
	Finished Goods	5,599.66	9,914.54
	Stores & Spares	220.82	206.56
	Stock in trade	87.35	54.31
	Securities Stock	111.76	749.39
		<u>6,609.48</u>	<u>11,490.67</u>

**9 CURRENT INVESTMENTS**

Current investments consist of the following :

(₹ in lakh)

(₹ in lakh)

As at  
31st March, 2022As at  
31st March, 2021**INVESTMENTS CARRIED AT FVTPL****i) Investment in shares (quoted)**

ACC Limited	656	14.11	656	12.49
Aavas Financiers Ltd.	222	5.7	208	5.03
Abbott India Ltd	28	4.96	-	-
Aegis Logistics Ltd	-	-	3,023	9.01
Aditya Birla Fashion & Retail Ltd.	-	-	903	1.82
Allcargo Logistics Ltd	1,040	3.73	-	-
Alkem Laboratories Ltd.	-	-	66	1.83
Angel One Ltd	363	5.58	-	-
Anup Engineering Ltd	166	1.32	-	-
APL Apollo Tubes Ltd.	1,480	13.53	783	10.97
Asahi India Glass Ltd.	-	-	3,018	9.35
Asian Paints Ltd.	532	16.39	-	-
Aster DM Healthcare Limited	-	-	5,679	7.81
AU Small Finance Bank Ltd.	-	-	496	6.08
Axis Bank Ltd.	2,943	22.4	1,919	13.38
Bajaj Finance Ltd.	291	21.13	-	-
Bajaj Finserv Ltd	53	9.04	-	-
Balaji Amines Ltd.	82	2.38	394	6.93
Balrampur Chini Mills Ltd.	-	-	1,941	4.16
Balkrishna Industries Ltd	211	4.51	-	-
Bank of Baroda	5,139	5.74	-	-
Bayer Cropscience Limited	-	-	41	2.19
Bharat Forge Ltd.	1,668	11.69	454	2.71
Bharat Petroleum Corporation Ltd.	-	-	764	3.27
Bharti Airtel Ltd	4,024	30.38	2,363	12.22
Bharti Airtel Ltd Partly Paid 1.25 PF	226	0.89	-	-
Birla Corporation Ltd	714	8.44	194	1.84
Birlasoft Ltd.	694	3.16	-	-
Blue Star Ltd.	-	-	1,096	10.24
Bosch Ltd	-	-	25	3.52
Brigade Enterprises Ltd.	4,825	24.95	4,960	13.76
Cadila Healthcare Ltd.	-	-	605	2.67
Camlin Fine Sciences Ltd	3,759	5.24	5,246	7.37
Canfin Homes Ltd.	1,212	7.65	-	-
Central Depository Services (India) Limited	503	7.45	571	3.75
Cerebra Integrated Technologies Ltd	12,859	10.12	-	-
Cholamandalam Investment & Finance Company Ltd.	1,448	10.4	-	-
Cipla Ltd	-	-	1,110	9.05
Colgate Palmolive (India) Limited	-	-	217	3.38
Container Corporation of India Ltd	3,029	20.36	486	2.91
Crompton Greaves Consumer Electrical Ltd.	888	3.32	888	3.49
Cummins India Ltd.	1,230	13.79	348	3.2
DCM Shriram Industries Ltd	485	0.45	-	-
Deepak Fertilizers & Pharmaceuticals Corp. Ltd.	-	-	1,021	2.31
Deepak Nitrite Ltd.	229	5.14	509	8.43
Dr. Reddy's Laboratories Ltd.	94	4.04	94	4.25
Divis Laboratories Ltd	77	3.39	-	-
Dr. Lal Pathlabs Ltd	225	5.87	-	-
Eicher Motors Ltd.	-	-	240	6.25
Emami Limited	-	-	772	3.75
Equitas Holdings Ltd.	3,962	4.22	1,894	1.65
Federal Bank Ltd	3,049	2.97	-	-
Fortis Healthcare Ltd	1,900	5.52	-	-
Gati Ltd.	5,180	8.49	2,148	2.2
Gland Pharma Ltd.	-	-	223	5.53
Godrej Industries Ltd.	-	-	753	4.11
Gokaldas Exports Ltd	1,437	5.81	-	-
GM Overseas Ltd	2,054	13.17	-	-
GTPL Hathway Ltd	49	0.09	-	-



Gujarat Pipapav Port Ltd	5,013	3.83	-	-
Granuels India Ltd.	-	-	1,707	5.18
H G Infra Engineering Ltd	312	1.74	-	-
HCL Technologies Ltd	157	1.83	-	-
HDFC Bank Ltd	2,147	31.57	918	13.71
HIL Ltd.	42	1.67	-	-
Hindustan Petroleum Corporation Ltd	-	-	1,114	2.61
IDFC Bank Ltd.	4,597	2.84	-	-
ICICI Bank Ltd	6,328	46.21	5,369	31.25
ICICI Lombard General Insurance Co. Ltd.	-	-	624	8.94
IIFL Finance Ltd.	2,541	7.25	1,336	3.75
Indian Energy Exchange Ltd	2,814	6.32	1,457	4.85
Indian Hotels Company Ltd	1,479	3.53	-	-
Indraprastha Gas Ltd	995	3.71	-	-
Info Edge (India) Ltd	221	9.97	-	-
Infosys Ltd	1,064	20.29	575	7.87
Infosys Technologies Ltd	1,088	20.75	-	-
Inox Leisure Ltd.	3,225	17.09	2,366	6.75
Intellect Design Arena Ltd	1,129	10.7	-	-
Ion Exchange India Ltd	103	1.71	-	-
Isgec Heavy Engineering Ltd	1,091	5.6	-	-
IPCA lab Ltd.	-	-	275	5.24
ITC Ltd.	-	-	1,207	2.64
Jamna Auto Industries Ltd.	6,660	6.62	8,261	5.56
Jindal Stainless Hisar Ltd	1,091	4.25	-	-
Jubilant Foodworks Ltd	268	7.07	-	-
Jubilant Ingrevia Limited	351	1.58	-	-
Jubilant Pharmova Ltd	373	1.45	-	-
Jindal Saw Ltd.	-	-	2,941	2.18
K R B L Ltd.	1,374	2.77	965	1.73
Kopran Ltd	762	2.14	-	-
Kotak Mahindra Bank Ltd	786	13.79	770	13.5
L & T Technology Services Ltd.	238	12.15	263	6.98
Larsen & Toubro Infotech Ltd	-	-	66	2.68
Larsen & Toubro Ltd.	947	16.74	127	1.8
Laxmi Organic Industries Limited	648	2.59	-	-
Lumax Auto Technologies Ltd.	2,550	4.27	2,550	4.14
M. M Forgings Ltd.	-	-	54	0.27
Maruti Suzuki India Ltd.	96	7.26	-	-
Mastek Ltd	108	3.59	-	-
Max Financial Services Ltd.	240	1.81	947	8.14
Mayur Uniquoters Ltd.	804	2.88	804	3.35
Mphasis Ltd	113	3.82	-	-
Motherson Sumi System Ltd	-	-	6,146	12.38
Marico Ltd.	-	-	2,864	11.78
Muthoot Finance Ltd.	-	-	343	4.14
Neogen Chemicals Ltd.	-	-	678	5.86
Nestle India Ltd	678	11.83	-	-
Nilkamal Ltd	43	7.47	-	-
Oberoi Realty Ltd	102	2.07	-	-
Oracle Financial Services Software Ltd	572	5.37	-	-
Orient Electric Ltd.	39	1.4	2,822	8.79
Page Industries Ltd.	-	-	22	6.67
Pheonix Mills Ltd.	723	7.95	723	5.66
PNC Infratech Limited	-	-	982	2.53
Pitti Engineering Ltd	359	1.16	-	-
Ploycab India Ltd.	340	8.04	340	4.69
Prism Jhonson Ltd.	3,965	4.57	3,965	5.2
Qess Corp Ltd.	-	-	808	5.65
RBL Bank	-	-	1,697	3.52
Radico Khaitan Ltd.	328	2.91	817	4.58
Reliance Industries Ltd	645	16.99	550	11.02
Restaurant Brands Asia Ltd	6,011	6.05	-	-
Rites Ltd	1,497	3.93	-	-

Rupa And Company Ltd	350	1.53	-	-
Sarda Energy And Minerals Ltd	210	2.38	-	-
Saregama India Ltd	37	1.79	-	-
S P Apparels	-	-	3,215	4.92
SBI Life Insurance Co. Ltd.	1,784	20.01	1,200	10.57
Shilpa Medicare Ltd.	869	3.46	536	1.79
Shoppers Stop Ltd	1,097	5.16	-	-
Skipper Ltd	728	0.40	-	-
SRF Ltd.	540	14.47	-	-
State Bank of India	4,168	20.57	3,691	13.45
Steel Authority of India Ltd.	-	-	3,946	3.11
Surya Roshni Ltd.	884	3.65	916	3.16
Steel Exchange India Ltd	4,617	11.03	-	-
Sun Pharmaceuticals Industries Ltd	1,972	18.04	1,830	10.94
SVP Global Ventures Ltd	2,346	1.04	-	-
Suprajit Enginnering Limited	-	-	3,507	9.66
Tanla Platforms Ltd.	559	8.54	367	3
Tata Chemicals Ltd.	1,072	10.45	1,303	9.8
Tata Consultancy Services Ltd.	443	16.57	425	13.51
Tata Elxsi Ltd.	71	6.28	285	7.67
Tata Motors Ltd -Dvr	3,328	6.87	-	-
Tata Power Co Ltd	5,804	13.85	-	-
Tata Steel Ltd	1,563	20.43	-	-
TCI Express Ltd	286	4.87	-	-
Tech Mahindra Ltd	-	-	524	5.20
Trent Ltd.	560	7.15	560	4.21
Triveni Engineering & Industries Ltd	3,152	9.81	-	-
TVS Motor Company Ltd	1,788	11.19	-	-
Ultratech Cement Ltd	139	9.18	-	-
United Breweries Ltd	647	9.64	762	9.46
UPL Ltd.	317	2.44	-	-
Vadilal Industries Ltd	62	0.87	-	-
Vaibhav Global Ltd.	855	3.20	171	6.55
Vedanta Ltd	1,895	7.64	-	-
Vishal Fabrics Ltd	4,547	1.6	-	-
VRL Logistics Ltd	1,833	9.06	-	-
Voltas Ltd.	-	-	1,694	16.97
Westlife Development Ltd.	-	-	1,169	5.37
Wipro Ltd.	-	-	1,537	6.37
Zee Entertainment Enterprises Ltd	2,552	7.36	-	-
ZF Commercial Vehicle Control Ststems India Ltd	77	5.86	-	-
Zota Health Care Limited	1,534	4.57	-	-
		<b>999.61</b>		<b>594.21</b>

ii) Investment in mutual funds (unquoted)

ICICI Pru Liquid - Reg Plan - Daily Div	-	-	38	0.04
ICICI Pru Short Term Fund - Direct Plan - Growth	372,070	189.92	372,070	180.90
ICICI Pru Balanced Advantage Fund- Growth	304,101	150.68	304,101	134.53
ICICI Prudential Blue Chip Fund	114,805	75.29	90,387	48.47
ICICI Prudential Focussed Equity Fund - Growth	155,452	76.05	155,452	61.36
ICICI Prudential Short Term - Growth Option	36,572	17.48	36,572	16.77
ICICI Liquid Plan Growth	3,772	11.81	3,772	11.43
ICICI Pru Regular Saving Fund - Direct Plan- Growth	2,617,376	710.66	2,617,376	661.62
ICICI Prudential FMP Series 82 - 1135 days Plan - V Commulative	-	-	1,000,000	124.03
ICICI Prudential Short Term - Growth Option	10,707	5.12	-	-
ICICI Prudential Equity Savings Fund Cumulative	405,915	69.82	-	-
ICICI Prudential India Opportunities Fund Growth	96,979	17.15	-	-
ICICI Prudential MNC Fund Growth	55,203	10.28	-	-
ICICI Prudential Banking and PSU Debt Fund - Growth	88,665	23.17	88,665	22.15
ICICI Prudential Short Term Fund - Growth	390,798	186.75	390,798	179.23
ICICI Prudential Short Term Fund - Direct plan - Growth	301,553	153.93	301,553	146.61
ICICI Pru Banking & PSU Debt Fund - Direct Plan - Gr	347,908	93.66	347,908	89.12
ICICI Pru Short Term Fund - Direct Plan - Growth	301,623	153.96	301,623	146.65

ICICI Prudential Liquid Fund - Growth	69,321	<b>217.08</b>	79,034	239.51
ICICI Prudential Liquid Fund - Direct Plan - Growth	-	-	6,703	20.43
ICICI Prudential Liquid Fund - Direct Plan - Growth	43,884	<b>138.35</b>	38,046	115.94
ICICI Prudential Banking and PSU Debt Fund - Growth	579,686	<b>151.50</b>	-	-
Nippon India Short Term Fund - Growth	1,119,402	<b>479.06</b>	1,119,402	456.66
Nippon India Liquid Fund	208	<b>0.24</b>	-	-
Invesco India Growth India Opp. Fund - Growth (GF-GP)	80,808	<b>41.16</b>	80,808	35.17
UTI Hybrid Eq. Fund - Growth	66,376	<b>163.92</b>	66,376	136.72
UTI Core Equity Fund	-	-	274,631	216.89
UTI Long Term Advantage - Series VI- Regular - Gr.	-	-	310,850	32.72
UTI Value Opportunities Fund - Reg - Growth	66,398	<b>65.62</b>	181,209	150.22
UTI Long Term Equity Fund- Tax Saving - Regular Plan- Growth	25,900	<b>36.45</b>	-	-
UTI Money Market Fund - Direct Growth Plan Regular Plan- Growth	9,192	<b>228.95</b>	-	-
UTI Flexi Cap Fund Regular Plan	25,515	<b>62.50</b>	-	-
UTI Liquid Cash Plan - Reg Plan- Gr	1,116	<b>38.67</b>	2,713	90.95
UTI Flexi Cap Fund- Regular - Growth	24,515	<b>60.05</b>	12,975	27.56
UTI Healthcare Fund - Reg Plan- Gr	34,949	<b>54.87</b>	18,303	25.51
UTI Small Cap Fund - Reg Plan - GR	251,079	<b>38.19</b>	251,079	27.85
UTI Equity Fund	5,000	<b>8.32</b>	5,000	7.41
Birla Sun Life Cash Manager - Regular Plan - Growth	-	-	21	0.11
Birla Sun Life Advantage Fund - Growth Plan - Reg	-	-	8,781	47.52
ABSL Frontline Equity Fund - Reg - Growth	21,784	<b>73.50</b>	17,136	48.13
Kotak Money Market Scheme- Growth- Regular	331	<b>11.92</b>	331	11.48
Kotak Equity Fund Growth - Reg Plan	71,434	<b>51.00</b>	71,434	40.99
Kotak Pioneer Fund Growth (Reg Plan)	1,250,017	<b>223.87</b>	-	-
Kotak India Growth Fund - Series 5- Reg Plan	-	-	1,960,000	285.18
Kotak Bond Fund (Short Term) - Reg - Growth	276,522	<b>117.76</b>	276,522	112.97
Kotak Liquid Fund - Growth - Direct	2,119	<b>91.20</b>	1,159	48.21
Kotak Liquid Fund - Growth - Direct	228	<b>9.77</b>	-	-
Kotak Equity Opportunities Fund - Growth - Reg Plan	47,217	<b>92.60</b>	-	-
HDFC Mid Term Opportunities Reg Plan - Growth	4,207,736	<b>1,099.61</b>	4,207,736	1,048.90
HDFC Capital Builder Value Fund - Reg- Growth	899	<b>3.88</b>	899	3.14
HDFC Equity Fund - Reg - Growth	4,109	<b>41.55</b>	4,109	32.77
HDFC Small Cap Fund - Reg Plan - Growth	62,868	<b>44.64</b>	62,868	33.23
HDFC Low Duration Fund - Reg Plan - Growth	104,172	<b>48.77</b>	104,172	46.89
Axis Global Innovation Fund of Fund Reg Plan Growth	499,975	<b>49.50</b>	-	-
Axis Short Term Fund - Regular Growth	2,125,315	<b>529.82</b>	2,125,315	507.81
Axis Liquid Fund - Growth	3	<b>0.07</b>	3	0.07
Axis Banking & PSU Debt Fund - Direct Growth( BD-DG)	4,225	<b>92.40</b>	4,225	88.63
Axis Banking & PSU Debt Fund - Regular Growth( BD-GP)	1,072	<b>22.94</b>	1,072	22.07
Axis Focused 25 Fund - REGULAR GROWTH( AF-GP)	101,047	<b>43.56</b>	101,047	37.87
Axis Liquid Fund - Regular Growth( CF-GP)	-	-	933	21.21
IDFC Banking & PSU Debt Fund - Reg - Growth	116,158	<b>23.25</b>	116,158	22.34
IDFC Banking & PSU Debt Fund - Direct Plan - Growth	459,382	<b>93.71</b>	459,382	89.77
Sundaram Aggressive Hybrid Fund (ealier known as Principal Balanced Fund) - Reg - Growth	159,922	<b>177.13</b>	159,922	150.18
Principal Small Cap Fund - Reg - Growth	-	-	300,000	48.24
Sundaram Short Duration Fund (earlier known as Principal Short Term Debt Fund) - Reg Plan- Growth	8,851	<b>3.17</b>	8,851	3.04
Principal Focussed Multicap Fund- Regular Plan Growth	-	-	210,001	186.73
Sundaram Balanced Advantage Fund (ealier known as Principal Balanced Advantage Fund) - Reg - Gr	560,619	<b>141.74</b>	560,619	129.56
Sundaram Focused Fund (earlier known as Principal Focussed Multicap Fund)- Direct- Growth	69,696	<b>81.69</b>	69,696	65.67
Sundaram Focused Fund (earlier known as Pricipal Focussed Multicap Fund) - Direct Plan - Growth	38,272	<b>44.86</b>	38,272	36.06
SBI Blue Chip Fund- Regular- Growth	118,670	<b>71.38</b>	92,800	48.06
SBI Bluechip Fund - DIRECT- Growth	122,918	<b>80.03</b>	-	-
PGIM India Dynamic Bond Fund - Direct Plan - growth	4,309	<b>100.53</b>	-	-
Mirae Asset Cash Mangement Fund - Direct Plan growth	3,384	<b>76.04</b>	-	-
Parag Parikh Liquid Fund Direct Plan Growth	8,505	<b>101.34</b>	-	-
Canara Robeco Gilt Fund - direct Growth	155,149	<b>100.76</b>	-	-
		<b>7,474.65</b>		<b>6,623.28</b>

<b>INVESTMENTS CARRIED AT AMORTISED COST:</b>	(₹ in lakh)	(₹ in lakh)
	As at	As at
	31st March, 2022	31st March, 2021
<b>(i) Investment in Mutual Funds (Unquoted)</b>		
DSP BR FMP- Sr227-39M-Reg- Gr Mat 27.5.21	-	1,000,000
DSP BR FMP- Sr227-39M-D-Reg- Gr-Mat 27.5.21	-	3,000,000
ICICI Pru Sr 82-1170 days PlanR DR Com 08Jul21	-	3,000,000
HDFC FMP 1177D Mar2018(1) Sr 39 - D-Gr	-	3,500,000
HDFC FMP 1177D Mar2018(1) Sr 39 -D-Gr	-	1,500,000
UTI FTI Series XXVIII-XIII(1134 d)- Dir Gr Plan	-	1,000,000
ABSL Fixed Term Plan - Series QG (1100 days)- Reg.	-	1,000,000
	<u>-</u>	<u>1,755.95</u>
<b>TOTAL CURRENT INVESTMENTS</b>	<b>8,474.26</b>	<b>8,973.44</b>

Note: The Market Value of Quoted Investments is equal to the carrying value.

<b>10 TRADE RECEIVABLES (Unsecured)</b>	(₹ in lakh)	(₹ in lakh)
	As at	As at
	31st March, 2022	31st March, 2021
Trade receivable consist of the following : -		
<b>a) Receivable from Related Parties</b>		
Unsecured, considered good	<b>74.36</b>	51.37
<b>b) Receivable from Others</b>		
<b>i) Unsecured, Considered good</b>	<b>13,804.75</b>	13,248.50
<b>ii) Receivables which have significant increase in credit risk</b>	<b>334.88</b>	253.36
Less:		
Impairment Allowance (Allowance for Doubtful Receivables)	<b>(250.30)</b>	(253.36)
	<u><b>13,963.69</b></u>	<u>13,299.87</u>

#### 10.1 Trade Receivables Ageing:

Particulars	Outstanding for following periods from due date of payment					Total
	Less Than 6 Months	6 Months to 1 Year	1 - 2 Years	2 - 3 Years 3 Years	More than 3 Years	
<b>As at 31st March, 2022:</b>						
(i) Undisputed Trade Receivables - considered good	5072.07	313.88	358.99	168.48	763.09	6676.51
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	97.29	92.02	5.92	4.77	134.89	334.89
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>5169.36</b>	<b>405.90</b>	<b>364.91</b>	<b>173.25</b>	<b>897.98</b>	<b>7011.40</b>

Particulars	Outstanding for following periods from due date of payment					(₹ in lakh)
	Less Than 6 Months	6 Months to 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
<b>As at 31st March, 2021:</b>						
(i) Undisputed Trade Receivables - considered good	1659.50	175.23	399.45	917.14	412.48	3563.80
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	8.23	33.48	58.96	37.47	115.22	253.36
(iii) Undisputed Trade Receivables - credit impaired						
(iv) Disputed Trade Receivables - considered good						
(v) Disputed Trade Receivables - which have significant increase in credit risk						
(vi) Disputed Trade Receivables - credit impaired						
<b>Total</b>	<b>1667.73</b>	<b>208.71</b>	<b>458.41</b>	<b>954.61</b>	<b>527.70</b>	<b>3817.16</b>

### 11 CASH AND CASH EQUIVALENTS

(₹ in lakh)

(₹ in lakh)

Cash and Cash Equivalents consist of the following :-

As at  
31st March, 2022

As at  
31st March, 2021

Cash & cash equivalents

i) Balances with banks		
In current accounts	1,312.21	748.10
In cash credit accounts	1,078.51	1,675.08
(ii) Cheques on hand	159.77	61.51
(iii) Cash on hand	5.08	4.72
(iv) Imprest Balances	2.77	2.48
(v) Imprest Balances - Related Parties	-	-
(vi) Highly Liquid Investment with maturity of three months or less	15,481.03	10,977.05
	<u>18,039.37</u>	<u>13,468.94</u>

### 12 OTHER BALANCES WITH BANKS

(₹ in lakh)

(₹ in lakh)

Cash and Cash Equivalents consist of the following :-

As at  
31st March, 2022

As at  
31st March, 2021

Other bank balances consists of following:

- Short - Term Bank Deposits	1,980.88	6,345.01
	<u>1,980.88</u>	<u>6,345.01</u>

### 13 SHORT TERM LOANS AND ADVANCES

(₹ in lakh)

(₹ in lakh)

Short term loans and advances consist of the following :-

As at  
31st March, 2022

As at  
31st March, 2021

a) Secured, considered good	-	-
b) Unsecured, considered good		
(i) Loans and Advances to Subsidiaries	488.80	-
(ii) Loans and Advances to Related Parties	920.19	-
(iii) Loans and Advances to Employees	107.73	121.94
(iv) Other loans and advances		
a) Unsecured, Considered good	2,898.29	3,678.35
b) Considered Doubtful	5.15	40.35
Less:		
Allowance for Doubtful Loans and Advances	(5.15)	(40.35)
	<u>4,415.01</u>	<u>3,800.29</u>

**Other loans and advances considered good includes**

- Interest bearing loans & deposits	2,917.42	1,945.99
- Margin Money	266.45	234.37

<b>14 OTHER FINANCIAL ASSETS</b>	(₹ in lakh)	(₹ in lakh)
Other current assets consist of the following :-	As at	As at
	31st March, 2022	31st March, 2021
a) Interest receivable	32.06	42.74
b) Other Financial Assets	141.43	265.44
	<u>173.49</u>	<u>308.18</u>
Other financial assets includes :		
- Duty Drawback Receivable	38.21	19.37
- Subsidy receivable at Hajipur	-	5.49
- VAT Incentive Receivable at Hajipur	6.82	6.82
- Forward contract receivable a/c (net)	-	18.76
- MEIS/ Rodtep Incentive Receivable	44.00	91.48
<b>15 OTHER CURRENT ASSETS</b>	(₹ in lakh)	(₹ in lakh)
Other current assets consist of the following :-	As at	As at
	31st March, 2022	31st March, 2021
(ii) Other Current Assets	1,456.98	3,129.10
Less:		
Allwaonce for Doubtful Other Assets	(8.84)	(8.84)
	<u>1,448.14</u>	<u>3,120.26</u>
<b>16 SHARE CAPITAL</b>	(₹ in lakh)	(₹ in lakh)
Authorised Share Capital :	As at	As at
	31st March, 2022	31st March, 2021
10,00,000 Equity Shares (Pervious Year 10,00,000) of Rs.10/-each	100.00	100.00
	<u>100.00</u>	<u>100.00</u>
Issued, Subscribed and paid up :		
853287 Equity shares (Previous Year 896442) of Rs.10/- each fully paid up	85.33	89.64
	<u>85.33</u>	<u>89.64</u>

#### 16.1 Reconciliation of number of shares

	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount (Lakh)	No. of shares	Amount (Lakh)
<b>Equity Shares</b>				
Opening Balance	896,442	89.64	896,442	89.64
Changes during the year	(43,155)	(4.32)	-	-
Closing Balance	853,287	85.33	896,442	89.64

Note: The Change in equity shares is due to Buy-back of 43,155 shares made during the year.

#### 16.2 Terms/ Rights attached to Equity Shares

The Company has one class of equity shares having a par value of Rs. 10 each. Each shareholder is eligible for one vote per share held. The dividend, if proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**16.3** The details of Shareholders holding more than 5% shares :

Name of Shareholder	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	No. of Shares	%	No. of Shares	%
Onkar Singh Pahwa	2,28,593	26.79	2,28,593	25.5
Sarabjit Kaur Pahwa	2,28,593	26.79	2,28,593	25.5
Rishi Pahwa	1,70,047	19.93	1,70,047	18.97
Mandeep Singh Pahwa	1,70,046	19.93	1,70,046	18.97
Pahwa Estates and Holdings Pvt Ltd	56,000	6.56	56,000	6.25

**16.4** Shareholding of Promoters:

Sr. no	Promoter's Name	No. of shares at the beginning of the year	change during the year	No. of shares at the end of the year	% of total shares	% change during the year
<b>As at 31st March, 2022:</b>						
1	Sh. Onkar Singh Pahwa	228,593	-	228593	26.79%	1.29%
2	Smt. Sarabjit Kaur Pahwa	228,593	-	228593	26.79%	1.29%
3	Sh. Rishi Pahwa	170,047	-	170047	19.93%	0.96%
4	Sh. Mandeep Singh Pahwa	170,046	-	170046	19.93%	0.96%
5	Pahwa Estates & Holdings Pvt. Ltd.	56,000	-	56000	6.56%	0.32%
6	Kaushalya Devi Pahwa Trust	43,155	(43,155)	-	-	-4.81%
	<b>Total</b>	<b>896,434</b>	<b>-43155</b>	<b>853,279</b>		

Sr. no	Promoter's Name	No. of shares at the beginning of the year	change during the year	No. of shares at the end of the year	% of total shares	% change during the year
<b>As at 31st March, 2021:</b>						
1	Sh. Onkar Singh Pahwa	228,593	-	228,593	25.50%	-
2	Smt. Sarabjit Kaur Pahwa	228,593	-	228,593	25.50%	-
3	Sh. Rishi Pahwa	170,047	-	170,047	18.97%	-
4	Sh. Mandeep Singh Pahwa	170,046	-	170,046	18.97%	-
5	Pahwa Estates & Holdings Pvt. Ltd.	56,000	-	56,000	6.25%	-
6	Kaushalya Devi Pahwa Trust	43,155	-	43,155	4.81%	-
	<b>Total</b>	<b>896,434</b>	<b>-</b>	<b>896,434</b>		<b>-</b>

**17 OTHER EQUITY**

Other Equity consist of the following:

	(₹ in lakh)		(₹ in lakh)	
	As at		As at	
	31st March, 2022		31st March, 2021	
<b>General Reserve</b>				
As per last Balance Sheet	13,467.40		12,967.40	
Less:				
Buy Back of shares	(81.99)			
Transfer to Capital Redemption Reserve	(4.32)			
Add: Transferred from Profit and Loss Account	<u>2,500.00</u>	15,881.09	<u>500</u>	13,467.40
<b>Capital Redemption Reserve</b>				
As per last Balance Sheet	-		-	
Add:				
Transfer from General Resrve	<u>4.32</u>	4.32	<u>-</u>	-
<b>Retained Earnings</b>				
As per last Balance Sheet	55,079.64		48,519.95	
Add: Profit for the year	6,109.04		6,847.18	
Other Comprehensive Income	<u>(65.66)</u>		<u>3.44</u>	
	61,123.02		55,370.57	
Less : Appropriations				
Transferred to General Reserve	2,500.00		500	
Dividend on Equity Shares	179.29		179.29	
Expenses on Buy- Back	0.06		-	
Buy - Back Tax	19.1		-	
Priond Period Adjustments	-		-	
Tax adjustment of earlier years	<u>220.64</u>	58,203.93	<u>(388.36)</u>	55,079.64
<b>TOTAL</b>		<u>74,089.34</u>		<u>68,547.04</u>

**18 LONG TERM BORROWINGS**

Long -term borrowings consist of the following :

	(₹ in lakh)		(₹ in lakh)	
	As at		As at	
	31st March, 2022		31st March, 2021	
<b>Secured - at Amortised Cost</b>				
Term Loans - from Banks	2,479.26		1,910.10	
Term Loans - from Others	-		17.93	
	<u>2,479.26</u>		<u>1,928.03</u>	
<b>Unsecured - at Amortised Cost</b>				
Loans & Advances from related parties (Directors)	1,304.85		975.8	
	<u>1,304.85</u>		<u>975.8</u>	
<b>TOTAL</b>		<u>3,784.11</u>		<u>2,903.83</u>

Note: The Company has used the borrowed funds from banks for the purpose, it were taken.



Detail of Term Loans is:

Name of Facility	Repayment Terms	Security	Amount O/s as at 31.03.2022	Amount O/s as at 31.03.2021
HDFC Bank car loan (Kia Carnival)	36 monthly installments starting from March 2020	Hypothecation of Car - Kia Carnival	-	16.66
Toyota Financial Services India Ltd. - Car Loan (Toyota Vellfire Hybrid)	36 monthly installments starting from April 2020	Hypothecation of Car Toyota Vellfire Hybrid	17.85	34.56
Punjab National Bank - Car Loan (Mercedes Benz E220d)	36 monthly installments starting from April 2017	Hypothecation of Car-Mercedes Benz	24.96	41.10
HDFC Bank Term Loan - Solar Plant (20 cr)	25 quarterly installments starting after 3 months from the date of 1st disbursement	Hypothecation of Fixed Assets created out of Term Loan	348.10	671.80
HDFC Bank Term Loan - Solar Plant (12.71 cr)	26 quarterly installments starting after 6 months from the date of first disbursement	Hypothecation of Fixed Assets created out of Term Loan	-	46.45
HDFC Bank Term Loan - Solar Plant (20 cr)	27 quarterly installments starting after 6 months from the date of first disbursement	Hypothecation of Fixed Assets created out of Term Loan	1,148.65	1,393.74
HDFC Bank Term Loan - Solar Plant (20 cr)	27 quarterly installments starting after 6 months from the date of first disbursement	Hypothecation of Fixed Assets created out of Term Loan	1,584.92	195.47

**19 NON CURRENT LEASE LIABILITY**

	(₹ in lakh)	(₹ in lakh)
	As at	As at
	31st March, 2022	31st March, 2021
Non- Current Lease Liabilities consist of the following :		
Lease Liability	<u>246.64</u>	<u>270.44</u>
	<u>246.64</u>	<u>270.44</u>

**20 OTHER FINANCIAL LIABILITIES**

	(₹ in lakh)	(₹ in lakh)
	As at	As at
	31st March, 2022	31st March, 2021
Other Financial Liabilities consist of the following :		
Other Financial Liabilities	<u>783.84</u>	<u>497.34</u>
	<u>783.84</u>	<u>497.34</u>
<b>Other Financial Liabilities includes:</b>		
Dealer's Securities	509.63	449.28
Security Deposits	31.47	24.13

<b>21 LONG TERM PROVISIONS</b>	(₹ in lakh)	(₹ in lakh)
	As at	As at
Long-term provisions consist of the following :	<b>31st March, 2022</b>	31st March, 2021
Other Provisions	<u>3,878.60</u>	<u>4,763.60</u>
	<u>3,878.60</u>	<u>4,763.60</u>
<b>Other Provisions includes:</b>		
Provision for Income Tax	3,878.60	4,763.60
<b>22 OTHER NON CURRENT LIABILITIES</b>	(₹ in lakh)	(₹ in lakh)
	As at	As at
Other long -term liabilities consist of the following :	<b>31st March, 2022</b>	31st March, 2021
Other Non - Current Liabilities	<u>247.72</u>	<u>100.95</u>
	<u>247.72</u>	<u>100.95</u>
<b>Other Long Term Liabilities includes:</b>		
Deferred Revenue Income	102,507	1,013,236
<b>23 SHORT TERM BORROWINGS</b>	(₹ in lakh)	(₹ in lakh)
	As at	As at
Short -term borrowings consist of the followings	<b>31st March, 2022</b>	31st March, 2021
<b>Secured loans:</b>		
i) Working Capital limits from Banks	1,092.76	-
ii) Current Maturities of Long Term Debt	645.21	471.76
<b>Unsecured Loans:</b>		
Loans repayable on demand from Banks	-	-
Loan from Related Parties	-	-
Other borrowings(from entities other than banks)	-	-
	<u>1,737.97</u>	<u>471.76</u>

Note: The Company has used the borrowed funds from banks for the purpose, it were taken.

**Detail of Short Term Borrowings is as under:**

Name of Facility	Security	Amt. Guaratneed	
		31.03.2022	31.03.2021
Punjab National Bank Working Capital Limit	Hypothication of any stock (RM/ WIP/FG) lying in premises or in transit. Hypothication of entire book debts arising out of genuine business transactions.	1,056.32	-
HDFC Bank Ltd. - Working Capital Facility	First Pari-Passu cahрге on stocks and book- debts with other working capital lenders for total working Capital limits of Company.	36.44	-

<b>24 CURRENT LEASE LIABILITY</b>	(₹ in lakh)	(₹ in lakh)
	As at	As at
Current Lease Liabilities consist of the following :	<b>31st March, 2022</b>	31st March, 2021
Lease Liability	<u>24.18</u>	<u>30.10</u>
	<u>24.18</u>	<u>30.10</u>

<b>25 TRADE PAYABLES:</b>	(₹ in lakh)	(₹ in lakh)
	<b>As at</b>	<b>As at</b>
Trade Payables consists of following:	<b>31st March, 2022</b>	<b>31st March, 2021</b>
<b>a) Trade Payables:</b>		
a) Total Outstanding dues of micro enterprises and small enterprises	4,199.67	5,896.78
b) Total Outstanding dues of other than micro enterprises and small enterprises	3,102.68	5,313.27
<b>b) Due to Related Parties</b>	<u>351.24</u>	<u>555.50</u>
	<u><b>7,653.59</b></u>	<u><b>11,765.55</b></u>

#### 25.1 TRADE PAYABLES AGEING:

Particulars	Outstanding for following periods from due date of payment (₹ in lakh)				
	Less Than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
<b>As at 31st March, 2022:</b>					
(i) MSME	-	-	-	-	-
(ii) Others	629.25	37.77	25.70	10.69	703.41
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-
<b>Total</b>	<b>629.25</b>	<b>37.77</b>	<b>25.70</b>	<b>10.69</b>	<b>703.41</b>

Particulars	Outstanding for following periods from due date of payment (₹ in lakh)				
	Less Than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
<b>As at 31st March, 2021:</b>					
(i) MSME	-	-	-	-	-
(ii) Others	523.37	43.52	11.30	0.12	578.31
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-
<b>Total</b>	<b>523.37</b>	<b>43.52</b>	<b>11.30</b>	<b>0.12</b>	<b>578.31</b>

<b>26 OTHER FINANCIAL LIABILITIES</b>	(₹ in lakh)	(₹ in lakh)
	<b>As at</b>	<b>As at</b>
Other current liabilities consist of the following :	<b>31st March, 2022</b>	<b>31st March, 2021</b>
Other Financial Liabilities:		
i) Due to Related Parties	-	-
ii) Due to Other than Related parties	<u>937.77</u>	<u>1,557.49</u>
	<u><b>937.77</b></u>	<u><b>1,557.49</b></u>
<b>Other Financial Liabilities includes:</b>		
Cheques Issued but not presented	485.48	836.64
Capital Creditors	-	95.27
Forward Contract Payable (Net)	15.16	-

<b>27 SHORT-TERM PROVISIONS</b>	(₹ in lakh)	(₹ in lakh)
	<b>As at</b>	<b>As at</b>
Short -term borrowings consists of the following:	<b>31st March, 2022</b>	<b>31st March, 2021</b>
Provision for Unspent CSR Liability	<u>52.97</u>	<u>50.86</u>
	<u><b>52.97</b></u>	<u><b>50.86</b></u>

<b>28 OTHER CURRENT LIABILITIES</b>	(₹ in lakh)	(₹ in lakh)
	As at	As at
Other current liabilities consist of the following :	31st March, 2022	31st March, 2021
Advance received from Customers	335.59	527.48
Due to Related Parties	39.69	33.40
Other Payables	<u>1,083.51</u>	<u>1,349.01</u>
	<u>1,458.79</u>	<u>1,909.89</u>
Other payables includes :		
Statutory liabilities	688.76	630.82
Income Received in Advance	12.73	15.54
Advance from Sale of Property	12.00	21.71
<b>29 REVENUE FROM OPERATIONS</b>	(₹ in lakh)	(₹ in lakh)
	2021-2022	2020-2021
Sale of Products	82,761.12	70,905.88
Other Operating Revenues	<u>130.40</u>	<u>124.64</u>
	<u>82,891.52</u>	<u>71,030.52</u>
<b>29.1 PARTICULARS OF SALE OF PRODUCTS</b>	(₹ in lakh)	(₹ in lakh)
Particulars	2021-2022	2020-2021
Bicycles & its parts	73,667.30	66,087.51
E-Bikes & its parts	2,366.20	801.03
E- Rickshaw & its parts	1,115.37	813.40
Power	3,945.24	2,492.28
Export Incentives	222.28	256.64
Others	<u>1,444.73</u>	<u>455.02</u>
	<u>82,761.12</u>	<u>70,905.88</u>
<b>30 OTHER INCOME</b>	(₹ in lakh)	(₹ in lakh)
Particulars	2021-2022	2020-2021
a) Interest Income		
i) On Bank Deposits (at amortised cost)	418.14	576.88
ii) On Loans & Advances (at amortised cost)	212.24	285.60
iii) On Investments (at amortised cost)	86.04	173.06
iv) Other interest	<u>16.20</u>	<u>36.71</u>
	732.62	1,072.25
b) Dividend	20.49	16.98
c) Net gain on Sale/ Fair valuation of Investments		
i) Fair Valuation gain on Investments (net)	1,100.00	2,266.95
ii) Profit on sale of current investments	705.64	370.48
iii) Profit on sale of non-current investments	<u>436.6</u>	<u>211.8</u>
	2,242.24	2,849.23
Net Gain on Trading in Securities:		
a) Gain on trading in Securities other than Derivative	510.71	505.26
b) Gain/(Loss) on trading in Derivative	<u>7.23</u>	<u>(464.19)</u>
Royalty	39.57	46.47
Other Non Operating Income	484.02	297.76
	<u>4,036.88</u>	<u>4,323.76</u>
Other Non - Operating Income includes:		
- Rent Received	290.56	220.99
- Profit on Sale of property, plant & equipment	135.33	76.77

<b>31 COST OF MATERIALS CONSUMED</b>	(₹ in lakh) <b>2021-2022</b>		(₹ in lakh) <b>2020-2021</b>	
	% of consumption		% of consumption	
Imported	5,519.38	11.28	2,101.68	4.48%
Indigeneous	43,410.97	88.72	44,788.57	95.52%
<b>TOTAL</b>	<u>48,930.35</u>	<u>100</u>	<u>46,890.25</u>	<u>100%</u>

  

<b>32 PURCHASE OF STOCK - IN - TRADE</b>	(₹ in lakh) <b>2021-2022</b>		(₹ in lakh) <b>2020-2021</b>	
	% of consumption		% of consumption	
Imported	7.68	0.18%	78.41	1.27%
Indigeneous	4,226.79	99.82%	6,085.39	98.73%
<b>TOTAL</b>	<u>4,234.47</u>	<u>100.00%</u>	<u>6,163.80</u>	<u>100%</u>

  

<b>33 CHANGE IN INVENTORIES OF FINISHED GOODS/ STOCK-IN-TRADE/ WORK-IN-PROGRESS</b>	(₹ in lakh) <b>2021-2022</b>		(₹ in lakh) <b>2020-2021</b>	
Opening Stock	10,239.34		3,943.00	
Less: Closing Stock	<u>(6,012.78)</u>		<u>(10,239.34)</u>	
	<u>4,226.56</u>		<u>(6,296.34)</u>	

  

<b>34 EMPLOYEE BENEFITS EXPENSE</b>	(₹ in lakh) <b>2021-2022</b>		(₹ in lakh) <b>2020-2021</b>	
Salaries and Wages	4,773.58		4,030.84	
Contribution to Provident and other Funds	430.50		337.83	
Staff Welfare Expenses	98.46		82.34	
<b>TOTAL</b>	<u>5,302.54</u>		<u>4,451.01</u>	

  

<b>35 FINANCE COSTS</b>	(₹ in lakh) <b>2021-2022</b>		(₹ in lakh) <b>2020-2021</b>	
Interest Expenses	465.12		282.54	
Other borrowing costs	84.03		83.39	
	<u>549.15</u>		<u>365.93</u>	

**36 OTHER EXPENSES**

	(₹ in lakh)		(₹ in lakh)
	2021-2022		2020-2021
Manufacturing Expenses			
Stores, chemical and packing material	3,704.57	3,100.82	
Processing Charges	173.59	155.34	
Power & Fuel	266.55	258.62	
Carriage Inward	48.4	74.95	
Repairs to Machinery	<u>681.06</u>	<u>4,874.17</u>	4,124.99
Selling and distribution Expenses			
Clearing & Forwarding Charges	5,416.26	6,176.15	
Commission	84.79	62.21	
Advertisement	516.17	527.73	
Other Selling Expenses	<u>101.04</u>	<u>6,118.26</u>	6,816.01
Establishment Expenses			
Printing & Stationery	17.13	14.21	
Postage, Telegrams & Telephone Expenses	46.47	39.50	
Travelling Expenses	194.01	78.66	
Vehicles Maintenance Expenses	44.63	22.00	
Repairs to Building	110.78	65.22	
Repairs & Renewals	45.92	21.40	
Payments to Auditors	14.35	15.50	
Charity & Donation	31.92	16.59	
Insurance	176.49	112.61	
Rent	0.27	2.90	
Rates & Taxes	32.15	23.83	
Legal & Professional Charges	225.2	158.69	
Bad Debts & Advances written off	237.27	107.63	
Miscellaneous Expenses	<u>394.12</u>	<u>1,570.71</u>	1,093.89
		<u>12,563.14</u>	<u>12,034.89</u>

**36.1 PAYMENT TO AUDITOR AS**

	(₹ in lakh)		(₹ in lakh)
	2021-2022		2020-2021
i) Audit Fees	2.00		2.00
ii) Tax Audit Fee	3.00		3.00
iii) GST/ VAT Audit Fee	-		-
iv) Certification fees	-		-
iii) Others	<u>12.35</u>		<u>10.50</u>
	<u>17.35</u>		<u>15.50</u>

**37 CONTINGENT LIABILITIES:**

	(₹ in lakh)		(₹ in lakh)
	2021-2022		2020-2021
a) Guarantees given by Bank	6582.35		7446.38
b) Proposed Dividend	170.65		179.29
c) The Company has given Corporate Guarantee to Indusind Bank to make good any default committed by the persons who get finance for the purchase of E-Rickshaw of Avon Cycles Ltd. from Indusind Bank. The total amount outstanding was Rs. 42.07 Lakh. No Provision has been made in the Standalone financial statements as no default has been reported on balance sheet date.			
d) Disputed excise and service tax demand amounting to Rs. 36.68 lakh (pre year 38.12 lakh) and penalty of Rs. 36.68 lakh (Previous year 38.12 lakh) pertaining to financial year from 2006-07 upto 2008-2009 in case of excise and April 2008 to September 2011 in case of Service Tax under appeal pending before Appellate authorities. Company has deposited Rs. 0.48 in case of excise, Rs. 2.17 Lac in case of Service Tax and Rs. 1.67 Lakh in case of custom. Disputed Basic Custom Duty amounting to Rs. 22.39 Lac (Previous Year - 22.39) for financial year 2018-19. The management is of opinion that the demand is not sustainable.			
e) Show cause notices received from Excise and Custom Department pending formal demand notices, have not been considered as contingent liability.			
f) Income Tax demand for Rs. 6.58 Lakh are outstanding for Assessment Year 2016-17 and Rs. 29.55 Lakh for Assessment Year 2018-19.			
g) Levy of Entry Tax by West Bengal High Court is subjudice before West Bengal High Court. West Bengal High Court has given stay on deposit of Entry Tax to company. The amount of entry tax is Rs. 51.33 Lac for FY 2017-18, Rs. 121.56 Lac for FY 2016-17 & Rs. 172.50 Lac for FY 2015-16.			

38 On certain points, appeals/ references/ revisions are pending at various stages in respect of past year's income tax assessments. Additional demands/ refunds, if any, shall be accounted for as and when these are actually paid/ refunded.

#### 39 DIVIDENDS

Dividends paid during the year ended March 31, 2022 include an amount of ₹ 20 per equity share towards final dividend for the year ended March 31, 2021. The dividends declared by the Company are based on profits available for distribution as reported in the standalone financial statements of the Company. Accordingly, the retained earnings reported in these standalone financial statements may not be fully distributable. As at March 31, 2022, the income available for distribution were Rs. 6109.05 Lakh. Dividned, if approved by shareholders at Annual General Meeting, the dividend would result in a cash outflow of Rs. 170.65 Lac.

#### 40 SEGMENTAL INFORMATION

The Company prepares the Standalone Financial Statements of the Company alongwith Consolidated Financial Statements. In accordance with IndAs 108, Operating Segments, the Compnay has disclosed the segment information in the consolidated financial statements.

#### 41 TAX BALANCES:

##### 41.1 The following is analysis of deferred tax assets/(liabilities) presented in Balance Sheet:

Deferred Tax Liabilities (Net):	Opening Balance	Recognised in Profit or Loss	Recognised in OCI	Closing Balance
<b>Deferred Tax Assets:</b>				
Expenses deductible in Future Years	215.34	(56.63)		158.71
Provision for Doubtful Debts/ Advances	76.15	(9.63)		66.52
Losses allowable in future years	298.32	(107.22)		191.1
Others	(4.37)	(0.01)	27.93	23.55
	<u>585.44</u>	<u>(173.49)</u>	<u>27.93</u>	<u>439.88</u>
<b>Deferred Tax Liabilities:</b>				
Property, Plant & Equipment, and Intangible Assets	1,677.46	316.75		1,994.21
Investment in Bonds, Mutual Funds and equity instruments	667.48	39.41		706.89
ROU Assets	43.32	(4.51)		38.81
Others	3.91	(3.91)		-
	<u>2,392.17</u>	<u>347.74</u>	<u>-</u>	<u>2,739.91</u>
Net Deferred Tax Liability	<u>(1,806.73)</u>	<u>(521.23)</u>	<u>27.93</u>	<u>(2,300.03)</u>

##### 41.2 Income Tax Recognised in Profit or Loss:

Particulars	(₹ in lakh) For Year Ended 31st March 2022	(₹ in lakh) For Year Ended 31st March 2021
<b>Current Tax</b>		
In respect of current year	1,509.00	1,675.00
<b>Deferred Tax</b>		
In respect of Current Year	521.23	531.19
Total Income Tax Expense Recognised	<u>2,030.23</u>	<u>2,206.19</u>

##### 41.3 Income Tax Recognised in Other Comprehensive Income

Particulars	(₹ in lakh) For Year Ended 31st March 2022	(₹ in lakh) For Year Ended 31st March 2021
Arising on Remeasurement of Defined benefit Obligation	<u>27.93</u>	<u>(13.96)</u>
	<u>27.93</u>	<u>(13.96)</u>

## 42 EARNINGS PER EQUITY SHARES

Basic/Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by weighted average number of Equity shares outstanding during the year.

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

Particulars	₹ in lakh	
	31st March 2022	31st March 2021
Profit/ (Loss) after Tax	6,109.03	6,847.08
Less: Adjustment of Income Tax Earlier Years	220.64	(388.36)
Profit after adjustment of Income Tax Earlier Years	(A) 6,329.68	6,458.72
Weighted average number of equity shares	(B) 853,287.00	896,442.00
Earning per share : Basic/Diluted (A/B)₹	741.80	720.48

43 Wholly Owned Subsidiary i.e. M/s Avon Energies & Investments Pvt. Ltd. was incorporated on 24.12.2021.

44 Interest includes Rs. 161.54 Lac for F/Y 2021-2022 and Rs. 89.69 lakh for F/Y 2020-2021 paid to Directors.

45 Charity & Donation includes Rs. 26.50 lakh contributed to political parties during Financial year 2021-22, Rs. 10.50 Lakh during Financial Year 2020-21, detail of which is as below:

Party Name	₹ in lakh	
	31st March 2022	31st March 2021
Bhartiya Janta Party	14.00	10.00
Bihar Pradesh Janta Dal United	-	0.50
Shiromani Akali Dal	5.00	-
All India Congress Committee	5.00	-
Aam Aadmi Party	2.50	-
	<u>26.50</u>	<u>10.50</u>

46 Interest received of Rs. 732.61 lakh (Previous Year Rs. 1072.25 lakh) includes Tax deducted at source of Rs. 59.91 Lakh (Previous Year Rs. 59.78 lakh).

47 Expenditure on insurance includes Rs. 19.20 Lakh (Previous year Rs. 16.03 lakh) being premiums paid under Keyman Insurance schemes to cover risks on life of Key Management personnel. Benefits to the Company under the said scheme depend on various factors including resignation/survival of the said peersonnel or premature surrender of the policy. Such benefits will be accounted for in the year, in which they become due.

48 Sales-tax assessments have been completed upto to the accounting year ended 31st March 2015.

49 Income -tax assessments of the Company have been completed upto the accounting year ended 31.03.2020 relevant to the assessment year 2020-21.

50 In accordance with section 135 of Companies Act, 2013, the company is covered by the provision of said section:

Particulars	₹ in lakh	
	2021-2022	2020-2021
i) The amount required to be spent under CSR Obligation	172.81	195.23
ii) The amount of expenditure incurred during the year	150.75	144.52
iii) Shortfall at the end of the year	23.08	50.86
iv) Total of Previous years shortfall	29.88	-
v) Reason for shortfall : Some projects identified at later stage of the financial year and for that reason amount was earmarked for those projects.		
vii) <b>Movement of Provision for unspent CSR:</b>		
Opening	50.86	-
Provision created during the year	23.08	50.86
Spent during the year	20.97	-
Closing	<u>52.97</u>	<u>50.86</u>



vii) Deatil of nature of CSR Expenditure incurred during the year: <b>Particulars</b>	(₹ in lakh)	(₹ in lakh)
	<b>2021-2022</b>	<b>2020-2021</b>
a) Animal Welfare	10.09	5.25
b) Welfare of Armed Forces	7.19	2.20
c) Education	36.27	31.43
d) Enviornment	29.39	5.80
e) Health	64.19	86.14
f) Hunger	0.42	-
g) Sports	3.20	9.54
h) Women Empowerment	-	4.16
<b>TOTAL</b>	<b>150.75</b>	<b>144.52</b>

51 In the opinion of the Directors, current assets, loans and advances have a value on realisation in the ordinary course of business atleast equal to the value at which they are stated in the Balance Sheet.

52 Previous years's figures have been regrouped/ recasted/ rearranged/ reclassified where necessary to make them comparable.

53 Micro, Small and Medium Enterprises

a) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act,2006

PARTICULARS	(₹ in lakh)	
	2021-22	2020-21
A) (i) Principal amount remaining unpaid at the end of accounting year	4,186.25	5,895.20
(ii) Interest due on above	-	1.58
B) The amount of interest paid by the Company in terms of section 16 of the MSMED, along with amount of payment made to the suppliers beyond the appointed date during the accounting year.	1.58	22.45
C) The amount of interest accrued and remaining unpaid at the end of the financial year.	13.41	1.58
D) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding interest specified under the MSMED	13.41	-
E) The amount of further interest remaining due and payable in succeeding years, until such interest is actually paid.	-	1.58

b) The above information has been compiled in respect of parties to the extent to which they could be identified as Micro, Small and Medium Enterprises on the basis of information available with the Company.

54 GOVERNMENT GRANTS:	(₹ in lakh)	(₹ in lakh)
	<b>2021-2022</b>	<b>2020-2021</b>
<b>At the Beginning</b>	12.31	32.13
Provided during the year	0	8.19
Received/ Adjusted during the year	5.49	28.01
<b>At the End of the year</b>	<b>6.82</b>	<b>12.31</b>

55 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS:

The preparation of the Company's standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Judgements:**

In the process of applying the Company's accounting policies, management has made following judgements, which have the most significant effect on the amounts recognised in the standalone financial statements:

**Estimates & Assumptions**

The key assumptions concerning the future and other key sources of estimating uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing

circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### Defined Benefit Plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in Note 60.

#### Fair Value Measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using other valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

#### Impairment of Non-Financial Assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model.

### 56 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include loans, trade and other receivables, and cash & cash equivalents that derive directly from its operations.

#### a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risks. Financial instruments affected by market risk include loans and borrowings, deposits and payables/receivables in foreign currencies.

#### 1) Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates. The company is carrying its borrowings primarily at variable rates. For floating rates borrowings the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point Increase or decrease is used when reporting interest rate risk internally to Key management personnel and represents management's assessment of the reasonably possible change in interest rates.

	(₹ in lakh) 31st March 2022	(₹ in lakh) 31st March 2021
Variable Rate Borrowings	4,174.42	2,307.46
Fixed Rate Borrowings	1,347.66	1,068.12

#### Interest Rate Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variable held 'constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Effect on Profit Before Tax	
	(₹ in lakh) 31st March 2022	(₹ in lakh) 31st March 2021
Increase by 50 Basis Points	20.87	11.54
Decrease by 50 Basis Points	(20.87)	(11.54)

## b) Foreign Currency Risks

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in international currencies as part of the business is transacted in foreign currencies and consequently the company is exposed to foreign exchange risk. The Company's exposure in foreign currency is in loans, trade receivables and advances and trade payables.

I) Particulars of Unhedged Foreign Currency Exposure as at reporting date:

Particulars	(USD in lakh)	
	31st March 2022	31st March 2021
Trade Receivables	-	-
EEFC Balance	-	0.0822
Loan	-	-
Trade Payables	-	-

## Foreign Currency Sensitivity

The following table demonstrate the sensitivity to a reasonably possible change in foreign currency exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

	(₹ in lakh)		(₹ in lakh)	
	5% Increase	5% Decrease	5% Increase	5% Decrease
USD				
Increase/ (Decrease) in Profit or Loss	-	-	-	-

## ii) Foreign Currency Exposure (Forward Booking)

The foreign currency exposure of the Company as on reporting date is as under. The company does not use forward contracts for speculative purpose.

Particulars	(USD in lakh)	
	31st March 2022	31st March 2021
Forward Contratcs against Exports	30.00	20.00
Forward Contracts against Imports	-	-

## iii) Price Risk

The Company's exposure price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

## B) Credit Risk

Credit risk is the risk that counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables)

## Credit Risk Management

The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

(I) Low credit risk on reporting date

(ii) Moderate Credit Risk

The Company provides for expected credit loss based on the following:

Asset Group	Basis of Categorisation	Provision for expected credit loss
Low Credit Risk	Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets	12 month expected credit loss
Moderate credit risk	Trade receivables and other financial assets	Life time expected credit loss or 12 month expected credit loss

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment.

Recoveries made are recognised in statement of profit and loss.

#### Cash & cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

#### Trade receivables

The Company closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become one year past due.

#### Other financial assets measured at amortised cost

Other financial assets measured at amortized cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

#### i) Trade Receivables

Customer credit risk is managed by each business location subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with the assessment both in terms of number of days and amount.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Notes. Trade receivables are unsecured but considered goods subject to provision made thereon.

	(₹ in lakh) 31st March 2022	(₹ in lakh) 31st March 2021
Trade Receivables		
Not Due	7,202.60	9,735.85
Up to Six Months Past Due	5,169.36	1,667.73
6 Months to 1 Year Past Due	405.90	208.71
More Than 1 Year Past Due	1,436.13	1,940.93
	<u>14,213.99</u>	<u>13,553.22</u>
<b>Provision for Doubtful Debts</b>		
Provision for Doubtful Debts	(250.30)	(253.36)
<b>Total</b>	<u>13,963.69</u>	<u>13,299.86</u>
	(₹ in lakh) 31st March 2022	(₹ in lakh) 31st March 2021
<b>Reconciliation of Provision for Doubtful Debts</b>		
Balance at the Beginning of the Year	253.36	214.00
Add: Provision made during the year	-	39.36
Less: Provision Written Back during the Year	3.06	-
<b>Balance at the end of the Year</b>	<u>250.30</u>	<u>253.36</u>

#### (C) Liquidity risk

Liquidity Risk refers to the risk that the Company meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generated sufficient cash flows from operations to meet its financial obligations as and when they fall due. The tables below provide details regarding contractual maturities of significant financial liabilities as at:

	(₹ in lakh)			(₹ in lakh)
	31st March 2022			31st March 2021
Floating rate				
<b>(a) Expiring within one year (Bank overdraft and other facilities)</b>				
<b>Secured</b>				
- Working Capital Limits		1,092.76		-
<b>(b) Expiring beyond one year (Bank loans)</b>				
<b>Secured</b>				
- Term loan from banks		2,479.26		1,928.03
<b>ii) Maturity Patterns of borrowings</b>				(₹ in lakh)
	Less than 1Year	1 to 2 years	2 to 5 years	More than 5 yrs
<b>Year ended 31st March, 2022</b>				
Contractual Maturities of borrowings	1,737.97	1,922.45	1,861.66	-
Contractual Maturities of trade payables	7,653.58	-	-	-
Contractual Maturities of other financial liabilities	961.95	28.79	105.03	896.66
<b>Total</b>	<u>10,353.50</u>	<u>1,951.23</u>	<u>1,966.70</u>	<u>896.66</u>
<b>Year ended 31st March, 2021</b>				
Contractual Maturities of borrowings	471.76	1,447.56	1,456.27	-
Contractual Maturities of trade payables	11,765.55	-	-	-
Contractual Maturities of other financial liabilities	1,587.58	23.86	97.86	646.07
<b>Total</b>	<u>13,824.89</u>	<u>1,471.41</u>	<u>1,554.13</u>	<u>646.07</u>

**(D) Risk due to outbreak of COVID 19 pandemic**

On account of COVID-19 pandemic the Company has made assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, intangible assets, right of use assets, investments, inventories and trade receivables as at the date of the balance sheet. The Company has considered internal and external sources of information for making said assessment. Basis the evaluation of the current estimates, the Company expects to recover the carrying amount of these assets and no material adjustments is required in the standalone financial statements. Given the uncertainties associated with nature, condition and duration of COVID-19, the Company will closely monitor any material changes arising of the future economic conditions and any significant impact of these changes would be recognized in the standalone financial statements as and when these material changes to economic condition arise.

**57 CAPITAL MANAGEMENT**

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade payables, less cash and cash equivalents.

	(₹ in lakh)	
	31st March 2022	31st March 2021
Floating rate		
Borrowings	5,522.08	3,375.58
Trade Payables	7,653.58	11,765.55
Less: Cash & Cash Equivalents	(18,039.37)	(13,468.94)
<b>Net Debt</b>	<u>(4,863.71)</u>	1,672.20
Equity	74,174.61	68,636.64
<b>Capital &amp; Net Debt</b>	<u>69,310.90</u>	<u>70,308.84</u>
Gearing Ratio	-7.02%	2.38%

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the year ended 31<sup>st</sup> March 2020.

## 58 EXPENDITURE INCURRED ON RESEARCH & DEVELOPMENT

Particulars	(₹ in lakh)	
	2021 - 2022	2020 - 2021
- Capital Expenditure	8.65	64.39
- Revenue Expenditure	<u>106.90</u>	<u>143.78</u>
	<u>115.54</u>	<u>208.18</u>

## 59 FAIR VALUE MEASUREMENT

### (a) Financial Instruments by Category

For amortised cost instruments, Carrying values represents the best estimates of Fair Value

Particulars	(₹ in lakh) 31st March 2022			(₹ in lakh) 31st March 2021		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
<b>Financial Assets</b>						
Investments	19,336.27	-	1,113.51	13,775.98	-	2,801.10
Trade Receivables	-	-	13,963.69	-	-	13,299.87
Other Financial Assets	-	-	11,182.53	-	-	4,874.05
Cash & Cash Equivalents	15,481.03	-	2,558.34	10,977.05	-	2,491.89
Other Bank Balances	-	-	1,980.88	-	-	6,345.01
<b>Total</b>	<b>34,817.30</b>	<b>-</b>	<b>30,798.95</b>	<b>24,753.03</b>	<b>-</b>	<b>29,811.92</b>
<b>Financial Liabilities</b>						
Borrowings	-	-	5,522.08	-	-	3,375.58
Trade Payables	-	-	7,653.58	-	-	11,765.55
Other Financial Liabilities	-	-	1,992.43	-	-	2,355.37
<b>Total</b>	<b>-</b>	<b>-</b>	<b>15,168.09</b>	<b>-</b>	<b>-</b>	<b>17,496.51</b>

### (b) Fair value measurement hierarchy for assets and liabilities

The Company has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value-recurring fair value measurements	(₹ in lakh) 31st March 2022			(₹ in lakh) 31st March 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial Assets</b>						
Investments	8,992.25	-	10,344.02	7,655.75	-	6,120.24
Cash & Cash Equivalents	15,481.03	-	-	10,977.05	-	-
<b>Total</b>	<b>24,473.28</b>	<b>-</b>	<b>10,344.02</b>	<b>18,632.80</b>	<b>-</b>	<b>6,120.24</b>

Financial assets and liabilities measured at amortised cost for which fair values are disclosed	(₹ in lakh) 31st March 2022			(₹ in lakh) 31st March 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial Assets</b>						
Investments	-	1,113.51	-	-	2,801.10	-
Trade Receivables	-	-	13,963.69	-	-	13,299.87
Other Financial Assets	-	-	11,182.53	-	-	4,874.05
Cash & Cash Equivalents	-	-	2,558.34	-	-	2,491.89
Other Bank Balances	-	-	1,980.88	-	-	6,345.01
<b>Total</b>	-	1,113.51	29,685.44	-	2,801.10	27,010.82
<b>Financial Liabilities</b>						
Borrowings	-	-	5,522.08	-	-	3,375.58
Trade Payables	-	-	7,653.58	-	-	11,765.55
Other Financial Liabilities	-	-	1,992.43	-	-	2,355.37
<b>Total</b>	-	-	15,168.09	-	-	17,496.51

Fair Value Hierarchy:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2 : Value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

**c. Fair value of financial assets and liabilities measured at amortised cost**

Particulars	(₹ in lakh) 31st March 2022		(₹ in lakh) 31st March 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets</b>				
Investments	1,113.51	1,075.81	2,801.10	1,018.14
Margin Money	266.45	266.45	235.02	235.02
Employee Loans	107.73	107.73	121.94	121.94
Other Financial Assets	-	-	-	-
<b>Total</b>	<b>1,487.68</b>	<b>1,449.99</b>	<b>3,158.07</b>	<b>1,375.11</b>
<b>Financial Liabilities</b>				
Security Deposits	31.47	31.47	24.13	24.13
<b>Total</b>	<b>31.47</b>	<b>31.47</b>	<b>24.13</b>	<b>24.13</b>

The carrying amounts of trade receivables, trade payables, advances to employees, cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to short term nature.

The fair values for FMP's, Margin Money, Employee Loans and security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

## **60 Related Party Transactions**

a) List of Related Parties and Relationship  
Party

### **1 Parent NIL**

### **2 Subsidiaries Avon Newage Cycles Pvt. Ltd. Avon Energies & Investments Pvt. Ltd.**

### **3 Associates Avon Infrabiz Pvt. Ltd.**

### **4 Entities with Control or Joint Control by KMP Pahwa Estates and Holdings (Pvt) Ltd. Avon Fitness Machines Pvt. Ltd. Hans Raj Pahwa & Bros.**

### **5 Key Management personnel Sh. Onkar Singh Pahwa Sh.Rishi Pahwa Smt.Sarabjit Kaur Pahwa Sh.Mandeep Singh Pahwa Sh. Girish Paman Vanvari Sh. Anil Arora Sh. Manish Kumar Mittal Sh. Bhavdeep Sardana**

### **6 Other Related Parties Smt.Pallavi Pahwa Smt.Jasmine Pahwa Aditragh Enterprises NRG Enterprises Rolex Metals Pvt. Ltd. Wheel Crafts**



**b) Related Party Transactions :**

(₹ in lakh)

Transactions	Subsidiaries		Associates / Joint Ventures		Entities with Control or Joint Control by KMP		Key Management Personnel		Other Related Parties	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Rent Paid	-	-	-	-	-	-	-	-	-	-
Remuneration Paid	-	-	-	-	-	-	1,765.88	1,143.04	39.76	39.76
Interest Paid	-	-	-	-	27.28	28.72	161.55	89.69	-	-
Interest Received	11.27	-	22.44	-	-	2.41	-	-	-	-
Rent Received	-	-	-	-	74.2	70.92	-	-	-	-
Service Charges Received	-	-	-	-	-	0.07	1.46	-	-	--
Dividend Paid	-	-	-	-	11.2	11.2	159.46	159.46	-	-
Royalty	-	-	-	-	39.57	46.47	-	-	-	-
Food Bill	-	-	-	-	3.61	4.63	-	-	-	-
Purchase	39.33	-	0.47	-	-	-	-	-	3,339.90	3,971.45
Sale	80.46	-	1.91	-	0.37	29.91	-	-	37.58	52.2
Sale/ Trf. of Fixed Assets	2,014.79	-	339	0.13	-	-	-	-	-	-
Sitting Fees	-	-	-	-	-	-	0.7	0.9	-	-
Re-imbursment of expenses	31.47	-	37.96	-	288.71	57.71	-	-	-	-
Loan Given	2,051.00	-	500	-	400	150	-	-	-	-
Loan Received Back	1,566.00	-	-	-	-	150	-	-	-	-
Legal & Professional Charges	-	-	-	-	-	-	-	1.50	-	-
Payment of Misc. Charges	-	-	-	-	0.12	-	0.76	-	-	--
Purchase of Shares	947.4	946.4	-	1,500.00	-	-	-	-	-	-
Debit balances outstanding as at the closing	520.58	-	520.22	-	442.98	51.37	-	-	-	-
Credit balances as at the closing	-	2.21	-	-	-	-	33.84	27.76	357.08	558.94

**61 Other Statutory Information:**

- The Company has disclosed investment property at Cost.
- The Company has not revalued its Property, Plant and Equipment (including Right of Use Assets) during the year.
- The Company has not revalued its intangible Assets during the year.
- The Company has made Loans and advances to following related parties (as defined under Companies Act) that are repayable on demand:

Type of Borrower	As as 31.03.2022		As as 31.03.2021	
	Amount	%age to Total	Amount	%age to Total
	Outstanding (₹ in lakh)	Loans & Advances	Outstanding (₹ in lakh)	Loans & Advances
a) To Subsidiaries	488.80	12.30%	-	-
b) To Associates	520.19	13.09%	-	-
c) To other Related Parties	400.00	10.07%	-	-

- There are no intangible assets under development.
- There are no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988.
- The quarterly returns or statements of Current Assets filed by the Company with banks or Financial Institutions are in agreement with books of accounts.
- The Company is not declared wilfull defaulter by Banks, Financial Institutions or any other lender.
- The Company has not done any transactions directly with struck off Companies u/s 248 of Companies Act, 2013 or u/s 560 of Companies Act, 1956.
- No Registration of Charge is pending with ROC. Following satisfaction of charge is pending with ROC:

Sr No.	Name of Financial Institution	Amount	Reason
1	Industrial Finance Corporation of India	270.00	It is historic in nature and it involves practical challenge in obtaining NOC from them despite repayment of the loan. Charge will be satisfied as and when it receives NOC from the charge holder.

**xi) Ratios**

Sr. No.	Ratio	Numerator	Denominator	Current year	Previous year	Variation
1	Current ratio (in times)	Total current assets	Total current liabilities	4.26	3.59	18.68%
2	Debt-Equity ratio (in times)	Debt consists of borrowings and lease liabilities.	Total equity	0.08	0.05	45.82%
3	Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments	6.87	9.18	-25.10%
4	Return on equity ratio (in %)	Profit for the year less Preference dividend (if any)	Average total equity	8.56%	10.52%	-18.65%
5	Inventory Turnover Ratio	Sales	Average Inventory	9.60	9.39	2.29%
6	Trade receivables turnover ratio (in times)	Sales	Average trade receivables	6.07	5.33	13.88%
7	Trade payables turnover ratio (in times)	Cost of Material Consumed Purchase of Stock -in - trade + + Change in Inventories of Raw Material & Stores	Average trade payables	5.86	6.50	-9.87%
8	Net capital turnover ratio (in times)	Sales	Average working capital (i.e. Total current assets less Total current liabilities)	1.86	1.74	6.90%
9	Net profit ratio (in %)	Profit for the year	Sales	7.38%	9.66%	-23.56%
10	Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Net worth + Lease liabilities + Deferred tax liabilities + Total Debt	10.56%	12.71%	-16.89%
11	Return on investment (in %)	Income generated from invested funds	Average invested funds in treasury investments	8.22%	13.06%	-37.10%

**Reasons for variation in excess of 25%:**

1. Debt Equity Ratio: increased mainly due to increase in Term Borrowings.
2. Debt Service Coverage Ratio: Reduced due to decline in cash profits during previous year.
3. Return on Investment: Reduced due to return on equity decline viz-a-viz previous year.

**xii)** The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries), or,
- (b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

**xiii)** The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries), or,
- (b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## 62 POST EMPLOYMENT OBLIGATIONS - GRATUITY

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. For the funded plan the Company makes contributions to LIC of India.

a)	Changes in Defined Benefit Obligation	31st March 2022	31st March 2021
	Gratuity Plan	966.77	823.90

b) Changes in present value of defined obligation representing reconciliation of opening and closing balances thereof are as follows :

(₹ in lakh)

Changes in Defined Benefit Obligation	For the year ended on 31st March 2022	For the year ended on 31st March 2021
Present value obligation as at the start of the year	823.90	791.30
Interest costs	55.57	54.17
Current Service costs	75.87	69.52
Past Service Cost	-	-
Benefits paid	(84.64)	(69.41)
Re-measurement (or Actuarial) (gain) / loss arising from:	-	-
- change in financial assumptions	117.94	7.17
- experience Variance	(21.86)	(28.86)
- Change in Demographic Assumptions	-	-
<b>Present value obligation as at the end of the year</b>	<b>966.77</b>	<b>823.90</b>

c) Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof as follows :

(₹ in lakh)

Change in fair value of plan assets	For the year ended on 31st March 2022	For the year ended on 31st March 2021
Fair value of plan assets as at the start of the year	830.20	751.86
Return on plan assets	56.00	51.47
Actuarial gains/ (losses)	2.49	(4.29)
Contributions by employer	86.38	100.57
Benefits paid	(84.64)	(69.41)
<b>Fair value of plan assets as at the end of the year</b>	<b>890.42</b>	<b>830.20</b>

d) Reconciliation of present value of defined benefit obligation and the fair value of plan assets

(₹ in lakh)

Change in fair value of plan assets	For the year ended on 31st March 2022	For the year ended on 31st March 2021
Present value obligation as at the end of the year	966.77	823.90
Fair value of plan assets as at the end of the year	890.42	830.20
Net asset/(obligation) recognized in balance sheet	(76.35)	6.30

e) The amounts recognised in the statement of profit and loss are as follows :

(₹ in lakh)

Change in fair value of plan assets	For the year ended on 31st March 2022	For the year ended on 31st March 2021
Current service cost	75.87	69.52
Interest on obligation	(0.43)	2.70
Past Service Cost	-	-
<b>Total included in employee benefit expense</b>	<b>75.44</b>	<b>72.22</b>

f) Amount recognised in the statement of Other Comprehensive Income

(₹ in lakh)

Changes in Defined Benefit Obligation	For the year ended on 31st March 2022	For the year ended on 31st March 2021
Change in Financial Assumptions	117.94	7.17
Change in Demographic Assumptions	-	-
Experience Variance i.e. Actual Experience vs Assumptions	(21.86)	(28.86)
Actuarial Gain/(Loss) for the year	(2.49)	4.29
Components of defined benefit cost recognised in OCI	93.59	(17.40)

g) Amount recognised in the statement of Other Comprehensive Income in lakh)

(₹

Actuarial Assumptions	For the year ended on 31st March 2022	For the year ended on 31st March 2021
Discount rate (per annum)	7.25%	6.75%
Salary escalation rate (per annum)	9.00%	7.00%

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields/ rates available on applicable bonds as on the current valuation date. The Salary growth rate indicated above is the Company's best estimate of an increase in salary of employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

h) Demographic Assumptions:

The Principal Demographic Assumptions used in the valuation are shown in the table below:

(₹ in lakh)

Demographic Assumptions	For the year ended on 31st March 2022	For the year ended on 31st March 2021
Mortality Rate (% of IALM 2012-14)	100.00%	100.00%
Normal Retirement Age	58 Years	58 Years
Attrition/ Withdrawal rate, based on age: (per annum)		
Upto 30 Years	3.00%	3.00%
31 to 44 Years	2.00%	2.00%
Above 44 Years	1.00%	1.00%

Attrition rate indicated above represents Company's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience etc.

i) Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below:

(₹ in lakh)

Particulars	For the year ended on 31st March 2022	For the year ended on 31st March 2021
Defined Benefit Obligation (base)	966.77	823.89

(₹ in lakh)

Particulars	For the year ended on 31st March 2022		For the year ended on 31st March 2021	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+1%) (% change compared to base due to sensitivity)	<b>1,070.68</b> <b>10.70%</b>	<b>879.74</b> <b>-9.00%</b>	902.41 9.50%	757.40 -8.10%
Salary Growth Rate (-/+1%) (% change compared to base due to sensitivity)	<b>883.71</b> <b>-8.60%</b>	<b>1,063.39</b> <b>10.00%</b>	760.72 -7.70%	897.10 8.90%
Attrition Rate (-/+ 50% of attrition rates) (% change compared to base due to sensitivity)	<b>976.75</b> <b>1.00%</b>	<b>957.97</b> <b>-0.90%</b>	824.40 0.10%	823.43 -0.10%
Mortality Rate (-/+ 10% of mortality rates) (% change compared to base due to sensitivity)	<b>967.02</b> <b>0.00%</b>	<b>966.52</b> <b>0.00%</b>	823.85 0.00%	823.94 0.00%

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of the another as some of the assumptions may be correlated.

**f) Expected Cash Flows over the next (valued on undiscounted basis):**

Expected Cash Flows over the next (valued on undiscounted basis)	(₹ in lakh)
1 Year	158.28
2 to 5 years	286.89
6 to 10 years	320.93
More than 10 years	1,741.43

**63 THE FIGURES HAVE BEEN ROUNDED OFF TO THE NEAREST RUPEE LAKH UPTO TWO DECIMAL POINT.**

As per our report of even date

For J. Arora & Co.

Chartered Accountants

Firm Registration No.011921N

For and on behalf of the Board

For and on behalf of the Board

Sd/-

(Jeevan Arora)

Proprietor

M.No 090809

Place : Ludhiana

Dated: 27.09.2022

UDIN: 22090809AWVXXK7198

Sd/-

(Rishi Pahwa)

Joint Managing Director

DIN: 00286399

Sd/-

(Mandeep Singh Pahwa)

Director

DIN: 00248245

# Independent Auditors' Report

**To The Members of Avon Cycles Limited**

**Report on the Audit of the Consolidated Ind AS Financial Statements**

## **Opinion**

We have audited the accompanying Consolidated financial statements of M/s. Avon Cycles Limited (hereinafter referred to as “the Holding Company”) and its subsidiaries (Holding Company and its subsidiaries together referred to as “the Group”) which comprise the Consolidated Balance Sheet as at 31st March, 2022, the Consolidated Statement of Profit & Loss (including OCI), the Consolidated statement of changes in equity and the Consolidated statement of Cash Flow for the year then ended and summary of significant accounting policies and other explanatory information comprising Consolidated Notes to Accounts.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of other auditors on separate financial statements of such associates and subsidiaries as were audited by other auditors, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ('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 consolidated state of affairs of the Company as at March 31, 2022, its consolidated profit & loss and other comprehensive income, consolidated changes in equity and consolidated Cash Flows for the year ended on that date.

## **Basis for Opinion**

We conducted our audit in accordance with the standards on auditing (SAs) specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained along with the consideration of audit reports of other auditors referred to in sub-paragraph (a) of the “Other Matters” paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31st March 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

### **Information Other than Consolidated Financial Statements and Auditor's Report thereon**

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises Holding Company's Board's Report, Report on Corporate Governance and Business Responsibility report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of Consolidated financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially consistent with the Consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to me materially misstated. If, based on the work we performed, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Ind AS Consolidated Financial Statements**

The Holding Company's Board of Directors and Management are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these Consolidated financial statements that give a true and fair view of the Consolidated financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated financial statements, management and Board of Directors of entities included in the group are responsible for assessing the ability of each entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management and board of directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group are responsible for overseeing the financial reporting process of each entity.

### **Auditor's Responsibilities for the Audit of Consolidated Financial Statements**

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

audit. We have taken into account the provisions of the Act, the accounting standards and the matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified u/s 143(10) of the Act. Those Standards require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements.

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

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

## **Opinion**

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

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

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(I) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors of Holding Company.
- Conclude on the appropriateness of management's and Board of Directors of Holding Company use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associates to express an opinion on Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For other entities included in consolidated financial statements, which have been audited by other auditors, such auditors remain responsible for the direction, supervision and performance of audits carried on by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of section titled 'Other Matters' in this audit report. We believe that the audit evidence obtained by us along with consideration of audit reports of other auditors referred to in sub-paragraph (a) of other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in consolidated financial statements of which we are the independent auditor regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated financial statements for the year ended 31st March 2022. and are therefore the key audit matters. We describe these matters in our auditor's report as applicable unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because

the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matters**

- (a) We did not audit the financial statements/ financial information of one subsidiary company whose financial statements/ financial information reflect total assets (before consolidation adjustments) of Rs. 7152.00 Lakh as at 31st March 2022, total revenues (before consolidation adjustments) of Rs. 70.16 Lakh and total net loss after tax (before consolidation adjustments) of Rs. 27.53 and net cash outflow (before consolidation adjustments) amounting to Rs. 189.41 Lakh for the year ended as on that date, as considered in consolidated financial statements. The consolidated financial statements also include the Group's share of net loss ( and other Comprehensive Income)(before consolidation adjustment) of Rs. 168.27 Lakh for the year ended 31 March, 2022, in respect of one associate whose financial statement/ financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of sub-section (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates is solely based on the audit reports of other auditors.

Our opinion on the consolidated financial statements, and our report on the Other Legal and Regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on work done and the reports of other auditors.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit and on consideration of reports of other auditors on separate financial statements of such subsidiaries and associates as were audited by other auditors, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law have been kept so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account and with the returns received from branches not visited by us.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors of Holding Company

as on 31 March 2022 taken on record by the Board of Directors of Holding Company and reports of the statutory auditors of its subsidiary company and associate company incorporated in India, none of the directors of the Group's companies incorporated in India is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

- (f) With respect to the adequacy of the internal financial controls with reference to Consolidated financial statements of the Holding Company and its Subsidiary Companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.
2. 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, 2021, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Group has disclosed the impact of pending litigations on its financial position in its Ind AS Consolidated financial statements - Refer Note 37 to the Ind AS Consolidated financial statements;
  - ii. The Company has made provision in its consolidated financial statements as required under the applicable law or accounting standards for material foreseeable losses on long term contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. a) The management of holding company and as per reports of the statutory auditors of its subsidiary company and associate company incorporated in India has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - b) The management of holding company and as per reports of the statutory auditors of its subsidiary company and associate company incorporated in India has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

3. With respect to the matter to be included in the Auditor's report under section 197(16) of the Act:

In our opinion and according to the information and explanation given to us and based on the reports of the statutory auditors of such subsidiaries and associate companies incorporated in India and which were not audited by us, the remuneration paid during the current year by the Holding Company and its Subsidiaries which are incorporated in India to its directors is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiaries which are incorporated in India, is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) of the Act which are required to be commented upon by us.

For J. Arora & Co.  
Chartered Accountants  
Firm's Registration No: 011921N

Place: Ludhiana  
Date: 27.09.2022

Sd/-  
Jeevan Arora  
Proprietor  
Membership No: 090809  
UDIN:22090809BCYVII8799

## **Annexure A to the Independent Auditor's Report**

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section 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 Cycles Limited (“the Company”) as of 31st March 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

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

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

Our responsibility is to express an opinion on the Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements.. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were 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 control system over financial reporting of consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting of consolidated financial statements included obtaining an understanding of internal financial controls over financial reporting of consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error.

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

## **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting of consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting of consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated 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 consolidated 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 of consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting of consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In Conjunction with our audit of the Consolidated Financial Statements of Avon Cycles Ltd. (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to Consolidated financial statements of the Holding Company and such companies incorporated in India under Companies Act, 2013, which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiaries companies, have, 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 31 March 2022, based on the internal control with reference to consolidated financial statements criteria established by such Companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For J. Arora & Co.  
Chartered Accountants  
Firm's Registration No: 011921N

Place: Ludhiana  
Date: 27.09.2022

Sd/-  
Jeevan Arora  
Proprietor  
Membership No: 090809  
UDIN:22090809BCYVII8799

**Avon Cycles Limited, Ludhiana**  
**Consolidated Balance Sheet as at 31.03.2022**

(Amount ₹ in Lakh)

Particulars	Note	As at 31.03.2022	As at 31.03.2021	
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
a)	Property Plant & Equipment	2	16,932.23	14,747.47
b)	Right-of-Use Asset	3	425.04	472.66
c)	Investment Properties	2.1	3,710.84	2,949.83
d)	Capital Work in Progress		3,168.52	2,245.38
e)	Other Intangible Assets	2.3	55.43	56.87
f)	Financial Assets:			
	i) Non Current Investments	4	7,652.18	6,652.28
	ii) Long Term Loans & Advances	5	-	0.65
	iii) Other Financial Assets	6	6,710.21	764.92
g)	Other Non current assets	7	4,522.70	5,631.55
	<b>Total Non- Current Assets</b>		<u>43,177.15</u>	<u>33,521.61</u>
<b>Current Assets</b>				
a)	Inventories	8	7,135.42	11,490.66
b)	Financial Assets:			
	i) Current Investments	9	8,474.26	8,973.44
	ii) Trade Receivables	10	13,974.36	13,299.87
	iii) Cash & Cash Equivalents	11	18,116.80	13,734.78
	iv) Other Balances with Banks	12	1,980.88	6,345.01
	v) Short Term Loans & Advances	13	4,165.43	3,800.29
	vi) Other Financial Assets	14	180.83	308.18
c)	Current Tax Assets		1,783.43	1,778.29
d)	Other Current Assets	15	1,766.89	3,176.16
e)	Assets held for Sale	2.2	62.27	62.27
	<b>Total Current Assets</b>		<u>57,640.57</u>	<u>62,968.95</u>
	<b>TOTAL ASSETS</b>		<u>100,817.72</u>	<u>96,490.56</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
a)	Share Capital	16	85.33	89.64
b)	Other Equity	17	73,845.82	68,542.03
	<b>Total Equity</b>		<u>73,931.15</u>	<u>68,631.67</u>
<b>LIABILITIES</b>				
<b>Non-Current Liabilities</b>				
a)	Financial Liabilities:			
	i) Long Term Borrowings	18	5,715.05	2,903.83
	ii) Lease Liability	19	246.64	270.44
	iii) Other Financial Liabilities	20	565.94	497.34
b)	Long-Term Provisions	21	3,878.60	4,763.60
c)	Deferred Tax Liability (net)		2,291.60	1,806.73

d)	Other Non- Current Liabilities	22	<b>247.72</b>	100.95
	<b>Total Non- Current Liabilities</b>		<b><u>12,945.55</u></b>	<u>10,342.89</u>
	<b>Current Liabilities</b>			
a)	Financial Liabilities:			
	l) Short Term Borrowings	23	<b>1,976.47</b>	471.76
	ii) Lease Liability	24	<b>24.18</b>	30.10
	iii) Trade Payables			
	(a) total outstanding dues of micro and small enterprises	25	<b>4,216.65</b>	5,896.78
	(b) total outstanding dues of trade payable other than micro and small enterprises	25	<b>3,684.17</b>	5,866.66
	iii) Other Financial Liabilities	26	<b>998.70</b>	1,614.61
b)	Short Term Provisions	27	<b>52.97</b>	50.86
c)	Current Tax Provisions		<b>1,509.00</b>	1,675.00
d)	Other current Liabilities	28	<b>1,478.88</b>	1,910.23
	<b>Total Current Liabilities</b>		<b><u>13,941.02</u></b>	<u>17,516.00</u>
	<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b><u>100,817.72</u></b>	<u>96,490.56</u>
	Notes on Financial Statements	1 to 65	<b>(0.00)</b>	-

In terms of our report attached  
For J. Arora & Co.  
Chartered Accountants  
Firm Registration No.011921N

For and on behalf of the Board

For and on behalf of the Board

Sd/-  
(Jeevan Arora)  
Proprietor  
M.No 090809  
UDIN:22090809BCYVII8799  
Place : Ludhiana  
Dated: 27.09.2022

Sd/-  
(Rishi Pahwa)  
Joint Managing Director  
DIN: 00286399

Sd/-  
(Mandeep Singh Pahwa)  
Director  
DIN: 00248245



**Avon Cycles Limited, Ludhiana**  
**Consolidated Statement of Profit & Loss Account for the period ended 31.03.2022**

(Amount ₹ in Lakh)

Particulars	Note	Year Ended 31.03.2022	Year Ended 31.03.2021
<b>INCOME</b>			
a) Revenue from Operations	29	82,854.50	71,030.52
b) Other Income	30	4,053.04	4,323.76
<b>Total Income</b>		<u>86,907.54</u>	<u>75,354.28</u>
<b>EXPENSES</b>			
a) Cost of Materials Consumed	31	48,891.02	46,890.25
b) Purchases of Stock-in-trade	32	4,742.96	6,163.80
c) Change in Inventories of Finished Goods, Stock-in-trade and Work-in-Progress	33	3,712.86	(6,296.34)
d) Employee Benefits Expense	34	5,333.26	4,451.01
e) Finance Costs	35	549.15	365.93
f) Depreciation & Amortisation Expense	2.5	2,809.09	2,495.99
g) Other Expenses	36	12,634.77	12,034.89
<b>Total Expenses</b>		<u>78,673.11</u>	<u>66,105.53</u>
Profit Before Tax & Exceptional Items		8,234.43	9,248.75
Share of Profit/(Loss) of Associates & Joint Ventures		(168.27)	(5.01)
Profit Before Tax & Exceptional Items		8,066.16	9,243.74
<b>Exceptional Items:</b>			
CSR Expenditure u/s 135 of Companies Act, 2013		173.83	195.38
Profit Before Tax		<u>7,892.33</u>	<u>9,048.36</u>
<b>Tax Expenses</b>			
Current Tax		1,509.00	1,675.00
Deferred Tax		512.80	531.19
<b>Profit for the year</b>		<u>5,870.53</u>	<u>6,842.17</u>
<b>Other Comprehensive Income:</b>			
Re-measurement of post-employment benefit Obligations		(93.59)	17.40
Income Tax Relating to these items		27.93	(13.96)
<b>Other Comprehensive Income, Net of Tax</b>		<u>(65.66)</u>	<u>3.44</u>
<b>Total Comprehensive Income</b>		<u>5,804.87</u>	<u>6,845.61</u>
<b>Net Profit Attributable to:</b>			
a) Owners to Company		5,870.53	6,842.17
b) Non - Controlling Interest		-	-
<b>Other Comprehensive Income Attributable to:</b>			
a) Owners to Company		(65.66)	3.44
b) Non - Controlling Interest		-	-
<b>Total Comprehensive Income Attributable to:</b>			
a) Owners to Company		5,804.87	6,845.61
b) Non - Controlling Interest		-	-
<b>Earnings per equity share of face value of</b>	<b>₹10 each</b>	<b>679.48</b>	<b>719.92</b>
<b>Basic and diluted (in ₹)</b>			
Notes on Financial Statements	1 to 65		

In terms of our report attached  
For J. Arora & Co.  
Chartered Accountants  
Firm Registration No.011921N

Sd/-  
(Jeevan Arora)  
Proprietor  
M.No 090809  
UDIN:22090809BCYVII8799  
Place : Ludhiana  
Dated: 27.09.2022

For and on behalf of the Board

Sd/-  
(Rishi Pahwa)  
Joint Managing Director  
DIN: 00286399

For and on behalf of the Board

Sd/-  
(Mandeep Singh Pahwa)  
Director  
DIN: 00248245

**Avon Cycles Limited**  
**Consolidated Statement of Changes in Equity**

a) **EQUITY SHARE CAPITAL**

For year ended 31st March, 2022		(₹ in Lakh)
Particulars	Amount	
<b>Balance as on April 01, 2021</b>	89.64	
Proceeds from Issue of Shares	-	
Prior Period Errors	-	
Changes during the year	(4.32)	
<b>Balances as on March 31, 2022</b>	<b>85.33</b>	

For year ended 31st March, 2021		(₹ in Lakh)
Particulars	Amount	
<b>Balance as on April 01, 2020</b>	89.64	
Proceeds from Issue of Shares	-	
Prior Period Errors	-	
Changes during the year	-	
<b>Balances as on March 31, 2021</b>	<b>89.64</b>	

b) **OTHER EQUITY**

Particulars	(₹ in Lakh)						
	Retained Earnings	General Reserve	Capital Redemption Reserve	Total	Equity attributable to shareholders of Company	Non - Controlling Interests	Total
<b>Balance as on April 01, 2021</b>	<b>55,074.63</b>	13,467.40	-	<b>68,542.03</b>	68,542.03	-	<b>68,542.03</b>
Profit for the year	5,870.54	-	-	<b>5,870.54</b>	5,870.54	-	<b>5,870.54</b>
Other Comprehensive Income/ (Loss) for the year	(65.66)	-	-	<b>(65.66)</b>	(65.66)	-	<b>(65.66)</b>
<b>Total Comprehensive Income for the year</b>	<b>5,804.88</b>	-	-	<b>5,804.88</b>	<b>5,804.88</b>	-	<b>5,804.88</b>
Transferred to General Reserve	(2,500.00)	-	-	<b>(2,500.00)</b>	(2,500.00)	-	<b>(2,500.00)</b>
Transferred from General Reserve	-	-	4.32	<b>4.32</b>	4.32	-	<b>4.32</b>
Transfer From Retained Earnings	-	2,500.00	-	<b>2,500.00</b>	2,500.00	-	<b>2,500.00</b>
Final Dividend for Financial Year 2020 - 2021(@ Rs. 15/- per share)	(179.29)	-	-	<b>(179.29)</b>	(179.29)	-	<b>(179.29)</b>
Buy Back of shares	-	(81.99)	-	<b>(81.99)</b>	(81.99)	-	<b>(81.99)</b>
Transfer to Capital Redemption Reserve	-	(4.32)	-	<b>(4.32)</b>	(4.32)	-	<b>(4.32)</b>
Expenses on Buy- Back	(0.06)	-	-	<b>(0.06)</b>	(0.06)	-	<b>(0.06)</b>
Buy - Back Tax	(19.10)	-	-	<b>(19.10)</b>	(19.10)	-	<b>(19.10)</b>
Tax adjustment of earlier years	(220.64)	-	-	<b>(220.64)</b>	(220.64)	-	<b>(220.64)</b>
<b>Balances as on March 31, 2022</b>	<b>57,960.42</b>	<b>15,881.09</b>	<b>4.32</b>	<b>73,845.82</b>	<b>73,845.82</b>	-	<b>73845.82</b>

As per our report of even date  
For J. Arora & Co.  
Chartered Accountants  
Firm Registration No.011921N

For and on behalf of the Board      For and on behalf of the Board

Sd/-  
(Jeevan Arora)  
Partner  
M.No 090809  
UDIN:22090809BCYVII8799  
Place : Ludhiana  
Dated: 27.09.2022

Sd/-  
(Rishi Pahwa)  
Joint Managing Director  
DIN: 00286399

Sd/-  
(Mandeep Singh Pahwa)  
Director  
DIN: 00248245

**Avon Cycles Limited**  
**Consolidated Cash Flow Statement For The Period Ended 31.03.2022**

(Amount ₹ in Lakh)

Particulars	2021 - 2022	2020 - 2021
<b>A. Cash Flow From Operating Activities</b>		
Net profit before tax	7,892.34	9,048.25
<b>Adjustments for :</b>		
Interest expenses	465.12	282.54
Depreciation and Amortisation on PPE	2,760.84	2,448.01
Profit/ Loss on Sales/ Fair Valuation of Investment	(2,242.24)	(2,849.23)
Profit on Sales of Fixed Assets	(135.33)	(76.77)
Loss on sale of Fixed Assets	-	-
Interest Received	(732.41)	(1,072.25)
Dividend Received	(20.49)	(16.98)
(Profit)/loss on Share Trading	(510.71)	(505.26)
Other Non-Operating Income	(77.84)	(46.47)
Other Comprehensive Income	(65.66)	3.44
Prior Period Adjustment	-	-
Rent	(290.56)	(220.99)
Operating profit before working capital changes	<u>7,043.06</u>	<u>6,994.29</u>
<b>Adjustments for :</b>		
Trade Receivables	(674.50)	291.97
Inventories	4,355.26	(6,450.50)
Loan & Advances	(364.49)	725.81
Other Financial Assets	(5,817.94)	4,962.94
Other Assets (excluding Advance Tax)	1,384.02	(991.42)
Trade Payables	(3,862.62)	6,216.95
Other Financial Liabilities	(577.03)	1,349.40
Provisions (Excluding Provision of Income Tax)	2.11	102.24
Other Liabilities	200.28	1,557.17
Cash generations from operation	<u>1,688.15</u>	<u>7,764.57</u>
Taxes Paid	(2,135.99)	(1,689.00)
<b>Net Cash from operating activities (A)</b>	<u>(447.84)</u>	<u>13,069.86</u>
<b>B. Cash Flow From Investing Activities</b>		
Purchase of Fixed Assets	(9,161.90)	(4,852.64)
Purchase of Investment	(500.69)	(5,693.25)
Sale of Fixed Assets	2,668.90	223.24
Interest Received	732.41	1,072.25
Dividend Received	20.49	16.98
Profit/Loss on Sales of Investment	2,242.24	2,849.23
Profit/Loss on Share Trading	510.71	505.26
Other Non-Operating Income	77.84	46.47
Rent Received	290.56	220.99
<b>Net Cash From Investing Activities (B)</b>	<u>(3,119.44)</u>	<u>(5,611.47)</u>
<b>C. Cash Flow From Financing Activities</b>		
Interest Paid	(465)	(282.54)
Dividend Paid	(179)	(179.29)
Payment on Buy-Back of shares/ expenses on buy-back	(86)	
Proceeds/(Repayments) of/from loan funds	4,316	1,075.30
<b>Net Cash From Financing Activities (C)</b>	<u>3,585</u>	<u>613.47</u>
<b>Total ( A + B + C )</b>	<u>18</u>	<u>8,071.86</u>
<b>Cash &amp; Cash Equivalents as on 01/04/21</b>	<u>20,079.80</u>	<u>12,007.94</u>
<b>Cash &amp; Cash Equivalents as on 31/03/22</b>	<u>20,097.67</u>	<u>20,079.80</u>

Note: The above Cash Flow statement has been prepared under Indirect Method as set out in Ind AS - 7 "Statement of Cash Flows".

In terms of our report attached  
For J. Arora & Co.  
Chartered Accountants  
Firm Registration No.011921N

For and on behalf of the Board

For and on behalf of the Board

Sd/-  
(Jeevan Arora)  
Proprietor  
M.No 090809  
UDIN:22090809BCYVII8799  
Place : Ludhiana  
Dated: 27.09.2022

Sd/-  
(Rishi Pahwa)  
Joint Managing Director  
DIN: 00286399

Sd/-  
(Mandeep Singh Pahwa)  
Director  
DIN: 00248245

## Avon Cycles Limited

### Notes on Consolidated Financial Statements for the period ended March 31, 2022

#### 1. BACKGROUND

Avon Cycles Ltd. is a closely held company limited by shares, incorporated and domiciled in India. The registered address of the Company is located at G.T Road, Dhandari Kalan, Ludhiana - 141003. The Company is engaged in diversified businesses primarily dealing in manufacturing of Bicycle & Cycle Parts, E-Bikes, E-Rickshaws and Power.

#### 1) SIGNIFICANT ACCOUNTING POLICIES

##### a) Basis of Preparation:

###### i) Compliance with IndAs:

The Consolidated Financial Statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] as amended thereafter and other relevant provisions of the Act.

###### ii) Historical Cost Convention:

The Consolidated financial statements have been prepared on a historical cost basis, except for the following:

- a) certain financial assets and liabilities (including derivative instruments) and contingent consideration that is measured at fair value;
- b) defined benefit plans - plan assets measured at fair value.

##### b) Foreign currency translation:

###### i) Functional and presentation currency:

Items included in the Consolidated financial statements of group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Consolidated Financial Statements are presented in Indian rupee (INR), which is group's functional and presentation currency.

###### (ii) Transactions and Balances:

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

##### c) Revenue Recognition:

Ind As 115 was issued on 28th March 2018 and supersedes Ind As 11 Construction Contracts and Ind As 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind As 115 establishes a five step model to account for revenue arising from

contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Ind As 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to the contract with their customers. The standard also specifies the accounting for incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures. The group adopted Ind As 115 using modified retrospective method of adoption with the date of initial application of 1st April, 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or to only contracts that are not completed at this date. The group elected to apply standard to contracts that are not completed at the date of initial application.

### **Recognising revenue from major business activities**

#### **Sale of Goods:**

**Timing of recognition:** The group manufactures and sells Bicycle, Bicycle Parts, Ebikes, E-Rickshaws and Power. Sales are recognised when products are delivered to the dealer, the dealer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect dealer's acceptance of the products. Delivery occurs when the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the dealer, and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the group has objective evidence that all criteria for acceptance have been satisfied.

**Measurement of revenue:** The products are sold with volume discounts and customers have a right to return faulty products in the wholesale market. Revenue from sales is based on the price specified in the sales contracts, net of the estimated volume discounts and returns at the time of sale. Accumulated experience is used to estimate and provide for the discounts and returns. The volume discounts are assessed based on anticipated annual purchases. No element of financing is deemed present as the sales are made with a credit term of 60 days, which is consistent with market practice. Export sales are accounted for on the basis of Let Export date. Export incentives are accounted for on accrual basis. Revenue related to service coupons is deferred and is recognised whenever claimed by the dealer.

Interest income is recognised on time basis. Royalty income is recognised on accrual basis.

#### **d) Government Grants:**

Grants from the government are recognised at their fair value when there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions. Government grant relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income. Government grants relating to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss over the expected lives of the related assets and presented within other income.

**e) Income Tax:**

**i) Current Tax:**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Current income tax assets/liabilities for current year is recognized at the amount expected to be paid to and/or recoverable from the tax authorities.

**ii) Deferred Tax:**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In that case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**iii) Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment**

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

1. Whether an entity considers uncertain tax treatments separately.
2. The assumptions an entity makes about the examination of tax treatments by taxation authorities.



3. How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

4. How an entity considers changes in facts and circumstances.

The group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The group applies significant judgement in identifying uncertainties over income tax treatments.

**f) Leases:**

**As a lessee**

The group's lease asset classes primarily consist of leases for land and buildings. The group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether: (i) the contract involves the use of an identified asset (ii) the group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the group has the right to direct the use of the asset.

At the date of commencement of the lease, the group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those

from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

#### **As a lessor**

Leases for which the group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

#### **g) Impairment of Assets:**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non- financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

#### **h) Cash and Cash Equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

**l) Inventories:**

**Raw materials and stores, work in progress, traded and finished goods**

Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs. Costs are assigned to individual items of inventory on the basis of weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**j) Non-current assets held for sale:**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

**k) Property, Plant and Equipment:**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

**Depreciation methods, estimated useful lives and residual value:**

Depreciation is calculated using the Written Down Value method to allocate their cost, net of their residual values, over their estimated useful lives which is in conformity with the requirements of the Companies Act, 2013. Depreciation is not recorded on Work - in- Progress until construction and installation is complete and asset is ready for its intended use.

**The estimated useful lives are as follows:**

Type of Asset	Useful Lives
Factory Buildings	30 Years
Other Buildings - RCC Structure	60 Years
Other Buildings - Non RCC Structure	30 Years
Leasehold Improvements	Lease Term
Plant & Equipment	15 Years
Furniture & Fixtures	10 Years
Office Equipment	10/5 Years
Computer Equipment	6/3 years
Vehicles	8 Years

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the group will obtain ownership at the end of the lease term. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

**i) Investment Properties:**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not classified as owner occupied property, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using the written down value method over their estimated useful lives. Investment properties generally have a useful life of 30-60 years. The useful life has been determined based on technical evaluation performed by the management's expert.

**m) Intangible Assets:**

**Computer Softwares:** Costs associated with maintaining software programmes are recognised as an expense as incurred.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use.
- Management intends to complete the software and use it.
- There is an ability to use the software.
- It can be demonstrated how the software will generate probable future economic benefits.
- Adequate technical, financial and other resources to complete the development and to use the software are available, and
- The expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

**Trade Marks:** Trade marks are recognised as an asset as and when expense is incurred.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use. Intangible Assets are depreciated using the Written Down Value method to allocate their cost, net of their residual values, over their estimated useful lives which is in conformity with the requirements of the Companies Act, 2013.

**n) Trade and other payables**

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 45-60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

**o) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer material provision of a long-term loan arrangement on or before the end of the reporting period with settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the Consolidated financial statements for issue, not to demand payment as a consequence of the breach.

**p) Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

**q) Provisions and Contingent Liabilities:**

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the group or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Contingent assets are neither recognised nor disclosed in Financial Statements.

**r) Employee benefits**

**(i) Short-term obligations**

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' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**(ii) Other long-term employee benefit obligations**

The liabilities, if any, which needs to be settled after 12 months from the end of the period in which the employees render the related services are are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of reporting period using the projected unit credit method.

**(iii) Post-employment obligations**

The group operates the following post-employment schemes:

- a) defined benefit plans such as gratuity, pension, post-employment medical plans; and
- b) defined contribution plans such as provident fund.

### **Gratuity obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

### **Defined contribution plans**

The group pays provident fund contributions to publicly administered provident funds as per local regulations. The group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

#### **(iv) Bonus plans**

The group recognises a liability and an expense for bonuses. The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

#### **s) Financial Assets:**

##### **(I) Classification:**

The group classifies its financial assets in the following measurement categories :-

- a) Those to be measured subsequently at fair value (either through other comprehensive income or through Statement of profit and loss), and
- b) Those measured at amortised cost.
- c) Investments in Subsidiaries are measured at Cost less impairment loss, if any.
- d) Investments in Associates are measured at Cost less impairment loss, if any.

The classification depends on the group's business model for managing the financial assets and the contractual terms of cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at the fair value through other comprehensive income.

**ii) Measurement:**

At initial recognition, the group measures a financial asset at its fair value plus transaction cost that are directly attributable to the acquisition of the financial asset. In the case of a financial asset at fair value through profit or loss, transaction costs of financial assets are expensed in the Statement of profit and loss.

The group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss. Investments in Subsidiaries and Associates is measured at Cost less impairment loss, if any.

**iii) Impairment of Financial Assets:**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less cost of disposal and its value in use.

The group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**iv) Derecognition of Financial Asset:**

A Financial Asset is derecognised only when:

- a) The group has transferred the rights to receive the cash flows from the financial assets, or,
- b) Retains the contractual rights to receive the cash flows of the financial asset, but assumes contractual obligation to pay the cash flows to one or more recipient.

**v) Income Recognition:**

**Interest Income:** Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.



**Dividends:** Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the group, and the amount of the dividend can be measured reliably.

**t) Impairment of Non Financial Assets:**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable amount. The recoverable amount is higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from assets or group of assets (cash-generating units). Non-Financial assets suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**u) Offsetting Financial Instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

**v) Derivatives that are not designated as hedges:**

The group enters into certain derivative/ forward contracts to hedge foreign currency risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss.

**w) Estimates & Judgements:**

The preparation of Consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management has made judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses.

The areas involving critical estimates or judgements are:

- i) Estimation of current tax expense and payable.
- ii) Designation of financial assets /liabilities through FVTPL.
- iii) Estimation of defined benefit obligation.
- iv) Recognition of deferred tax assets for carried forward tax losses.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, , including expectations of future events that may have a financial impact on group and that are believed to be reasonable under the circumstances.

**x) Applicability of New and Revised Ind As:**

On March 23, 2022, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2022. This notification has resulted into amendments in the following existing accounting standards which are applicable to group from April 1, 2022:

- i) Ind AS 101 – First time adoption of Ind AS
- ii) Ind AS 103 – Business Combination
- iii) Ind AS 109 – Financial Instrument
- iv) Ind AS 16 – Property, Plant and Equipment
- v) Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets
- vi) Ind AS 41 – Agriculture

The amendment are extensive and the group will evaluate the same to give effect to them as required by law.

## Notes forming part of the Consolidated Financial Statements

### 2. Property, Plant & Equipment As On 31.03.2022

(₹ in Lakh)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET CARRYING AMOUNT	
	As on 31.03.2021	Additions/Trfd./ Adjustment	Sale/Trfd. / Adjustment	Total as on 31.03.2022	Upto 31.03.2021	For the year	Sale/ Trfd.	Upto 31.03.2022	As on 31.03.2022	As on 31.03.2021
<b>Own Assets:</b>										
Freehold Land	1,524.90	5.68	-	<b>1,530.58</b>	-	-	-	-	<b>1,530.58</b>	1,524.90
Factory Buildings	3,653.97	1,589.87	11.75	<b>5,232.09</b>	1,849.50	<b>265.87</b>	9.51	<b>2,105.86</b>	<b>3,126.23</b>	1,804.47
Other Buildings	143.07	-	-	<b>143.07</b>	86.56	<b>3.24</b>	-	<b>89.8</b>	<b>53.27</b>	56.51
Plant & Machinery	27,166.67	3,112.88	17.76	<b>30,261.79</b>	16,367.22	<b>2,228.93</b>	7.68	<b>18,588.47</b>	<b>11,673.32</b>	10,799.45
Furniture and Fixtures	328.99	15.28	-	<b>344.27</b>	264.2	<b>20.12</b>	-	<b>284.32</b>	<b>59.95</b>	64.79
Office Equipment	333.37	29.29	0.07	<b>362.59</b>	261.42	<b>23.15</b>	0.05	<b>284.52</b>	<b>78.07</b>	71.95
Computer Equipment	205.02	19.01	-	<b>224.03</b>	163.38	<b>24.44</b>	-	<b>187.82</b>	<b>36.21</b>	41.64
Vehicles	696.14	142.24	96.43	<b>741.95</b>	312.38	<b>122.37</b>	67.4	<b>367.35</b>	<b>374.6</b>	383.76
<b>Total</b>	<b>34,052.13</b>	<b>4,914.25</b>	<b>126.01</b>	<b>38,840.37</b>	<b>19,304.66</b>	<b>2,688.12</b>	<b>84.64</b>	<b>21,908.14</b>	<b>16,932.23</b>	<b>14,747.47</b>

Note: 1. Freehold Land includes Land of value Rs. 6.40 Lac and Factory Building includes Factory Building of value Rs. 2923.29 Lac hypothecated to Banks on Pari - Passu Charge Basis.

#### 2.1 INVESTMENT PROPERTIES AS ON 31.03.2022

(₹ in Lakh)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET CARRYING AMOUNT	
	As on 31.03.2021	Additions/Trfd./ Adjustment	Sale/Trfd. / Adjustment	Total as on 31.03.2022	Upto 31.03.2021	For the year	Sale/ Trfd.	Upto 31.03.2022	As on 31.03.2022	As on 31.03.2021
Freehold Land	1,021.14	-	-	<b>1,021.14</b>	-	-	-	-	<b>1,021.14</b>	1,021.14
Buildings	2,684.83	1,065.69	460.57	<b>3,289.95</b>	756.14	<b>60.38</b>	216.27	<b>600.25</b>	<b>2,689.70</b>	1,928.69
<b>Total</b>	<b>3,705.97</b>	<b>1,065.69</b>	<b>460.57</b>	<b>4,311.09</b>	<b>756.14</b>	<b>60.38</b>	<b>216.27</b>	<b>600.25</b>	<b>3,710.84</b>	<b>2,949.83</b>

Note: All title deeds of Immoveable property are in the name of the Company.

#### 2.2 INVESTMENT PROPERTIES HELD FOR SALE AS ON 31.03.2022

(₹ in Lakh)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET CARRYING AMOUNT	
	As on 31.03.2021	Additions/Trfd./ Adjustment	Sale/Trfd. / Adjustment	Total as on 31.03.2022	Upto 31.03.2021	For the year	Sale/ Trfd.	Upto 31.03.2022	As on 31.03.2022	As on 31.03.2021
Freehold Land	55.80	-	-	<b>55.80</b>	-	-	-	-	<b>55.80</b>	55.80
Building	7.26	-	-	<b>7.26</b>	0.79	-	-	<b>0.79</b>	<b>6.47</b>	6.47
<b>Total</b>	<b>63.06</b>	<b>-</b>	<b>-</b>	<b>63.06</b>	<b>0.79</b>	<b>-</b>	<b>-</b>	<b>0.79</b>	<b>62.27</b>	<b>62.27</b>

Note: 1. The Company intends to sale parcel of freehold land and building. No impairment loss was recognised in classification of land and building as held for sale as at March 31, 2022. The Company has received an advance of Rs. 12 Lakh shown in Other Current Liabilities (Schedule No. 28)

**2.3 INTANGIBLE ASSETS AS ON 31.03.2022**

(₹ in Lakh)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET CARRYING AMOUNT	
	As on 31.03.2021	Additions/Trfd./ Adjustment	Sale/Trfd. / Adjustment	Total as on 31.03.2022	Upto 31.03.2021	For the year	Sale/ Trfd.	Upto 31.03.2022	As on 31.03.2022	As on 31.03.2021
Softwares	386.35	9.84	-	396.19	345.37	7.97	-	353.34	42.85	40.98
Trade marks	27.23	1.07	-	28.30	11.34	4.38	-	15.72	12.58	15.89
<b>Total</b>	413.58	10.91	-	424.49	356.71	12.35	-	369.06	55.43	56.87

**2.4 CAPITAL - WORK - IN- PROGRESS:**

Ageing as on 31st March, 2022

(₹ in Lakh)

Amount in Capital WIP for a period of:					
	Less Than 1 Year	1-2 years	2-3 years	More than 3 Years	Total
Projects in Progress	3,149.94	18.58	-	-	3,168.52
Projects Temporarily Suspended	-	-	-	-	-
<b>Total</b>	<b>3,149.94</b>	<b>18.58</b>	<b>-</b>	<b>-</b>	<b>3,168.52</b>

Ageing as on 31st March, 2021

(₹ in Lakh)

Amount in Capital WIP for a period of:					
	Less Than 1 Year	1-2 years	2-3 years	More than 3 Years	Total
Projects in Progress	443.59	419.56	622.49	759.74	2,245.38
Projects Temporarily Suspended	-	-	-	-	-
<b>Total</b>	<b>443.59</b>	<b>419.56</b>	<b>622.49</b>	<b>759.74</b>	<b>2,245.38</b>

**2.5 Depreciation & Amortisation Expense:**

(₹ in Lakh)

Particulars	For the year Ended	For the year Ended
	31.03.2022	31.03.2021
Depreciation on Property, Plant & Equipment	2,688.12	2,328.44
Add: Depreciation on Investment Properties	60.38	104.52
Add: Amortisation on Intangible Assets	12.35	15.05
Add: Depreciation on Right of Use Assets	48.24	47.98
Deapreciation charged to Profit & Loss	<u>2,809.09</u>	<u>2,495.99</u>

### 3 ROU Asset and Lease Liabilities:

The group has lease contracts for various Lands and buildings which have lease term ranging from 3 years to 30 years. On transition the group has recognised right of use assets for leases of all assets, other than low value items or which are short term in nature. Lease liabilities were recognised for all such right of use assets equivalent to the amount of discounted value of all future lease payments

Following are the changes in the carrying value of right of use (ROU) assets for the period ended March 31, 2022:

(₹ in lakh)

	Land	Building	Total As on 31 <sup>st</sup> March, 2022
Balance as on April 01, 2021	209.62	263.04	472.66
Adjustments in Opening Balance	-	-	-
Addition	-	0.62	0.62
Deletion	-	-	-
Depreciation	7.51	40.73	48.24
<b>Balance as on March 31, 2022</b>	<b>202.11</b>	<b>222.93</b>	<b>425.04</b>

Following are the changes in the carrying value of right of use (ROU) assets for the year ended March 31, 2021:

(₹ in lakh)

	Land	Building	Total As on 31 <sup>st</sup> March, 2021
Balance as on April 01, 2020	216.76	305.22	521.98
Adjustments in Opening Balance	0.37	(1.71)	(1.34)
Addition	-	-	-
Deletion	-	-	-
Depreciation	7.51	40.47	47.98
<b>Balance as on March 31, 2021</b>	<b>209.62</b>	<b>263.04</b>	<b>472.66</b>

The aggregate depreciation expense on ROU assets is included under depreciation and amortisation expenses in the statement of Profit & Loss.

**The following is the break up of current and non current Lease Liabilities as on March 31, 2022:**

Particulars	(₹ in lakh)	(₹ in lakh)
	As at	As at
	<b>31<sup>st</sup> March, 2022</b>	31 <sup>st</sup> March, 2021
Non - Current Lease Liabilities	<b>246.64</b>	270.44
Current Lease Liabilities	<b>24.18</b>	30.10
<b>Total Lease Liabilities</b>	<b><u>270.82</u></b>	<u>300.54</u>

**Following is movement in Lease Liabilities during year ended March 31, 2022:**

Particulars	(₹ in lakh)	(₹ in lakh)
	As at	As at
	<b>31<sup>st</sup> March, 2022</b>	31 <sup>st</sup> March, 2021
Balance in Beginning	<b>300.54</b>	328.49
Adjustments in Opening Balance	-	(2.59)
Addition during the year	<b>0.62</b>	30.96
Finance Cost accrued during the period	<b>28.61</b>	30.96
Payment of Lease Liabilities	<b>58.95</b>	56.32
<b>Balance at the End</b>	<b><u>270.82</u></b>	<u>300.54</u>

**The table below provide details regarding the contractual maturities of lease liabilities as at March 31, 2022 on an undiscounted basis:**

Particulars	(₹ in lakh)	(₹ in lakh)
	As at	As at
	<b>31<sup>st</sup> March, 2022</b>	31 <sup>st</sup> March, 2021
Less than One Year	<b>49.91</b>	58.65
One to Five Years	<b>261.88</b>	258.97
More than Five years	<b>80.11</b>	132.51
<b>Total</b>	<b><u>391.90</u></b>	<u>450.13</u>

**The following are the amounts recognised in the statement of Profit and Loss:**

Particulars	(₹ in lakh)	(₹ in lakh)
	2021-2022	2020-2021
Depreciation Expense on Right to Use Asset	<b>48.24</b>	47.98
Interest Expense on Lease Liabilities	<b>28.61</b>	30.96
Expense relating to Low Value and Short Term Leases (included in other Expenses)		<b>0.052.69</b>
<b>Total Amount recognised in profit and Loss account</b>	<b><u>76.90</u></b>	<u>81.63</u>

	(₹ in lakh)		(₹ in lakh)	
4. NON- CURRENT INVESTMENTS	As at		As at	
Non -current investments consist of the following:	31 <sup>st</sup> March, 2022		31 <sup>st</sup> March, 2021	
<b>INVESTMENTS CARRIED AT FVTPL</b>				
a) INVESTMENTS QUOTED	<u>Units/Shares</u>		<u>Units/Shares</u>	
(i) Investment in equity/ Pref. shares (quoted)				
Bihar Sponge Ltd of Rs.10 each	100	-	100	-
Steel Strips Tubes Ltd. of Rs.10 each	500	0.02	500	0.02
Indian Acrylic Ltd of Rs.10 each	6,000	0.60	6,000	0.60
Super Poly Fabrics Ltd. of Rs.10 each	3,900	0.39	3,900	0.39
Munjai Auto Industries Ltd of Rs.10 each	1,000	0.54	1,000	0.54
Shivam Autotech Limited of Rs.10 each	1,000	0.18	1,000	0.18
TV Today Network Ltd of Rs.10 each	600	2.23	600	1.59
NDTV Ltd. of Rs.10 each	1,700	3.86	1,700	0.96
NTPC Ltd. of Rs.10 each	16,591	22.40	16,591	17.68
NHPC Ltd. of Rs.10 each	5,034	1.40	5,034	1.23
Punjab National Bank of Rs.10 each	2,355	0.83	2,355	0.86
Bank of Baroda of Rs.10 each	1,427	1.59	1,427	1.06
Jet Airways (India) Limited of Rs.10 each	355	0.28	355	0.33
Tech Mahindra Ltd of Rs.10 each	892	13.38	892	8.84
Reliance Power Ltd of Rs.10 each	1,192	0.16	1,192	0.05
Karur Vyasa Bank of Rs.10 each	816	0.45	816	0.45
Zee Entertainment Pvt. Ltd.	-	-	650,000	12.35
Yes Bank Ltd. of Rs. 2 each	100,000	12.30	100,000	15.60
Shilpa Mediocre Ltd. of Rs. 1 each	16,201	64.51	-	-
		<u>125.12</u>		<u>62.73</u>
b) INVESTMENTS UNQUOTED				
(i) Investment in equity shares of Associate Companies:				
Avon Infrabiz Pvt. Ltd.	15,000,100	1,326.73	15,000,100	1,495.00
		<u>1,326.73</u>		<u>1,495.00</u>
(ii) Investment in other equity/preference shares:				
a) Fully Paid up shares:				
Pahwa Estates & Holdings (Pvt) Ltd of Rs.100 each	100	2.76	100	2.37
Nimbua Greenfield (Punjab) Ltd of Rs.10 each	84,375	127.12	84,375	122.48
NSE Ltd. of Rs. 1 each	-	-	51,000	601.80
Greenpedia Bikeshare Pvt. Ltd. of Rs. 10/- each	1,580	625.05	790	187.46
		<u>754.93</u>		<u>914.11</u>

<b>(iii) Investment in AIF/ Real Estate and Pvt. Equity funds(unquoted)</b>				
ICICI Ventures Pvt. Equity Fund	2,560	18.31	2,560	10.14
Kaizen Domestic Scheme-I	100	16.79	100	20.92
Aditya Birla Private Equity Class A Unit	200	0.19	200	0.19
TVS Shriram Growth -Sch IB	-	-	1.00	45.86
Kotak Alternative Opportunity India Fund		1.26	-	5.09
Kotak India Growth Fund-II	200	28.65	200	23.25
Kotak India Venture Fund- I	16,000	29.33	16,000	12.53
IIFL Income Opportunity Fund - Spl Situation Fund	-	-	938,541	12.74
Peninsula Brookfield India Real Estate Fund	282	21.27	282	21.27
Baring Private Equity India AIF	100	437.57	200	316.63
India Whizdom Fund	-	-	-	45.60
Avendus Absolute Return Fund	-	132.68	-	124.91
Edelweiss Crossover Opportunities Fund	218,813	69.5	528,920	89.19
Avendus Enhanced Return Fund - Class A1	-	-	-	246.34
White Oak India Equity Fund	-	-	949,884	163.97
IIFL Special Opportunities Fund Series-7	973,276	174.86	973,276	133.18
Motilal Oswal Focussed Business Advantage Fund	1,000,000	164.95	1,000,000	157.47
Samyakth Leasing Service LLP	-	-	-	25.00
IIFL Select Series - II	1,200,000	179.78	1,200,000	160.35
Axis Rera Opportunities Fund - AIF series -I	78	84.39	98	106.41
Sundaram India Premier Fund	29,558	502.31	29,558	406.67
IIFL India Private Equity Fund - Series	921,838	95.12	500,285	45.60
Mindspace Business Parks - REIT	11,800	40.89	11,800	34.79
ICICI Prudential Emerging Dominance Fund	91,652	108.03	29,350	30.74
Kotak Optimus Aggressive Scheme - Class	280	386.6	207	251.04
Motilal Oswal Equity Opp. Fund - Series II	736,800	98.03	-	-
Edelweiss Crossover Opportunities Fund - Series -III	474,637	60.69	-	-
White Oak India Equity Fund IV	905,219	104.63	-	-
Kotak Pre - IPO Opportunities Fund	25,980	278.49	-	-
India Whizdom Fund - II	2,500,000	267.7	2,500,000	249.83
Emerging India Credit Opportunities Fund	346	346	-	-
Baring Private Equity India AIF - II	100	19.29	-	-
Avendus Enhanced Return Fund II - Class	-	256.9	-	-
Power Grid Infrastructure Trust AIF	11,000	14.73	-	-
		<u>3,938.94</u>		<u>2,759.71</u>
<b>(iv) Investment in Mutual Funds (Unquoted)</b>				
HDFC Banking and PSU Debt Fund - Reg Plan - Growth	1,604,353	299.09	1,604,353	286.18
HDFC Banking and PSU Debt Fund - Direct Growth Option	489,881	93.86	489,881	89.4
		<u>392.95</u>		<u>375.58</u>
<b>INVESTMENTS CARRIED AT AMORTISED COST:</b>				
<b>(i) Investment in debentures and bonds (unquoted)</b>				
Bharat Bond FOF - April 2031- Reg Plan - Growth	9,999,500	1,113.51	9,999,500	1,045.15
		<u>1,113.51</u>		<u>1,045.15</u>
<b>TOTAL NON-CURRENT INVESTMENTS</b>		<u>7,652.18</u>		<u>6,652.28</u>

Note: The Market Value of Quoted Investments is equal to the carrying value.



<b>5</b>	<b>LONG TERM LOANS &amp; ADVANCES</b>	(₹ in lakh)	(₹ in lakh)
	Long term loan and advances consist of the following :-	As at	As at
		<b>31st March, 2022</b>	31st March, 2021
a)	Unsecured, considered good Other Loans & Advances	-	0.65
		<u>-</u>	<u>0.65</u>
	Other Loans & Advances includes:-		
	- Margin Money	-	0.65
<b>6</b>	<b>OTHER FINANCIAL ASSETS</b>	(₹ in lakh)	(₹ in lakh)
	Other Financial assets consist of the following :-	As at	As at
		<b>31st March, 2022</b>	31st March, 2021
	(i) Security deposits	224.20	84.29
	(ii) Bank Deposits with more than 12 months maturity	6,486.01	680.63
	(iii) Other Financial Assets	-	-
		<u>6,710.21</u>	<u>764.92</u>
<b>7</b>	<b>OTHER NON CURRENT ASSETS</b>	(₹ in lakh)	(₹ in lakh)
	Other non current assets consist of the following :-	As at	As at
		<b>31st March, 2022</b>	31st March, 2021
	(i) Advance tax (including refunds receivable)	4,339.04	5,520.74
	(ii) Advances to Related Parties	-	-
	(iii) Other non-current assets	183.66	110.80
		<u>4,522.70</u>	<u>5,631.55</u>
	<b>Other Loans &amp; Advances Consists of:</b>		
	- Deferred Revenue Expenditure	1.33	1.64
	- Prepaid Expenses	26.02	65.71
	- Preliminary Expenses	0.36	0.26
	- Pre - Operative Expenses	133.60	24.54
<b>8</b>	<b>INVENTORIES</b>	(₹ in lakh)	(₹ in lakh)
	Inventories consist of the following :	As at	As at
		<b>31st March, 2022</b>	31st March, 2021
	Raw Materials	264.12	295.38
	Work-in-progress	325.77	270.49
	Finished Goods	6,113.37	9,914.53
	Stores & Spares	233.05	206.56
	Stock in trade	87.35	54.31
	Securities Stock	111.76	749.39
		<u>7,135.42</u>	<u>11,490.66</u>

**9 CURRENT INVESTMENTS**

Current investments consist of the following :

(₹ in lakh)

(₹ in lakh)

As at  
31st March, 2022As at  
31st March, 2021**INVESTMENTS CARRIED AT FVTPL****i) Investment in shares (quoted)**

ACC Limited	656	14.11	656	12.49
Aavas Financers Ltd.	222	5.70	208	5.03
Abbott India Ltd	28	4.96	-	-
Aegis Logistics Ltd	-	-	3,023	9.01
Aditya Birla Fashion & Retail Ltd.	-	-	903	1.82
Allcargo Logistics Ltd	1,040	3.73	-	-
Alkem Laboratories Ltd.	-	-	66	1.83
Angel One Ltd	363	5.58	-	-
Anup Engineering Ltd	166	1.32	-	-
APL Apollo Tubes Ltd.	1,480	13.53	783	10.97
Asahi India Glass Ltd.	-	-	3,018	9.35
Asian Paints Ltd.	532	16.39	-	-
Aster DM Healthcare Limited	-	-	5,679	7.81
AU Small Finnace Bank Ltd.	-	-	496	6.08
Axis Bank Ltd.	2,943	22.40	1,919	13.38
Bajaj Finance Ltd.	291	21.13	-	-
Bajaj Finserve Ltd	53	9.04	-	-
Balaji Amines Ltd.	82	2.38	394	6.93
Balrampur Chini Mills Ltd.	-	-	1,941	4.16
Balkrishna Industries Ltd	211	4.51	-	-
Bank of Baroda	5,139	5.74	-	-
Bayer Cropscience Limited	-	-	41	2.19
Bharat forge Ltd.	1,668	11.69	454	2.71
Bharat Petroleum Corporation Ltd.	-	-	764	3.27
Bharti Airtel Ltd	4,024	30.38	2,363	12.22
Bharti Airtel Ltd Partly Paid 1.25 PF	226	0.89	-	-
Birla Corporation Ltd	714	8.44	194	1.84
Birlasoft Ltd.	694	3.16	-	-
Blue Star Ltd.	-	-	1,096	10.24
Bosch Ltd	-	-	25	3.52
Brigade Enterprises Ltd.	4,825	24.95	4,960	13.76
Cadila Healthcare Ltd.	-	-	605	2.67
Camlin Fine Sciences Ltd	3,759	5.24	5,246	7.37
Canfin Homes Ltd.	1,212	7.65	-	-
Central Depository Services (India) Limited	503	7.45	571	3.75
Cerebra Integrated Technologies Ltd	12,859	10.12	-	-
Cholamandalam Investment & Finance Compnay Ltd.	1,448	10.40	-	-
Cipla Ltd	-	-	1,110	9.05
Colgate Palmolive (India ) Limited	-	-	217	3.38
Container Corporation of India Ltd	3,029	20.36	486	2.91
Crompton Greaves Consumer Electrical Ltd.	888	3.32	888	3.49
Cummins India Ltd.	1,230	13.79	348	3.2
DCM Shriram Industries Ltd	485	0.45	-	-
Deepak Fertilizers & Pharmaceuticals Corp. Ltd.	-	-	1,021	2.31
Deepak Nitrite Ltd.	229	5.14	509	8.43
Dr. Reddy's Laboratories Ltd.	94	4.04	94	4.25
Divis Laboratories Ltd	77	3.39	-	-
Dr. Lal Pathlabs Ltd	225	5.87	-	-
Eicher Motors Ltd.	-	-	240	6.25
Emami Limited	-	-	772	3.75
Equitas Holdings Ltd.	3,962	4.22	1,894	1.65
Federal Bank Ltd	3,049	2.97	-	-
Fortis Healthcare Ltd	1,900	5.52	-	-
Gati Ltd.	5,180	8.49	2,148	2.2
Gland Pharma Ltd.	-	-	223	5.53
Godrej Industries Ltd.	-	-	753	4.11
Gokaldas Exports Ltd	1,437	5.81	-	-
GM Overseas Ltd	2,054	13.17	-	-
GTPL Hathway Ltd	49	0.09	-	-

Gujarat Pipapav Port Ltd	5,013	3.83	-	-
Granuels India Ltd.	-	-	1,707	5.18
H G Infra Engineering Ltd	312	1.74	-	-
HCL Technologies Ltd	157	1.83	-	-
HDFC Bank Ltd	2,147	31.57	918	13.71
HIL Ltd.	42	1.67	-	-
Hindustan Petroleum Corporation Ltd	-	-	1,114	2.61
IDFC Bank Ltd.	4,597	2.84	-	-
ICICI Bank Ltd	6,328	46.21	5,369	31.25
ICICI Lombard General Insurance Co. Ltd.	-	-	624	8.94
IIFL Finance Ltd.	2,541	7.25	1,336	3.75
Indian Energy Exchange Ltd	2,814	6.32	1,457	4.85
Indian Hotels Company Ltd	1,479	3.53	-	-
Indraprastha Gas Ltd	995	3.71	-	-
Info Edge (India) Ltd	221	9.97	-	-
Infosys Ltd	1,064	20.29	575	7.87
Infosys Technologies Ltd	1,088	20.75	-	-
Inox Leisure Ltd.	3,225	17.09	2,366	6.75
Intellect Design Arena Ltd	1,129	10.70	-	-
Ion Exchange India Ltd	103	1.71	-	-
Isgec Heavy Engineering Ltd	1,091	5.60	-	-
IPCA lab Ltd.	-	-	275	5.24
ITC Ltd.	-	-	1,207	2.64
Jamna Auto Industries Ltd.	6,660	6.62	8,261	5.56
Jindal Stainless Hisar Ltd	1,091	4.25	-	-
Jubilant Foodworks Ltd	268	7.07	-	-
Jubilant Ingrevia Limited	351	1.58	-	-
Jubilant Pharmova Ltd	373	1.45	-	-
Jindal Saw Ltd.	-	-	2,941	2.18
K R B L Ltd.	1,374	2.77	965	1.73
Kopran Ltd	762	2.14	-	-
Kotak Mahindra Bank Ltd	786	13.79	770	13.5
L & T Technology Services Ltd.	238	12.15	263	6.98
Larsen & Toubro Infotech Ltd	-	-	66	2.68
Larsen & Toubro Ltd.	947	16.74	127	1.8
Laxmi Organic Industries Limited	648	2.59	-	-
Lumax Auto Technologies Ltd.	2,550	4.27	2,550	4.14
M. M Forgings Ltd.	-	-	54	0.27
Maruti Suzuki India Ltd.	96	7.26	-	-
Mastek Ltd	108	3.59	-	-
Max Financial Services Ltd.	240	1.81	947	8.14
Mayur Uniquoters Ltd.	804	2.88	804	3.35
Mphasis Ltd	113	3.82	-	-
Motherson Sumi System Ltd	-	-	6,146	12.38
Marico Ltd.	-	-	2,864	11.78
Muthoot Finance Ltd.	-	-	343	4.14
Neogen Chemicals Ltd.	-	-	678	5.86
Nestle India Ltd	678	11.83	-	-
Nilkamal Ltd	43	7.47	-	-
Oberoi Realty Ltd	102	2.07	-	-
Oracle Financial Services Software Ltd	572	5.37	-	-
Orient Electric Ltd.	39	1.40	2,822	8.79
Page Industries Ltd.	-	-	22	6.67
Pheonix Mills Ltd.	723	7.95	723	5.66
PNC Infratech Limited	-	-	982	2.53
Pitti Engineering Ltd	359	1.16	-	-
Ploycab India Ltd.	340	8.04	340	4.69
Prism Jhonson Ltd.	3,965	4.57	3,965	5.2
Qess Corp Ltd.	-	-	808	5.65
RBL Bank	-	-	1,697	3.52
Radico Khaitan Ltd.	328	2.91	817	4.58
Reliance Industries Ltd	645	16.99	550	11.02
Restaurant Brands Asia Ltd	6,011	6.05	-	-
Rites Ltd	1,497	3.93	-	-

Rupa And Company Ltd	350	1.53	-	-
Sarda Energy And Minerals Ltd	210	2.38	-	-
Saregama India Ltd	37	1.79	-	-
S P Apparels	-	-	3,215	4.92
SBI Life Insurance Co. Ltd.	1,784	20.01	1,200	10.57
Shilpa Medicare Ltd.	869	3.46	536	1.79
Shoppers Stop Ltd	1,097	5.16	-	-
Skipper Ltd	728	0.4	-	-
SRF Ltd.	540	14.47	-	-
State Bank of India	4,168	20.57	3,691	13.45
Steel Authority of India Ltd.	-	-	3,946	3.11
Surya Roshni Ltd.	884	3.65	916	3.16
Steel Exchange India Ltd	4,617	11.03	-	-
Sun Pharmaceuticals Industries Ltd	1,972	18.04	1,830	10.94
SVP Global Ventures Ltd	2,346	1.04	-	-
Suprajit Enginnering Limited	-	-	3,507	9.66
Tanla Platforms Ltd.	559	8.54	367	3
Tata Chemicals Ltd.	1,072	10.45	1,303	9.8
Tata Consultancy Services Ltd.	443	16.57	425	13.51
Tata Elxsi Ltd.	71	6.28	285	7.67
Tata Motors Ltd -Dvr	3,328	6.87	-	-
Tata Power Co Ltd	5,804	13.85	-	-
Tata Steel Ltd	1,563	20.43	-	-
TCI Express Ltd	286	4.87	-	-
Tech Mahindra Ltd	-	-	524	5.2
Trent Ltd.	560	7.15	560	4.21
Triveni Engineering & Industries Ltd	3,152	9.81	-	-
TVS Motor Company Ltd	1,788	11.19	-	-
Ultratech Cement Ltd	139	9.18	-	-
United Breweries Ltd	647	9.64	762	9.46
UPL Ltd.	317	2.44	-	-
Vadilal Industries Ltd	62	0.87	-	-
Vaibhav Global Ltd.	855	3.20	171	6.55
Vedanta Ltd	1,895	7.64	-	-
Vishal Fabrics Ltd	4,547	1.6	-	-
VRL Logistics Ltd	1,833	9.06	-	-
Voltas Ltd.	-	-	1,694	16.97
Westlife Development Ltd.	-	-	1,169	5.37
Wipro Ltd.	-	-	1,537	6.37
Zee Entertainment Enterprises Ltd	2,552	7.36	-	-
ZF Commercial Vehicle Control Ststems India Ltd	77	5.86	-	-
Zota Health Care Limited	1,534	4.57	-	-
		<b>999.61</b>		<b>594.21</b>

ii) Investment in mutual funds (unquoted)

ICICI Pru Liquid - Reg Plan - Daily Div	-	-	38	0.04
ICICI Pru Short Term Fund - Direct Plan - Growth	372,070	189.92	372,070	180.90
ICICI Pru Balanced Advantage Fund- Growth	304,101	150.68	304,101	134.53
ICICI Prudential Blue Chip Fund	114,805	75.29	90,387	48.47
ICICI Prudential Focussed Equity Fund - Growth	155,452	76.05	155,452	61.36
ICICI Prudential Short Term - Growth Option	36,572	17.48	36,572	16.77
ICICI Liquid Plan Growth	3,772	11.81	3,772	11.43
ICICI Pru Regular Saving Fund - Direct Plan- Growth	2,617,376	710.66	2,617,376	661.62
ICICI Prudential FMP Series 82 - 1135 days Plan - V Commulative	-	-	1,000,000	124.03
ICICI Prudential Short Term - Growth Option	10,707	5.12	-	-
ICICI Prudential Equity Savings Fund Cumulative	405,915	69.82	-	-
ICICI Prudential India Opportunities Fund Growth	96,979	17.15	-	-
ICICI Prudential MNC Fund Growth	55,203	10.28	-	-
ICICI Prudential Banking and PSU Debt Fund - Growth	88,665	23.17	88,665	22.15
ICICI Prudential Short Term Fund - Growth	390,798	186.75	390,798	179.23
ICICI Prudential Short Term Fund - Direct plan - Growth	301,553	153.93	301,553	146.61
ICICI Pru Banking & PSU Debt Fund - Direct Plan - Gr	347,908	93.66	347,908	89.12
ICICI Pru Short Term Fund - Direct Plan - Growth	301,623	153.96	301,623	146.65

ICICI Prudential Liquid Fund - Growth	69,321	<b>217.08</b>	79,034	239.51
ICICI Prudential Liquid Fund - Direct Plan - Growth	-	-	6,703	20.43
ICICI Prudential Liquid Fund - Direct Plan - Growth	43,884	<b>138.35</b>	38,046	115.94
ICICI Prudential Banking and PSU Debt Fund - Growth	579,686	<b>151.50</b>	-	-
Nippon India Short Term Fund - Growth	1,119,402	<b>479.06</b>	1,119,402	456.66
Nippon India Liquid Fund	208	<b>0.24</b>	-	-
Invesco India Growth India Opp. Fund - Growth (GF-GP)	80,808	<b>41.16</b>	80,808	35.17
UTI Hybrid Eq. Fund - Growth	66,376	<b>163.92</b>	66,376	136.72
UTI Core Equity Fund	-	-	274,631	216.89
UTI Long Term Advantage - Series VI- Regular - Gr.	-	-	310,850	32.72
UTI Value Opportunities Fund - Reg - Growth	66,398	<b>65.62</b>	181,209	150.22
UTI Long Term Equity Fund- Tax Saving - Regular Plan- Growth	25,900	<b>36.45</b>	-	-
UTI Money Market Fund - Direct Growth Plan Regular Plan- Growth	9,192	<b>228.95</b>	-	-
UTI Flexi Cap Fund Regular Plan	25,515	<b>62.50</b>	-	-
UTI Liquid Cash Plan - Reg Plan- Gr	1,116	<b>38.67</b>	2,713	90.95
UTI Flexi Cap Fund- Regular - Growth	24,515	<b>60.05</b>	12,975	27.56
UTI Healthcare Fund - Reg Plan- Gr	34,949	<b>54.87</b>	18,303	25.51
UTI Small Cap Fund - Reg Plan - GR	251,079	<b>38.19</b>	251,079	27.85
UTI Equity Fund	5,000	<b>8.32</b>	5,000	7.41
Birla Sun Life Cash Manager - Regular Plan - Growth	-	-	21	0.11
Birla Sun Life Advantage Fund - Growth Plan - Reg	-	-	8,781	47.52
ABSL Frontline Equity Fund - Reg - Growth	21,784	<b>73.50</b>	17,136	48.13
Kotak Money Market Scheme- Growth- Regular	331	<b>11.92</b>	331	11.48
Kotak Equity Fund Growth - Reg Plan	71,434	<b>51.00</b>	71,434	40.99
Kotak Pioneer Fund Growth (Reg Plan)	1,250,017	<b>223.87</b>	-	-
Kotak India Growth Fund - Series 5- Reg Plan	-	-	1,960,000	285.18
Kotak Bond Fund (Short Term) - Reg - Growth	276,522	<b>117.76</b>	276,522	112.97
Kotak Liquid Fund - Growth - Direct	2,119	<b>91.20</b>	1,159	48.21
Kotak Liquid Fund - Growth - Direct	228	<b>9.77</b>	-	-
Kotak Equity Opportunities Fund - Growth - Reg Plan	47,217	<b>92.60</b>	-	-
HDFC Mid Term Opportunities Reg Plan - Growth	4,207,736	<b>1,099.61</b>	4,207,736	1,048.90
HDFC Capital Builder Value Fund - Reg- Growth	899	<b>3.88</b>	899	3.14
HDFC Equity Fund - Reg - Growth	4,109	<b>41.55</b>	4,109	32.77
HDFC Small Cap Fund - Reg Plan - Growth	62,868	<b>44.64</b>	62,868	33.23
HDFC Low Duration Fund - Reg Plan - Growth	104,172	<b>48.77</b>	104,172	46.89
Axis Global Innovation Fund of Fund Reg Plan Growth	499,975	<b>49.50</b>	-	-
Axis Short Term Fund - Regular Growth	2,125,315	<b>529.82</b>	2,125,315	507.81
Axis Liquid Fund - Growth	3	<b>0.07</b>	3	0.07
Axis Banking & PSU Debt Fund - Direct Growth( BD-DG)	4,225	<b>92.40</b>	4,225	88.63
Axis Banking & PSU Debt Fund - Regular Growth( BD-GP)	1,072	<b>22.94</b>	1,072	22.07
Axis Focused 25 Fund - REGULAR GROWTH( AF-GP)	101,047	<b>43.56</b>	101,047	37.87
Axis Liquid Fund - Regular Growth( CF-GP)	-	-	933	21.21
IDFC Banking & PSU Debt Fund - Reg - Growth	116,158	<b>23.25</b>	116,158	22.34
IDFC Banking & PSU Debt Fund - Direct Plan - Growth	459,382	<b>93.71</b>	459,382	89.77
Sundaram Aggressive Hybrid Fund (earlier known as Principal Balanced Fund) - Reg - Growth	159,922	<b>177.13</b>	159,922	150.18
Principal Small Cap Fund - Reg - Growth	-	-	300,000	48.24
Sundaram Short Duration Fund (earlier known as Principal Short Term Debt Fund) - Reg Plan- Growth	8,851	<b>3.17</b>	8,851	3.04
Principal Focussed Multicap Fund- Regular Plan Growth	-	-	210,001	186.73
Sundaram Balanced Advantage Fund (earlier known as Principal Balanced Advantage Fund) - Reg - Gr	560,619	<b>141.74</b>	560,619	129.56
Sundaram Focused Fund (earlier known as Principal Focussed Multicap Fund)- Direct- Growth	69,696	<b>81.69</b>	69,696	65.67
Sundaram Focused Fund (earlier known as Pricpal Focussed Multicap Fund) - Direct Plan - Growth	38,272	<b>44.86</b>	38,272	36.06
SBI Blue Chip Fund- Regular- Growth	118,670	<b>71.38</b>	92,800	48.06
SBI Bluechip Fund - DIRECT- Growth	122,918	<b>80.03</b>	-	-
PGIM India Dynamic Bond Fund - Direct Plan - growth	4,309	<b>100.53</b>	-	-
Mirae Asset Cash Mangement Fund - Direct Plan growth	3,384	<b>76.04</b>	-	-
Parag Parikh Liquid Fund Direct Plan Growth	8,505	<b>101.34</b>	-	-
Canara Robeco Gilt Fund - direct Growth	155,149	<b>100.76</b>	-	-
		<b>7,474.65</b>		<b>6,623.28</b>

**INVESTMENTS CARRIED AT AMORTISED COST:**

	(₹ in lakh)	(₹ in lakh)
	As at	As at
	31st March, 2022	31st March, 2021
<b>(i) Investment in Mutual Funds (Unquoted)</b>		
DSP BR FMP- Sr227-39M-Reg- Gr Mat 27.5.21	-	1,000,000
DSP BR FMP- Sr227-39M-D-Reg- Gr-Mat 27.5.21	-	3,000,000
ICICI Pru Sr 82-1170 days PlanR DR Com 08Jul21	-	3,000,000
HDFC FMP 1177D Mar2018(1) Sr 39 - D-Gr	-	3,500,000
HDFC FMP 1177D Mar2018(1) Sr 39 -D-Gr	-	1,500,000
UTI FTI Series XXVIII-XIII(1134 d)- Dir Gr Plan	-	1,000,000
ABSL Fixed Term Plan - Series QG (1100 days)- Reg.	-	1,000,000
	<u>-</u>	<u>122.5</u>
		<u>1,755.95</u>
<b>TOTAL CURRENT INVESTMENTS</b>	<b>8,474.26</b>	<b>8,973.44</b>

Note: The Market Value of Quoted Investments is equal to the carrying value.

**10 TRADE RECEIVABLES (Unsecured)**

	(₹ in lakh)	(₹ in lakh)
	As at	As at
	31st March, 2022	31st March, 2021
Trade receivable consist of the following :-		
<b>a) Receivable from Related Parties</b>		
- Unsecured, considered good	<b>43.01</b>	51.37
<b>b) Receivable from Others</b>		
<b>i) Unsecured, Considered good</b>	<b>13,846.77</b>	13,248.50
<b>ii) Receivables which have significant increase in credit risk</b>	<b>334.88</b>	253.36
Less:		
Impairment Allowance (Allowance for Doubtful Receivables)	<b>(250.30)</b>	(253.36)
	<u><b>13,974.36</b></u>	<u>13,299.87</u>

**10.1 Trade Receivables Ageing:**

(₹ in lakh)

Particulars	Outstanding for following periods from due date of payment					Total
	Less Than 6 Months	6 Months to 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
<b>As at 31st March, 2022:</b>						
(i) Undisputed Trade Receivables - considered good	5072.07	313.88	358.99	168.48	763.09	6676.51
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	97.29	92.02	5.92	4.77	134.89	334.89
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>5169.36</b>	<b>405.90</b>	<b>364.91</b>	<b>173.25</b>	<b>897.98</b>	<b>7011.40</b>

(₹ in lakh)

Particulars	Outstanding for following periods from due date of payment					Total
	Less Than 6 Months	6 Months to 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
<b>As at 31st March, 2021:</b>						
(I) Undisputed Trade Receivables - considered good	1659.50	175.23	399.45	917.14	412.48	3563.80
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	8.23	33.48	58.96	37.47	115.22	253.36
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>1667.73</b>	<b>208.71</b>	<b>458.41</b>	<b>954.61</b>	<b>527.70</b>	<b>3817.16</b>

**11 CASH AND CASH EQUIVALENTS**

(₹ in lakh)

(₹ in lakh)

Cash and Cash Equivalents consist of the following :-

	As at 31st March, 2022	As at 31st March, 2021
Cash & cash equivalents		
I) Balances with banks		
In current accounts	1,388.57	1,013.92
In cash credit accounts	1,078.51	1,675.08
(ii) Cheques on hand	159.77	61.51
(iii) Cash on hand	5.94	4.74
(iv) Imprest Balances	2.98	2.48
(v) Imprest Balances - Related Parties	-	-
(vi) Highly Liquid Investment with maturity of three months or less	15,481.03	10,977.05
	<u>18,116.80</u>	<u>13,734.78</u>

**12 OTHER BALANCES WITH BANKS**

(₹ in lakh)

(₹ in lakh)

Other Balances with Banks consist of the following:-

	As at 31st March, 2022	As at 31st March, 2021
Other bank balances consists of following:		
- Short - Term Bank Deposits	1,980.88	6,345.01
	<u>1,980.88</u>	<u>6,345.01</u>

**13 SHORT TERM LOANS AND ADVANCES**

(₹ in lakh)

(₹ in lakh)

Short term loans and advances consist of the following :-

	As at 31st March, 2022	As at 31st March, 2021
a) Secured, considered good		
b) Unsecured, considered good		
(i) Loans and Advances to Subsidiaries	-	-
(ii) Loans and Advances to Related Parties	920.19	-
(iii) Loans and Advances to Employees	107.73	121.94
(iv) Other loans and advances		
a) Unsecured, Considered good	3,137.51	3,678.35
b) Considered Doubtful	5.15	40.35
Less:		
Allowance for Doubtful Loans and Advances	(5.15)	(40.35)
	<u>4,165.43</u>	<u>3,800.29</u>
<b>Other loans and advances considered good includes</b>		
- Interest bearing loans & deposits	2,917.42	1,946
- Margin Money	266.45	234

<b>14 OTHER FINANCIAL ASSETS</b>	(₹ in lakh)	(₹ in lakh)
Other current assets consist of the following :-	As at	As at
	31st March, 2022	31st March, 2021
a) Interest receivable	34.46	42.74
b) Other Financial Assets	146.37	265.44
	<u>180.83</u>	<u>308.18</u>
Other financial assets includes :		
- Duty Drawback Receivable	38.21	19.37
- Subsidy receivable at Hajipur	-	5.49
- VAT Incentive Receivable at Hajipur	6.82	6.82
- Forward contract receivable a/c (net)	-	18.76
- MEIS/ Rodtep Incentive Receivable	44.00	91.48
<b>15 OTHER CURRENT ASSETS</b>	(₹ in lakh)	(₹ in lakh)
Other current assets consist of the following :-	As at	As at
	31st March, 2022	31st March, 2021
(ii) Other Current Assets	1,775.73	3,185.00
Less:		
Allwaonce for Doubtful Other Assets	(8.84)	(8.84)
	<u>1,766.89</u>	<u>3,176.16</u>
<b>16 SHARE CAPITAL</b>	(₹ in lakh)	(₹ in lakh)
<b>Authorised Share Capital :</b>	As at	As at
	31st March, 2022	31st March, 2021
10,00,000 Equity Shares (Prevoius Year 10,00,000) of Rs.10/-each	100.00	100.00
	<u>100.00</u>	<u>100.00</u>
<b>Issued, Subscribed and paid up :</b>		
853287 Equity shares (Previous Year 896442) of Rs.10/- each fully paid up	85.33	89.64
	<u>85.33</u>	<u>89.64</u>

#### 16.1 Reconciliation of number of shares

	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount (₹ in Lakh)	No. of shares	Amount (₹ in Lakh)
<b>Equity Shares</b>				
- Opening Balance	896,442	₹89.64	896,442	89.64
- Changes during the year	(43,155)	(4.32)	-	-
- Closing Balance	853,287	85.33	896,442	89.64

Note: The Change in equity shares is due to Buy-back of 43,155 shares made during the year.

#### 16.2 Terms/ Rights attached to Equity Shares

The Company has one class of equity shares having a par value of Rs. 10 each. Each shareholder is eligible for one vote per share held. The dividend, if proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.



**16.3 The details of Shareholders holding more than 5% shares :**

Name of Shareholder	As at 31 <sup>st</sup> March, 2022 No. of Shares	%	As at 31 <sup>st</sup> March, 2021 No. of Shares	%
Onkar Singh Pahwa	2,28,593	26.79	2,28,593	25.5
Sarabjit Kaur Pahwa	2,28,593	26.79	2,28,593	25.5
Rishi Pahwa	1,70,047	19.93	1,70,047	18.97
Mandeep Singh Pahwa	1,70,046	19.93	1,70,046	18.97
Pahwa Estates and Holdings Pvt Ltd	56,000	6.56	56,000	6.25

**16.4 Shareholding of Promoters:**

Sr. no	Promoter's Name	No. of shares at the beginning of the year	change during the year	No. of shares at the end of the year	% of total shares	% change during the year
<b>As at 31st March, 2022:</b>						
1	Sh. Onkar Singh Pahwa	228,593	-	228593	26.79%	1.29%
2	Smt. Sarabjit Kaur Pahwa	228,593	-	228593	26.79%	1.29%
3	Sh. Rishi Pahwa	170,047	-	170047	19.93%	0.96%
4	Sh. Mandeep Singh Pahwa	170,046	-	170046	19.93%	0.96%
5	Pahwa Estates & Holdings Pvt. Ltd.	56,000	-	56000	6.56%	0.32%
6	Kaushalya Devi Pahwa Trust	43,155	(43,155)	-	-	-4.81%
	<b>Total</b>	<b>896,434</b>	<b>-43155</b>	<b>853,279</b>		

Sr. no	Promoter's Name	No. of shares at the beginning of the year	change during the year	No. of shares at the end of the year	% of total shares	% change during the year
<b>As at 31st March, 2021:</b>						
1	Sh. Onkar Singh Pahwa	228,593	-	228,593	25.50%	-
2	Smt. Sarabjit Kaur Pahwa	228,593	-	228,593	25.50%	-
3	Sh. Rishi Pahwa	170,047	-	170,047	18.97%	-
4	Sh. Mandeep Singh Pahwa	170,046	-	170,046	18.97%	-
5	Pahwa Estates & Holdings Pvt. Ltd.	56,000	-	56,000	6.25%	-
6	Kaushalya Devi Pahwa Trust	43,155	-	43,155	4.81%	-
	<b>Total</b>	<b>896,434</b>	<b>-</b>	<b>896,434</b>		<b>-</b>

<b>17 OTHER EQUITY</b>	(₹ in lakh)		(₹ in lakh)	
Other Equity consist of the following:	As at		As at	
	31st March, 2022		31st March, 2021	
<b>General Reserve</b>				
As per last Balance Sheet	13,467.40		12,967.40	-
Less:				
Buy Back of shares	(81.99)		-	-
Transfer to Capital Redemption Reserve	(4.32)		-	-
Add: Transferred from Profit and Loss Account	<u>2,500.00</u>	15,881.09	<u>500</u>	13,467.40
<b>Capital Reserve</b>				
As per last Balance Sheet	-		-	-
Add:				
Transfer from General Reserve	<u>4.32</u>	4.32	<u>-</u>	-
<b>Retained Earnings</b>				
As per last Balance Sheet	55,074.63		48,519.95	-
Add: Profit for the year	5,870.53		6,842.17	-
Other Comprehensive Income	(65.66)		3.44	-
	<u>60,879.50</u>		<u>55,365.56</u>	
Less : Appropriations				
Transferred to General Reserve	2,500.00		500	-
Dividend on Equity Shares	179.29		179.29	-
Expenses on Buy- Back	0.06		-	-
Buy - Back Tax	19.1		-	-
Priond Period Adjustments	-		-	-
Tax adjustment of earlier years	<u>220.64</u>	57,960.41	<u>(388.36)</u>	55,074.63
<b>TOTAL</b>		<u>73,845.82</u>		<u>68,542.03</u>

<b>18 LONG TERM BORROWINGS</b>	(₹ in lakh)		(₹ in lakh)	
Long -term borrowings consist of the following :	As at		As at	
	31st March, 2022		31st March, 2021	
<b>Secured - at Amortised Cost</b>				
Term Loans - from Banks	4,410.20		1,910.10	
Term Loans - from Others	-		17.93	
	<u>4,410.20</u>		<u>1,928.03</u>	
<b>Unsecured - at Amortised Cost</b>				
Loans & Advances from related parties (Directors)	1,304.85		975.80	
	<u>1,304.85</u>		<u>975.80</u>	
<b>TOTAL</b>		<u>5,715.05</u>		<u>2,903.83</u>

Note: The group has used the borrowed funds from banks for the purpose, it were taken.

Detail of Term Loans is:

Name of Facility	Repayment Terms	Security	Amount O/s as at 31.03.2022	Amount O/s as at 31.03.2021
HDFC Bank car loan (Kia Carnival)	36 monthly installments starting from March 2020	Hypothecation of Car Kia Carnival	-	16.66
Toyota Financial Services India Ltd. - Car Loan (Toyota Vellfire Hybrid)	36 monthly installments starting from April 2020	Hypothecation of Car Toyota Vellfire Hybrid	17.85	34.56
Punjab National Bank - Car Loan (Mercedes Benz E220d)	36 monthly installments starting from April 2017	Hypothecation of Car Mercedes Benz	24.96	41.10
HDFC Bank Term Loan - Solar Plant (20 cr)	25 quarterly installments starting after 3 months from the date of 1st disbursement	Hypothecation of Fixed Assets created out of Term Loan	348.10	671.80
HDFC Bank Term Loan - Solar Plant (12.71 cr)	26 quarterly installments starting after 6 months from the date of first disbursement	Hypothecation of Fixed Assets created out of Term Loan	-	46.45
HDFC Bank Term Loan - Solar Plant (20 cr)	27 quarterly installments starting after 6 months from the date of first disbursement	Hypothecation of Fixed Assets created out of Term Loan	1,148.65	1,393.74
HDFC Bank Term Loan - Solar Plant (20 cr)	27 quarterly installments starting after 6 months from the date of first disbursement	Hypothecation of Fixed Assets created out of Term Loan	1,584.92	195.47
EXIM Bank-Term Loan (10 Crores)	28 monthly installments starting from October 2022	Hypothecation of Fixed Assets created out of Term Loan	1,000.00	-
HDFC Bank-Term Loan-I (1169.43 Lakh)	28 monthly installments starting from June 2022	Hypothecation of Fixed Assets created out of Term Loan	1,169.43	-

**19 NON CURRENT LEASE LIABILITY**

	(₹ in lakh)	(₹ in lakh)
	As at	As at
	31st March, 2022	31st March, 2021
Non- Current Lease Liabilities consist of the following :		
Lease Liability	246.64	270.44
	<u>246.64</u>	<u>270.44</u>

**20 OTHER FINANCIAL LIABILITIES**

	(₹ in lakh)	(₹ in lakh)
	As at	As at
	31st March, 2022	31st March, 2021
Other Financial Liabilities consist of the following :		
Other Financial Liabilities	565.94	497.34
	<u>565.94</u>	<u>497.34</u>
<b>Other Financial Liabilities includes:</b>		
Dealer's Securities	509.63	449.28
Security Deposits	31.47	24.13

<b>21 LONG TERM PROVISIONS</b>	(₹ in lakh)	(₹ in lakh)
	As at	As at
Long-term provisions consist of the following :	31st March, 2022	31st March, 2021
Other Provisions	3,878.60	4,763.60
	<u>3,878.60</u>	<u>4,763.60</u>
<b>Other Provisions includes:</b>		
Provision for Income Tax	3,878.60	4,763.60
<b>22 OTHER NON CURRENT LIABILITIES</b>	(₹ in lakh)	(₹ in lakh)
	As at	As at
Other long -term liabilities consist of the following :	31st March, 2022	31st March, 2021
Other Non - Current Liabilities	247.72	100.95
	<u>247.72</u>	<u>100.95</u>
<b>Other Long Term Liabilities includes:</b>		
Deferred Revenue Income	1.03	10.13
Unpaid Earned Leaves	170.34	90.82
<b>23 SHORT TERM BORROWINGS</b>	(₹ in lakh)	(₹ in lakh)
	As at	As at
Short -term borrowings consist of the followings	31st March, 2022	31st March, 2021
<b>Secured loans:</b>		
i) Working Capital limits from Banks	1,092.76	-
ii) Current Maturities of Long Term Debt	883.71	471.76
<b>Unsecured Loans:</b>		
Loans repayable on demand from Banks	-	-
Loan from Related Parties	-	-
Other borrowings (from entities other than banks)	-	-
	<u>1,976.47</u>	<u>471.76</u>

Note: The group has used the borrowed funds from banks for the purpose, it were taken.

Detail of Short Term Borrowings is as under:

Name of Facility	Security	Amt. Guaratneed	
		31.03.2022	31.03.2021
Punjab National Bank Working Capital Limit	Hypothication of any stock (RM/ WIP/FG) lying in premises or in transit. Hypothication of entire book debts arising out of genuine business transactions.	1,056.32	-
HDFC Bank Ltd. - Working Capital Facility	First Pari-Passu charge on stocks and book- debts with other working capital lenders for total working Capital limits of group.	36.44	-

<b>24 CURRENT LEASE LIABILITY</b>	(₹ in lakh)	(₹ in lakh)
	As at	As at
Current Lease Liabilities consist of the following :	31st March, 2022	31st March, 2021
Lease Liability	24.18	30.10
	<u>24.18</u>	<u>30.10</u>

<b>25 TRADE PAYABLES:</b>	(₹ in lakh)	(₹ in lakh)
	<b>As at</b>	<b>As at</b>
Trade Payables consists of following:	<b>31st March, 2022</b>	<b>31st March, 2021</b>
<b>a) Trade Payables:</b>		
a) Total Outstanding dues of micro enterprises and small enterprises	4,216.65	5,896.78
b) Total Outstanding dues of other than micro enterprises and small enterprises	3,332.93	5,313.36
<b>b) Due to Related Parties</b>	<u>351.24</u>	<u>553.30</u>
	<u><b>7,900.82</b></u>	<u><b>11,763.44</b></u>

#### 25.1 Trade Payables Ageing:

Particulars	Outstanding for following periods from due date, of payment				Total
	Less Than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
<b>As at 31st March, 2022:</b>					
(i) MSME	-	-	-	-	-
(ii) Others	798.29	37.77	25.70	10.69	872.45
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-
<b>Total</b>	<b>798.29</b>	<b>37.77</b>	<b>25.70</b>	<b>10.69</b>	<b>872.45</b>

Particulars	Outstanding for following periods from due date, of payment				Total
	Less Than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
<b>As at 31st March, 2021:</b>					
(i) MSME	-	-	-	-	-
(ii) Others	523.46	43.52	11.30	0.12	578.40
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-
<b>Total</b>	<b>523.46</b>	<b>43.52</b>	<b>11.30</b>	<b>0.12</b>	<b>578.40</b>

<b>26 OTHER FINANCIAL LIABILITIES</b>	(₹ in lakh)	(₹ in lakh)
	<b>As at</b>	<b>As at</b>
Other current liabilities consist of the following :	<b>31st March, 2022</b>	<b>31st March, 2021</b>
Other Financial Liabilities:		
i) Due to Related Parties	-	-
ii) Due to Other than Related parties	998.70	1,614.61
	<u>998.70</u>	<u>1,614.61</u>
<b>Other Financial Liabilities includes:</b>		
Cheques Issued but not presented	540.86	894
Capital Creditors	-	95
Forward Contract Payable (Net)	15.16	-

<b>27 SHORT-TERM PROVISIONS</b>	(₹ in lakh)	(₹ in lakh)
	<b>As at</b>	<b>As at</b>
Short -term borrowings consists of the following:	<b>31st March, 2022</b>	<b>31st March, 2021</b>
Provision for Unspent CSR Liability	52.97	50.86
	<u>52.97</u>	<u>50.86</u>

<b>28 OTHER CURRENT LIABILITIES</b>	(₹ in lakh)	(₹ in lakh)
	As at	As at
Other current liabilities consist of the following :	31st March, 2022	31st March, 2021
Advance received from Customers	336.09	527.48
Due to Related Parties	39.69	33.40
Other Payables	<u>1,103.10</u>	<u>1,349.35</u>
	<b>1,478.88</b>	<b>1,910.23</b>
Other payables includes :		
Statutory liabilities	692.46	631.16
Income Received in Advance	13.23	15.54
Advance from Sale of Property	12.00	21.71
<b>29 REVENUE FROM OPERATIONS</b>	(₹ in lakh)	(₹ in lakh)
	2021-2022	2020-2021
Sale of Products	82,714.03	70,905.88
Other Operating Revenues	<u>140.47</u>	<u>124.64</u>
	<b>82,854.50</b>	<b>71,030.52</b>
<b>29.1 PARTICULARS OF SALE OF PRODUCTS</b>	(₹ in lakh)	(₹ in lakh)
Particulars	2021-2022	2020-2021
Bicycles & its parts	73,660.84	66,087.51
E-Bikes & its parts	2,365.70	801.03
E- Rickshaw & its parts	1,115.37	813.40
Power	3,945.24	2,492.28
Export Incentives	222.28	256.64
Others	<u>1,404.60</u>	<u>455.02</u>
	<b>82,714.03</b>	<b>70,905.88</b>
<b>30 OTHER INCOME</b>	(₹ in lakh)	(₹ in lakh)
Particulars	2021-2022	2020-2021
a) Interest Income		
i) On Bank Deposits (at amortised cost)	418.14	576.88
ii) On Loans & Advances (at amortised cost)	200.97	285.60
iii) On Investments (at amortised cost)	86.04	173.06
iv) Other interest	<u>27.26</u>	<u>36.71</u>
b) Dividend	20.49	16.98
c) Net gain on Sale/ Fair valuation of Investments		
i) Fair Valuation gain on Investments (net)	1,100.00	2,266.94
ii) Profit on sale of current investments	705.64	370.48
iii) Profit on sale of non-current investments	<u>436.60</u>	<u>211.8</u>
Net Gain on Trading in Securities:		
a) Gain on trading in Securities other than Derivative	510.71	505.26
b) Gain/(Loss) on trading in Derivative	<u>7.23</u>	<u>(464.19)</u>
Royalty	39.57	46.47
Other Non Operating Income	500.39	297.76
	<b>4,053.04</b>	<b>4,323.76</b>
Other Non - Operating Income includes:		
- Rent Received	290.56	220.99
- Profit on Sale of property, plant & equipment	134.99	76.77

<b>31 COST OF MATERIALS CONSUMED</b>	(₹ in lakh) <b>2021-2022</b>		(₹ in lakh) <b>2020-2021</b>	
	% of consumption		% of consumption	
Imported	5,519.38	1,128,913.89	2,101.68	4.48%
Indigeneous	43,371.64	8,871,085.50	44,788.57	95.52%
<b>TOTAL</b>	<u>48,891.02</u>	<u>9,999,999</u>	<u>46,890.25</u>	<u>100%</u>

  

<b>32 PURCHASE OF STOCK - IN - TRADE</b>	(₹ in lakh) <b>2021-2022</b>		(₹ in lakh) <b>2020-2021</b>	
	% of consumption		% of consumption	
Imported	383.52	16,193.44	78.41	1.27%
Indigeneous	4,359.44	8,911,718.37	6,085.39	98.73%
<b>TOTAL</b>	<u>4,742.96</u>	<u>8,927,912</u>	<u>6,163.80</u>	<u>100%</u>

  

<b>33 CHANGE IN INVENTORIES OF FINISHED GOODS/ STOCK-IN-TRADE/ WORK-IN-PROGRESS</b>	(₹ in lakh) <b>2021-2022</b>		(₹ in lakh) <b>2020-2021</b>	
Opening Stock		10,239.34		3,943.00
Less: Closing Stock		<u>(6,526.48)</u>		<u>(10,239.34)</u>
		<u>3,712.86</u>		<u>(6,296.34)</u>

  

<b>34 EMPLOYEE BENEFITS EXPENSE</b>	(₹ in lakh) <b>2021-2022</b>		(₹ in lakh) <b>2020-2021</b>	
Salaries and Wages		4,804.30		4,030.84
Contribution to Provident and other Funds		430.50		337.83
Staff Welfare Expenses		98.46		82.34
<b>TOTAL</b>		<u>5,333.26</u>		<u>4,451.01</u>

  

<b>35 FINANCE COSTS</b>	(₹ in lakh) <b>2021-2022</b>		(₹ in lakh) <b>2020-2021</b>	
Interest Expenses		465.12		282.54
Other borrowing costs		84.03		83.39
		<u>549.15</u>		<u>365.93</u>

**36 OTHER EXPENSES**

	(₹ in lakh)		(₹ in lakh)
	2021-2022		2020-2021
<b>Manufacturing Expenses</b>			
Stores, chemical and packing material	3,716.38	3,100.82	
Processing Charges	173.59	155.34	
Power & Fuel	268.91	258.62	
Carriage Inward	68.56	74.95	
Repairs to Machinery	681.06	535.26	4,124.99
<b>Selling and distribution Expenses</b>			
Clearing & Forwarding Charges	5,416.26	6,176.15	
Commission	84.79	62.21	
Advertisement	522.12	527.73	
Other Selling Expenses	104.32	49.92	6,816.01
<b>Establishment Expenses</b>			
Printing & Stationery	17.77	14.21	
Postage, Telegrams & Telephone Expenses	46.52	39.50	
Travelling Expenses	194.01	78.66	
Vehicles Maintenance Expenses	44.63	22.00	
Repairs to Building	110.78	65.22	
Repairs & Renewals	46.24	21.40	
Payments to Auditors	14.45	15.50	
Charity & Donation	31.92	16.59	
Insurance	177.81	112.61	
Rent	0.27	2.90	
Rates & Taxes	38.37	23.83	
Legal & Professional Charges	225.20	158.69	
Bad Debts & Advances written off	237.27	107.63	
Miscellaneous Expenses	413.54	415.15	1,093.89
	<b>12,634.77</b>	<b>12,034.89</b>	

**36.1 PAYMENT TO AUDITOR AS**

	(₹ in lakh)		(₹ in lakh)
	2021-2022		2020-2021
i) Audit Fees	2.10	2.00	
ii) Tax Audit Fee	3.00	3.00	
iii) GST/ VAT Audit Fee	-	-	
iv) Certification fees	-	-	
iii) Others	12.35	10.50	
	<b>17.45</b>	<b>15.50</b>	

**37 CONTINGENT LIABILITIES:**

	(₹ in lakh)		(₹ in lakh)
	2021-2022		2020-2021
a) Guarantees given by Bank	6,858.12	7446.38	
b) Proposed Dividend	170.65	179.29	
c) The group has given Corporate Guarantee to Indusind Bank to make good any default committed by the persons who get finance for the purchase of E-Rickshaw of Avon Cycles Ltd. from Indusind Bank. The total amount outstanding was Rs. 42.07 Lakh. No Provision has been made in the Consolidated financial statements as no default has been reported on balance sheet date.			
d) Disputed excise and service tax demand amounting to Rs. 36.68 lakh (pre year 38.12 lakh) and penalty of Rs. 36.68 lakh (Previous year 38.12 lakh) pertaining to financial year from 2006-07 upto 2008-2009 in case of excise and April 2008 to September 2011 in case of Service Tax under appeal pending before Appellate authorities. group has deposited Rs. 0.48 in case of excise, Rs. 2.17 Lac in case of Service Tax and Rs. 1.67 Lakh in case of custom. Disputed Basic Custom Duty amounting to Rs. 22.39 Lac (Previous Year - 22.39) for financial year 2018-19. The management is of opinion that the demand is not sustainable.			
e) Show cause notices received from Excise and Custom Department pending formal demand notices, have not been considered as contingent liability.			
f) Income Tax demand for Rs. 6.58 Lac are outstanding for Assessment Year 2016-17 and Rs. 29.55 for Assessment Year 2018-19.			
g) Levy of Entry Tax by West Bengal High Court is subjudice before West Bengal High Court. West Bengal High Court has given stay on deposit of Entry Tax to group. The amount of entry tax is Rs. 51.33 Lac for FY 2017-18, Rs. 121.56 Lac for FY 2016-17 & Rs. 172.50 Lac for FY 2015-16.			



38 On certain points, appeals/ references/ revisions are pending at various stages in respect of past year's income tax assessments. Additional demands/ refunds, if any, shall be accounted for as and when these are actually paid/ refunded.

### 39 DIVIDENDS

Dividends paid during the year ended March 31, 2022 include an amount of ₹20 per equity share towards final dividend for the year ended March 31, 2021. The dividends declared by the group are based on profits available for distribution as reported in the Consolidated financial statements of the Company. Accordingly, the retained earnings reported in these Consolidated financial statements may not be fully distributable. As at March 31, 2022, the income available for distribution were Rs. 5870.53 Lakh. Dividened, if approved by shareholders at Annual General Meeting, the dividend would result in a cash outflow of Rs. 170.65 Lac.

### 40 TAX BALANCES:

#### 40.1 The following is analysis of deferred tax assets/(liabilities) presented in Balance Sheet:

Deferred Tax Liabilities (Net):	Opening Balance	Recognised in Profit or Loss	Recognised in OCI	Closing Balance
<b>Deferred Tax Assets:</b>				
Expenses deductible in Future Years	215.34	(56.63)	-	158.71
Provision for Doubtful Debts/ Advances	76.15	(9.63)	-	66.52
Losses allowable in future years	298.32	(98.79)	-	199.53
Others	(4.37)	(0.01)	27.93	23.55
	<u>585.44</u>	<u>(165.06)</u>	<u>27.93</u>	<u>448.31</u>
<b>Deferred Tax Liabilities:</b>				
Property, Plant & Equipment, and Intangible Assets	1,677.46	316.75	-	1,994.21
Investment in Bonds, Mutual Funds and equity instruments	667.48	39.41	-	706.89
ROU Assets	43.32	(4.51)	-	38.81
Others	3.91	(3.91)	-	-
	<u>2,392.17</u>	<u>347.74</u>	<u>-</u>	<u>2,739.91</u>
Net Deferred Tax Liability	<u>(1,806.73)</u>	<u>(512.80)</u>	<u>27.93</u>	<u>(2,291.60)</u>

#### 40.2 Income Tax Recognised In Profit Or Loss:

Particulars	(₹ in lakh) For Year Ended 31st March 2022	(₹ in lakh) For Year Ended 31st March 2021
<b>Current Tax</b>		
In respect of current year	1,509.00	1,675.00
<b>Deferred Tax</b>		
In respect of Current Year	<u>521.80</u>	<u>531.19</u>
<b>Total Income Tax Expense Recognised</b>	<u>2,021.80</u>	<u>2,206.19</u>

#### 40.3 Income Tax Recognised In Other Comprehensive Income

Particulars	(₹ in lakh) For Year Ended 31st March 2022	(₹ in lakh) For Year Ended 31st March 2021
Arising on Remeasurement of Defined benefit Obligation	<u>27.93</u>	<u>(13.96)</u>
	<u>27.93</u>	<u>(13.96)</u>

#### 41 EARNINGS PER EQUITY SHARES

Basic/Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the group by weighted average number of Equity shares outstanding during the year.

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

Particulars	(₹ in lakh)	(₹ in lakh)
	31st March 2022	31st March 2021
Profit/ (Loss) after Tax	5,870.53	6,842.06
Less: Adjustment of Income Tax Earlier Years	220.64	(388.36)
Profit after adjustment of Income Tax Earlier Years	(A) 6,091.17	6,453.71
Weighted average number of equity shares	(B) 853,287.00	896,442.00
Earning per share : Basic/Diluted (A/B)₹	713.85	719.92

42 Interest includes Rs. 161.54 Lac for F/Y 2021-2022 and Rs. 89.69 lakh for F/Y 2020-2021 paid to Directors.

43 Charity & Donation includes Rs. 26.50 lakh contributed to political parties during Financial year 2021-22, Rs. 10.50 Lakh during Financial Year 2020-21, detail of which is as below:

Party Name	(₹ in lakh)	(₹ in lakh)
	31st March 2022	31st March 2021
Bhartiya Janta Party	14.00	10.00
Bihar Pradesh Janta Dal United	-	0.50
Shiromani Akali Dal	5.00	-
All India Congress Committee	5.00	-
Aam Aadmi Party	2.50	-
	<u>26.50</u>	<u>10.50</u>

44 Interest received of Rs. 732.61 lakh (Previous Year Rs. 1072.25 lakh) includes Tax deducted at source of Rs. 59.91 Lakh (Previous Year Rs. 59.78 lakh).

45 Expenditure on insurance includes Rs. 19.20 Lakh (Previous year Rs. 16.03 lakh) being premiums paid under Keyman Insurance schemes to cover risks on life of Key Management personnel. Benefits to the group under the said scheme depend on various factors including resignation/survival of the said personnel or premature surrender of the policy. Such benefits will be accounted for in the year, in which they become due.

46 Sales-tax assessments have been completed upto to the accounting year ended 31st March 2015.

47 Income -tax assessments of the group have been completed upto the accounting year ended 31.03.2020 relevant to the assessment year 2020-21.

48 In accordance with section 135 of Companies Act, 2013, the group is covered by the provision of said section:

Particulars	(₹ in lakh)	(₹ in lakh)
	2021-2022	2020-2021
i) The amount required to be spent under CSR Obligation	172.81	195.23
ii) The amount of expenditure incurred during the year	150.75	144.52
iii) Shortfall at the end of the year	23.08	50.86
iv) Total of Previous Years Shortfall	29.88	-
v) Reason for shortfall : Some projects identified at later stage of the financial year and for that reason amount was earmarked for those projects.		
vii) <b>Movement of Provision for unspent CSR:</b>		
Opening	50.86	-
Provision created during the year	23.08	50.86
Spent during the year	20.97	-
Closing	<u>52.97</u>	<u>50.86</u>

vii) Detail of nature of CSR Expenditure incurred during the year: Particulars	(₹ in lakh)	(₹ in lakh)
	2021-2022	2020-2021
a) Animal Welfare	10.09	5.25
b) Welfare of Armed Forces	7.19	2.20
c) Education	36.27	31.43
d) Environment	29.39	5.80
e) Health	64.19	86.14
f) Hunger	0.42	-
g) Sports	3.20	9.54
h) Women Empowerment	-	4.16
<b>TOTAL</b>	<b>150.75</b>	<b>144.52</b>

49 In the opinion of the Directors, current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the value at which they are stated in the Balance Sheet.

50 Previous years' figures have been regrouped/ recasted/ rearranged/ reclassified where necessary to make them comparable.

#### 51 MICRO, SMALL AND MEDIUM ENTERPRISES

##### a) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

PARTICULARS	(₹ in lakh)	
	2021-22	2020-21
A) (i) Principal amount remaining unpaid at the end of accounting year	4,203.24	5,895.20
(ii) Interest due on above	-	1.58
B) The amount of interest paid by the Group in terms of section 16 of the MSMED, along with amount of payment made to the suppliers beyond the appointed date during the accounting year.	1.58	22.45
C) The amount of interest accrued and remaining unpaid at the end of the financial year.	13.41	1.58
D) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding interest specified under the MSMED	13.41	-
E) The amount of further interest remaining due and payable in succeeding years, until such interest is actually paid.	-	1.58

b) The above information has been compiled in respect of parties to the extent to which they could be identified as Micro, Small and Medium Enterprise on the basis of information available with the Group.

#### 52 GOVERNMENT GRANTS:

	(₹ in lakh)	(₹ in lakh)
	2021-2022	2020-2021
<b>At the Beginning</b>	<b>12.31</b>	<b>32.13</b>
Provided during the year	0	8.19
Received/ Adjusted during the year	5.49	28.01
<b>At the End of the year</b>	<b>6.82</b>	<b>12.31</b>

(i) group has received exemption in the form of stamp duty for ₹100.73 Lakh from department of the Industry and Commerce (incentive section on transfer land and building from its holding group M/s Avon Cycles Ltd).

(ii) The group has saved Import Duty of ₹247.09 Lakh during the year by availing exemption under the EPCG Scheme of Foreign Trade Policy

#### 53 Significant Accounting Judgements, estimates and assumptions:

The preparation of the group's Consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the acgrouping disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

##### Judgements:

In the process of applying the group's accounting policies, management has made following judgements, which have the most significant effect on the amounts recognised in the Consolidated financial statements:

##### Estimates & Assumptions

The key assumptions concerning the future and other key sources of estimating uncertainty at the reporting date, that have a significant

risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The group based its assumptions and estimates on parameters available when the Consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the group. Such changes are reflected in the assumptions when they occur.

#### Defined Benefit Plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in Note 60.

#### Fair Value Measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using other valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

#### Impairment of Non- Financial Assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model.

### 54 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the group's operations and to support its operations. The group's financial assets include loans, trade and other receivables, and cash & cash equivalents that derive directly from its operations.

#### a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risks. Financial instruments affected by market risk include loans and borrowings, deposits and payables/receivables in foreign currencies.

#### i) Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's exposure to the risk of changes in market interest rates relates primarily to the group's long term debt obligations with floating interest rates. The group is carrying its borrowings primarily at variable rates. For floating rates borrowings the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to Key management personnel and represents management's assessment of the reasonably possible change in interest rates.

	(₹ in lakh)	(₹ in lakh)
	31st March 2022	31st March 2021
Variable Rate Borrowings	6,343.85	2,307.46
Fixed Rate Borrowings	1,347.66	1,068.12

#### Interest Rate Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Effect on Profit Before Tax	
	(₹ in lakh)	(₹ in lakh)
	31st March 2022	31st March 2021
Increase by 50 Basis Points	31.72	11.54
Decrease by 50 Basis Points	(31.72)	(11.54)

## b) Foreign Currency Risks

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in international currencies as part of the business is transacted in foreign currencies and consequentially the group is exposed to foreign exchange risk. The group's exposure in foreign currency is in loans, trade receivables and advances and trade payables.

### I) Particulars of Unhedged Foreign Currency Exposure as at reporting date:

Particulars	(USD in lakh)	
	31st March 2022	31st March 2021
Trade Receivables	-	-
EEFC Balance	-	0.0822
Loan	-	-
Trade Payables	-	-

### Foreign Currency Sensitivity

The following table demonstrate the sensitivity to a reasonably possible change in foreign currency exchange rates, with all other variables held constant. The impact on the group's profit before tax is due to changes in the fair value of monetary assets and liabilities.

	(₹ in lakh)			(₹ in lakh)	
	31st March 2022		31st March 2021		
	5% Increase	5% Decrease	5% Increase	5% Decrease	
USD					
Increase/ (Decrease) in Profit or Loss	-	-	-	-	-

### ii) Foreign Currency Exposure (Forward Booking)

The foreign currency exposure of the group as on reporting date is as under. The group does not use forward contracts for speculative purpose.

Particulars	(USD in lakh)		(USD in lakh)	
	31st March 2022		31st March 2021	
Forward Contracts against Exports	30.00		20.00	
Forward Contracts against Imports	-		-	

### iii) Price Risk

The group's exposure price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the group diversifies its portfolio of assets.

## B) Credit Risk

Credit risk is the risk that counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The group is exposed to credit risk from its operating activities (primarily trade receivables)

### Credit Risk Management

The group assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The group assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

(I) Low credit risk on reporting date

(ii) Moderate Credit Risk

The Company provides for expected credit loss based on the following:

Asset Group	Basis of Categorisation	Provision for expected credit loss
Low Credit Risk	Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets	12 month expected credit loss
Moderate credit risk	Trade receivables and other financial assets	Life time expected credit loss or 12 month expected credit loss

Based on business environment in which the group operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the group. The group continues to engage with parties whose balances are written off and attempts to enforce repayment.

Recoveries made are recognised in statement of profit and loss.

#### Cash & cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

#### Trade receivables

The group closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The group assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become one year past due.

#### Other financial assets measured at amortised cost

Other financial assets measured at amortized cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

#### i) Trade Receivables

Customer credit risk is managed by each business location subject to the group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with the assessment both in terms of number of days and amount.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Notes. Trade receivables are unsecured but considered goods subject to provision made thereon.

	(₹ in lakh) 31st March 2022	(₹ in lakh) 31st March 2021
Trade Receivables		
Not Due	7,213.28	9,735.85
Up to Six Months Past Due	5,169.36	1,667.73
6 Months to 1 Year Past Due	405.90	208.71
More Than 1 Year Past Due	1,436.13	1,940.93
	<u>14,224.67</u>	<u>13,553.22</u>
<b>Provision for Doubtful Debts</b>		
Provision for Doubtful Debts	(250.30)	(253.36)
<b>Total</b>	<u>13,974.37</u>	<u>13,299.86</u>
	(₹ in lakh) 31st March 2022	(₹ in lakh) 31st March 2021
<b>Reconciliation of Provision for Doubtful Debts</b>		
<b>Balance at the Beginning of the Year</b>	253.36	214.00
Add: Provision made during the year	-	39.36
Less: Provision Written Back during the Year	3.06	-
<b>Balance at the end of the Year</b>	<u>250.30</u>	<u>253.36</u>

#### (C) Liquidity risk

Liquidity Risk refers to the risk that the group meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The group consistently generated sufficient cash flows from operations to meet its financial obligations as and when they fall due. The tables below provide details regarding contractual maturities of significant financial liabilities as at:

	(₹ in lakh)		(₹ in lakh)
	31st March 2022		31st March 2021
Floating rate			
<b>(a) Expiring within one year (Bank overdraft and other facilities)</b>			
<b>Secured</b>			
- Working Capital Limits	1,092.76	-	
<b>(b) Expiring beyond one year (Bank loans)</b>			
<b>Secured</b>			
- Term loan from banks	4,410.20	1,928.03	

ii) Maturity Patterns of borrowings	(₹ in lakh)			
	Less than 1Year	1 to 2 years	2 to 5 years	More than 5 yrs
<b>Year ended 31st March, 2022</b>				
Contractual Maturities of borrowings	1,976.46	2,232.36	3,101.33	381.37
Contractual Maturities of trade payables	7,900.82	-	-	-
Contractual Maturities of other financial liabilities	799.87	28.79	105.03	901.66
<b>Total</b>	<u>10,677.15</u>	<u>2,261.15</u>	<u>3,206.36</u>	<u>1,283.03</u>
<b>Year ended 31st March, 2021</b>				
Contractual Maturities of borrowings	471.76	1,447.56	1,456.27	-
Contractual Maturities of trade payables	11,763.43	-	-	-
Contractual Maturities of other financial liabilities	1,644.71	23.86	97.86	646.07
<b>Total</b>	<u>13,879.90</u>	<u>1,471.41</u>	<u>1,554.13</u>	<u>646.07</u>

#### (D) Risk due to outbreak of COVID 19 pandemic

On account of COVID-19 pandemic the group has made assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, intangible assets, right of use assets, investments, inventories and trade receivables as at the date of the balance sheet. The group has considered internal and external sources of information for making said assessment. Basis the evaluation of the current estimates, the group expects to recover the carrying amount of these assets and no material adjustments is required in the Consolidated financial statements. Given the uncertainties associated with nature, condition and duration of COVID-19, the group will closely monitor any material changes arising of the future economic conditions and any significant impact of these changes would be recognized in the Consolidated financial statements as and when these material changes to economic condition arise.

#### 55 CAPITAL MANAGEMENT

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

The group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The group includes within net debt, interest bearing loans and borrowings, trade payables, less cash and cash equivalents.

	(₹ in lakh)	(₹ in lakh)
	31st March 2022	31st March 2021
Borrowings	7,691.52	3,375.58
Trade Payables	7,900.82	11,763.43
Less: Cash & Cash Equivalents	(18,116.79)	(13,734.77)
<b>Net Debt</b>	<u>(2,524.46)</u>	1,404.24
Equity	73,931.11	68,631.63
<b>Capital &amp; Net Debt</b>	<u>71,406.65</u>	<u>70,035.87</u>
Gearing Ratio	-3.54%	2.01%

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March 2020.

**56 EXPENDITURE INCURRED ON RESEARCH & DEVELOPMENT**
**(₹ in lakh)**

Particulars	2021 - 2022	2020 - 2021
- Capital Expenditure	8.65	64.39
- Revenue Expenditure	106.90	143.78
	<u>115.54</u>	<u>208.18</u>

**57 FAIR VALUE MEASUREMENT**
**(a) Financial Instruments by Category**

For amortised cost instruments, Carrying values represents the best estimates of Fair Value

Particulars	(₹ in lakh) 31st March 2022			(₹ in lakh) 31st March 2021		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
<b>Financial Assets</b>						
Investments	15,012.85	-	1,113.51	12,824.57	-	2,801.10
Trade Receivables	-	-	13,974.37	-	-	13,299.87
Other Financial Assets	-	-	11,056.48	-	-	4,874.05
Cash & Cash Equivalents	15,481.03	-	2,635.76	10,977.05	-	2,757.72
Other Bank Balances	-	-	1,980.88	-	-	6,345.01
<b>Total</b>	<b>30,493.88</b>	<b>-</b>	<b>30,761.00</b>	<b>23,801.62</b>	<b>-</b>	<b>30,077.74</b>
<b>Financial Liabilities</b>						
Borrowings	-	-	7,691.52	-	-	3,375.58
Trade Payables	-	-	7,900.82	-	-	11,763.43
Other Financial Liabilities	-	-	1,835.46	-	-	2,412.50
<b>Total</b>	<b>-</b>	<b>-</b>	<b>17,427.80</b>	<b>-</b>	<b>-</b>	<b>17,551.51</b>

**(b) Fair value measurement hierarchy for assets and liabilities**

The Company has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value-recurring fair value measurements	(₹ in lakh) 31st March 2022			(₹ in lakh) 31st March 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial Assets</b>						
Investments	8,992.25	-	6,020.60	7,655.75	-	5,168.83
Cash & Cash Equivalents	15,481.03	-	-	10,977.05	-	-
<b>Total</b>	<b>24,473.28</b>	<b>-</b>	<b>6,020.60</b>	<b>18,632.80</b>	<b>-</b>	<b>5,168.83</b>



Financial assets and liabilities measured at amortised cost for which fair values are disclosed	₹ in lakh 31st March 2022			₹ in lakh 31st March 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial Assets</b>						
Investments	-	1,113.51	-	-	2,801.10	-
Trade Receivables	-	-	13,974.37	-	-	13,299.87
Other Financial Assets	-	-	11,056.48	-	-	4,874.05
Cash & Cash Equivalents	-	-	2,635.76	-	-	2,757.72
Other Bank Balances	-	-	1,980.88	-	-	6,345.01
<b>Total</b>	-	1,113.51	29,647.49	-	2,801.10	27,276.64
<b>Financial Liabilities</b>						
Borrowings	-	-	7,691.52	-	-	3,375.58
Trade Payables	-	-	7,900.82	-	-	11,763.43
Other Financial Liabilities	-	-	1,835.46	-	-	2,412.50
<b>Total</b>	-	-	17,427.80	-	-	17,551.51

#### Fair Value Hierarchy:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: Value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

#### c. Fair value of financial assets and liabilities measured at amortised cost

Particulars	₹ in lakh 31st March 2022		₹ in lakh 31st March 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets</b>				
Investments	1,113.51	1,075.81	2,801.10	1,018.14
Margin Money	266.45	266.45	235.02	235.02
Employee Loans	107.73	107.73	121.94	121.94
Other Financial Assets	-	-	-	-
<b>Total</b>	1,487.68	1,449.99	3,158.07	1,375.11
<b>Financial Liabilities</b>				
Security Deposits	31.47	31.47	24.13	24.13
<b>Total</b>	31.47	31.47	24.13	24.13

The carrying amounts of trade receivables, trade payables, advances to employees, cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to short term nature.

The fair values for FMP's, Margin Money, Employee Loans and security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

**58 OTHER STATUTORY INFORMATION:**

- i) The group has disclosed investment property at Cost.
- ii) The group has not revalued its Property, Plant and Equipment (including Right of Use Assets) during the year.
- iii) The group has not revalued its intangible Assets during the year.
- iv) The group has made Loans and advances to following related parties (as defined under Companies Act) that are repayable on demand:

Type of Borrower	As as 31.03.2022		As as 31.03.2021	
	Amount	%age to Total	Amount	%age to Total
	Outstanding (₹ in lakh)	Loans & Advances	Outstanding (₹ in lakh)	Loans & Advances
a) To Associates	520.19	13.09%	-	-
b) To other Related Parties	400.00	10.07%	-	-

- v) There are no intangible assets under development.
- vi) There are no proceedings initiated or pending against the group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988.
- vii) The quarterly returns or statements of Current Assets filed by the group with banks or Financial Institutions are in agreement with books of accounts.
- viii) The group is not declared wilfull defaulter by Banks, Financial Institutions or any other lender.
- ix) The group has not done any transactions directly with struck off Companies u/s 248 of Companies Act, 2013 or u/s 560 of Companies Act, 1956.
- x) The group has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries), or,
- (b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- xi) The group has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:
- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries), or,
- (b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**59 ENTERPRISES CONSOLIDATED AS SUBSIDIARY IN ACCORDANCE WITH INDIAN ACCOUNTING STANDARD 110 – CONSOLIDATED FINANCIAL STATEMENTS**

Name of Enterprise	Country of Incorporation	Proportion of Ownership Interest
M/s Avon Newage Cycles Pvt. Ltd.	India	100%
M/s Avon Energies & Investments Pvt. Ltd.	India	100%

**60 SIGNIFICANT ENTERPRISES CONSOLIDATED AS ASSOCIATES AND JOINT VENTURES IN ACCORDANCE WITH INDIAN ACCOUNTING STANDARD 28 – INVESTMENTS IN ASSOCIATES AND JOINT VENTURES**

Name of Enterprise	Country of Incorporation	Proportion of Ownership Interest
M/s Avon Infrabiz Pvt. Ltd.	India	49.51%

**61 ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISES CONSOLIDATED AS SUBSIDIARY / ASSOCIATES / JOINT VENTURES**

Name of Enterprise	Net Assets, i.e. total assets minus total Liabilities		Share in profit or loss		Share in OCI		Share in Total Comprehensive Income	
	As % of consolidated net assets	(₹ in Lakh)	As % of consolidated Profit or Loss	(₹ in Lakh)	As % of consolidated other comprehensive income	(₹ in Lakh)	As % of consolidated total comprehensive income	(₹ in Lakh)
Parent								
M/s Avon Cycles Ltd.	100.33%	74,174.67	104.06%	6,109.04	100.00%	(65.66)	104.11%	6,043.38
<b>Subsidiary</b>							-0.47%	(27.53)
M/s Avon Newage Cycles Pvt. Ltd.	5.57%	4,121.62	-0.47%	(27.53)	0.00%	0	-	-
M/s Avon Energies & Investments Pvt. Ltd.	0.00%	1.00	0.00%	0	0.00%	0	0.00%	0
Total	105.91%	78,297.29	103.59%	6,081.51	100.00%	(65.66)	103.63%	6,015.85
<b>Adjustment arising out of Consolidation</b>	-7.70%	(5,692.91)	-0.73%	(42.70)	0.00%	0.00	-0.74%	(42.70)
<b>Non-Controlling interest in all subsidiaries</b>		-	0.00%	-	0.00%	-	-	-
<b>Associates (Investment as per Equity Method)</b>								
<b>Indian:</b>								
M/s Avon Infrabiz Pvt. Ltd.	1.79%	1,326.73	-2.87%	(168.27)	0.00%	-	-2.90%	(168.27)
<b>Foreign</b>	-	-	0.00%	-	0.00%	-	-	-
<b>Joint Ventures (Investment as per Equity Method)</b>								
<b>Indian</b>	-	-	0.00%	-	0.00%	-	-	-
<b>Foreign</b>	-	-	0.00%	-	0.00%	-	-	-
<b>TOTAL</b>	<b>100%</b>	<b>73,931.11</b>	<b>100%</b>	<b>5,870.54</b>	<b>100%</b>	<b>(65.66)</b>	<b>100%</b>	<b>5,804.88</b>

**62 SEGMENT INFORMATION**

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and assessing performance. The group's chief operating decision maker is Managing Director and Joint Managing Director.

The group has identified two segments; viz: 1) Core segment, and, 2) Non - Core Segment. Core segment contains Bicycles and EV Division.

Non - Core contains Power segment, Treasury Segment and Renting business.

The accounting policies adopted for segment reporting are in line with the accounting policy of the company with following additional policies for segment reporting:

- Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".
- Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

I) **Primary Segment Information:**  
Year Ended March 31, 2022

(Amount ₹ in Lakh)

PARTICULARS	Bicycle & EV Segment	Power Segment	Others	Unallocable	Total
<b>1 SEGMENT REVENUE</b>					
External Turnover	80,926.29	3,958.82	2,022.42	-	86,907.54
Inter - Segment Turnover					-
<b>Revenue from Operations</b>	<b>80,926.29</b>	<b>3,958.82</b>	<b>2,022.42</b>	-	<b>86,907.54</b>
<b>2 Segment Result before Depreciation, Interest &amp; Tax</b>	<b>6,370.12</b>	<b>3,093.50</b>	<b>1,960.79</b>	-	<b>11,424.41</b>
Less:					
Finance Costs	314.67	234.16	0.32	-	549.15
Depreciation & Amortisation Expense	723.68	2,038.44	46.96	-	2,809.08
<b>Profit Before Tax &amp; Exceptional Items</b>	<b>5,331.77</b>	<b>820.89</b>	<b>1,913.51</b>	-	<b>8,066.17</b>
<b>Exceptional Items:</b>					
CSR Expenditure u/s 135 of Companies Act, 2013	-	-	-	-	173.83
<b>Profit Before Tax</b>	-	-	-	-	7,892.34
Less:					
Current Tax	-	-	-	-	1,509.00
Deferred Tax	-	-	-	-	512.80
Other Comprehensive Income, Net of Tax	-	-	-	-	(65.66)
<b>Profit After Tax and before adjustment of Non- Controlling Interest</b>	-	-	-	-	5,804.88
Add: Share of (Profit) /Loss transferred to Non- Controlling Interest					
<b>Profit After Tax and after adjustment of Non- Controlling Interest</b>	-	-	-	-	5,804.88
<b>Other Information</b>					
Segment Assets	74,765.01	12,925.07	13,127.59	-	100,817.66
Segment Liabilities	23,547.59	3,280.72	58.25	-	26,886.56

Year Ended March 31, 2021

(Amount ₹ in Lakh)

PARTICULARS	Bicycle & EV Segment	Power Segment	Others	Unallocable	Total
<b>1 SEGMENT REVENUE</b>					
External Turnover	71,125.52	2,535.57	1,693.20	0.00	75,354.29
Inter - Segment Turnover	-	-	-	-	-
<b>Revenue from Operations</b>	<b>71,125.52</b>	<b>2,535.57</b>	<b>1,693.20</b>	<b>0.00</b>	<b>75,354.29</b>
<b>2 Segment Result before Depreciation, Interest &amp; Tax</b>	<b>8,803.56</b>	<b>1,784.87</b>	<b>1,637.82</b>	<b>(120.59)</b>	<b>12,105.66</b>
Less:					
Finance Costs	225.91	139.79	0.23	-	365.93
Depreciation & Amortisation Expense	683.75	1,762.94	49.30	-	2,495.99
<b>Profit Before Tax &amp; Exceptional Items</b>	<b>7,893.90</b>	<b>(117.86)</b>	<b>1,588.29</b>	<b>(120.59)</b>	<b>9,243.74</b>
<b>Exceptional Items:</b>					
CSR Expenditure u/s 135 of Companies Act, 2013	-	-	-	-	195.38
<b>Profit Before Tax</b>	-	-	-	-	9,048.36
Less:					
Current Tax	-	-	-	-	1,675.00
Deferred Tax	-	-	-	-	531.19
Other Comprehensive Income, Net of Tax	-	-	-	-	3.44
<b>Profit After Tax and before adjustment of Non- Controlling Interest</b>	-	-	-	-	6,845.61
Add: Share of (Profit) /Loss transferred to Non- Controlling Interest					
<b>Profit After Tax and after adjustment of Non- Controlling Interest</b>	-	-	-	-	6,845.61
<b>Other Information:</b>					
Segment Assets	64,118.29	12,040.35	13,043.49	7,288.43	96,490.56
Segment Liabilities	16,756.84	2,499.18	306.68	8,296.19	27,858.89

**Notes:****1. Segment results include Other Operating Revenues, Interest Income and Other income pertaining to respective segments.**

ii) Geographical revenue is allocated based on the location of the customers.

**Information regarding geographical revenue is as follows:**

	(₹ in lakh) 2021 - 2022	(₹ in lakh) 2020 - 2021
India	75,894	67,264
Africa	4,910.00	2,198.85
South/Latin America	30.97	-
Asia	1,404.04	1,093.80
South Africa	31.51	-
Europe	268.37	92.74
Unallocated Revenue	175.20	256.63
	<u>82,714.03</u>	<u>70,905.88</u>

**Information regarding geographical non- current assets is as follows:**

	(₹ in lakh) For Year Ended 31st March 2022	(₹ in lakh) For Year Ended 31st March 2021
<b>Non - Current Assets:</b>		
Within India	43,177.16	33,521.62
Outside India	-	-

iii) As per Indian Accounting Standard 108 – Operating Segments, the Company has reported segment information on consolidated basis including businesses conducted through its subsidiaries.

iv) The reportable segments are further described as below:

- a) Bicycles & EV segment related to manufacturing and trading of Bicycles, bicycles parts, E-Vehicles i.e. E-Bikes, E-Rickshaws, E-Kart etc.
- b) Power segment includes generation and distribution of Power generated from Windmills and Solar Power Generating System.
- c) Other segments which are not separately reportable are have been grouped other segments.
- d) Other assets and liabilities which are not allocable and their related incomes/ expenses are considered under unallocable.

v) **Information about major customers:**

No single customer represents 10% or more of the Group's total revenue for the years ended March 31, 2022 and 2021, respectively.

### 63 RELATED PARTY TRANSACTIONS

#### a) List of Related Parties and Relationship

Party

#### 1 Associates

Avon Infrabiz Pvt. Ltd.

#### 2 Entities with Control or Joint Control by KMP

Pahwa Estates and Holdings (Pvt) Ltd.

Avon Fitness Machines Pvt. Ltd.

Hans Raj Pahwa & Bros.

#### 3 Key Management personnel

Sh. Onkar Singh Pahwa

Sh. Rishi Pahwa

Smt. Sarabjit Kaur Pahwa

Sh. Mandeep Singh Pahwa

Sh. Girish Paman Vanvari

Sh. Anil Arora

Sh. Manish Kumar Mittal

Sh. Bhavdeep Sardana

#### 4 Other Related Parties

Smt. Pallavi Pahwa

Smt. Jasmine Pahwa

Aditragh Enterprises

NRG Enterprises

Rolex Metals Pvt. Ltd.

Wheel Crafts

#### b) Related Party Transactions :

(₹ in lakh)

Transactions	Associates / Joint Ventures		Entities with Control or Joint Control by KMP		Key Management Personnel		Other Related Parties	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Rent Paid	-	-	-	-	-	-	-	-
Remuneration Paid	-	-	-	-	1,765.88	1,143.04	39.76	39.76
Interest Paid	-	-	27.28	28.72	161.55	89.69	-	-
Interest Received	22.44	-	22.05	2.41	-	-	-	-
Rent Received	-	-	74.20	70.92	-	-	-	-
Service Charges Received	-	-	0.07	1.46	-	-	-	-
Dividend Paid	-	-	11.20	11.20	159.46	159.46	-	-
Royalty	-	-	39.57	46.47	-	-	-	-
Food Bill	-	-	3.61	4.63	-	-	-	-
Purchase	0.47	-	-	-	-	-	3,339.90	3,971.45
Sale	1.91	-	0.37	29.91	-	-	37.58	52.20
Sale/ Trf. of Fixed Assets	339.00	0.13	-	-	-	-	-	-
Sitting Fees	-	-	-	-	0.70	0.90	-	-
Re-imbursment of expenses	37.96	-	288.71	57.71	-	-	-	-
Loan Given	500.00	-	400.00	150.00	-	-	-	-
Loan Received Back	-	-	-	150.00	-	-	-	-
Legal & Professional Charges	-	-	-	-	-	1.50	-	-
Payment of Misc. Charges	-	0.12	-	0.76	-	-	-	-
Purchase of Shares	-	1,500.00	-	-	-	-	-	-
Debit balances outstanding as at the closing	520.22	-	442.98	51.37	-	-	-	-
Credit balances as at the closing	-	-	-	-	33.84	27.76	357.08	558.94

#### 64 POST EMPLOYMENT OBLIGATIONS - GRATUITY

The group provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. For the funded plan the group makes contributions to LIC of India.

a)	Changes in Defined Benefit Obligation	31st March 2022	31st March 2021
	Gratuity Plan	966.77	823.90

#### b) Changes in present value of defined obligation representing reconciliation of opening and closing balances thereof are as follows:

(₹ in lakh)

Changes in Defined Benefit Obligation	For the year ended on 31st March 2022	For the year ended on 31st March 2021
Present value obligation as at the start of the year	823.90	791.30
Interest costs	55.57	54.17
Current Service costs	75.87	69.52
Past Service Cost	-	-
Benefits paid	(84.64)	(69.41)
Re-measurement (or Actuarial) (gain) / loss arising from:	-	-
- change in financial assumptions	117.94	7.17
- experience Variance	(21.86)	(28.86)
- Change in Demographic Assumptions	-	-
<b>Present value obligation as at the end of the year</b>	<b>966.77</b>	<b>823.90</b>

#### c) Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof as follows :

(₹ in lakh)

Change in fair value of plan assets	For the year ended on 31st March 2022	For the year ended on 31st March 2021
Fair value of plan assets as at the start of the year	830.20	751.86
Return on plan assets	56.00	51.47
Actuarial gains/ (losses)	2.49	(4.29)
Contributions by employer	86.38	100.57
Benefits paid	(84.64)	(69.41)
<b>Fair value of plan assets as at the end of the year</b>	<b>890.42</b>	<b>830.20</b>

#### d) Reconciliation of present value of defined benefit obligation and the fair value of plan assets

(₹ in lakh)

Particulars	For the year ended on 31st March 2022	For the year ended on 31st March 2021
Present value obligation as at the end of the year	966.77	823.90
Fair value of plan assets as at the end of the year	890.42	830.20
<b>Net asset/(obligation) recognized in balance sheet</b>	<b>(76.35)</b>	<b>6.30</b>

#### e) The amounts recognised in the statement of profit and loss are as follows :

Particulars

(₹ in lakh)

Amount recognized in the statement of profit and loss	For the year ended on 31st March 2022	For the year ended on 31st March 2021
Current service cost	75.87	69.52
Interest on obligation	(0.43)	2.70
Past Service Cost	-	-
<b>Total included in employee benefit expense</b>	<b>75.44</b>	<b>72.22</b>

f) Amount recognised in the statement of Other Comprehensive Income

(₹ in lakh)

Particulars		
Changes in Defined Benefit Obligation	For the year ended on 31st March 2022	For the year ended on 31st March 2021
Change in Financial Assumptions	117.94	7.17
Change in Demographic Assumptions	-	-
Experience Variance i.e. Actual Experience vs Assumptions	(21.86)	(28.86)
Actuarial Gain/(Loss) for the year	(2.49)	4.29
Components of defined benefit cost recognised in OCI	93.59	(17.40)

g) Principal actuarial assumptions at the balance sheet date:

(₹ in lakh)

Particulars		
Actcurial Assumptions	For the year ended on 31st March 2022	For the year ended on 31st March 2021
Discount rate (per annum)	7.25%	6.75%
Salary escalation rate (per annum)	9.00%	7.00%

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields/ rates available on applicable bonds as on the current valuation date. The Salary growth rate indicated above is the group's best estimate of an increase in salary of employees in future years, determined considering the general trend in inflation, sonority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

h) Demographic Assumptions:

The Principal Demographic Assumptions used in the valuation are shown in the table below:

(₹ in lakh)

Particulars		
Demographic Assumptions	For the year ended on 31st March 2022	For the year ended on 31st March 2021
Mortality Rate (% of IALM 2012-14)	100.00%	100.00%
Normal Retirement Age	58 Years	58 Years
Attrition/ Withdrawal rate, based on age: (per annum)		
Upto 30 Years	3.00%	3.00%
31 to 44 Years	2.00%	2.00%
Above 44 Years	1.00%	1.00%

Attrition rate indicated above represents group's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience etc.

i) Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below:

(₹ in lakh)

Particulars	For the year ended on 31st March 2022	For the year ended on 31st March 2021
Defined Benefit Obligation (base)	966.77	823.89



(₹ in lakh)

Particulars	For the year ended on 31st March 2022		For the year ended on 31st March 2021	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+1%) (% change compared to base due to sensitivity)	<b>1,070.68</b> <b>10.70%</b>	<b>879.74</b> <b>-9.00%</b>	902.41 9.50%	757.40 -8.10%
Salary Growth Rate (-/+1%) (% change compared to base due to sensitivity)	<b>883.71</b> <b>-8.60%</b>	<b>1,063.39</b> <b>10.00%</b>	760.72 -7.70%	897.10 8.90%
Attrition Rate (-/+ 50% of attrition rates) (% change compared to base due to sensitivity)	<b>976.75</b> <b>1.00%</b>	<b>957.97</b> <b>-0.90%</b>	824.40 0.10%	823.43 -0.10%
Mortality Rate (-/+ 10% of mortality rates) (% change compared to base due to sensitivity)	<b>967.02</b> <b>0.00%</b>	<b>966.52</b> <b>0.00%</b>	823.85 0.00%	823.94 0.00%

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of the another as some of the assumptions may be correlated.

j) Expected Cash Flows over the next (valued on undiscounted basis):

(₹ in lakh)

Particulars	
<b>Expected Cash Flows over the next (valued on undiscounted basis)</b>	
1 Year	158.28
2 to 5 years	286.89
6 to 10 years	320.93
More than 10 years	1,741.43

65 THE FIGURES HAVE BEEN ROUNDED OFF TO THE NEAREST RUPEE LAKH UPTO TWO DECIMAL POINT.

As per our report of even date

For J. Arora & Co.

For and on behalf of the Board

For and on behalf of the Board

Chartered Accountants

Firm Registration No.011921N

Sd/-

(Jeevan Arora)

Proprietor

M.No 090809

UDIN: 22090809BCYVII8799

Place : Ludhiana

Dated: 27.09.2022

Sd/-

(Rishi Pahwa)

Joint Managing Director

DIN: 00286399

Sd/-

(Mandeep Singh Pahwa)

Director

DIN: 00248245



**AVON**

**AVON CYCLES LTD.**

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