



RIDE THE
FUTURE

ANNUAL REPORT 2020-2021

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BOARD OF DIRECTORS

Sh. Onkar Singh Pahwa- Chairman cum Managing Director

Sh. Rishi Pahwa- Jt. Managing Director

Smt. Sarabjit Kaur Pahwa-Whole-time Director

Sh. Mandeep Singh Pahwa- Whole-time Director

Sh. Anil Arora-Independent Director

Sh. Nem Chand Jain- Independent Director

Sh. Jugdiep Singh- Independent Director

REGISTERED OFFICE

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

E-mail: 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

Notice is hereby given that the 70th Annual General Meeting of the members of Avon Cycles Limited will be held on Thursday, September 30, 2021 at 1.00 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 31st March, 2021 and the Reports of the Directors and the Auditors thereon.
2. To declare a Dividend on Equity Shares for the financial year 2020-21.
3. To appoint a Director in place of Sh. Onkar Singh Pahwa (DIN: 01189248), who retires by rotation and, being eligible, offers himself for re-appointment.
4. To fix the remuneration of Statutory Auditors

M/s J. Arora & Co., Statutory Auditors of the Company were appointed in the Annual General Meeting of the Company held on 30.09.2019 for five years i.e. upto 2023-24. You have to fix their remuneration for the Financial Year 2021-22

SPECIAL BUSINESS:

5. To ratify the remuneration of Sh. Rishi Mohan Bansal., Cost Accountant (Registration No. 102056) of the Company for the Financial Year 2021-22 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 2021-22.

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.”

6. To appoint Sh. Girish Paman Vanvari (DIN: 07376482), 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, 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. Girish Paman Vanvari (DIN: 07376482), who was appointed as an additional Director of the Company w.e.f. 06.09.2021 under section 161 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 06.09.2021.

RESOLVED FURTHER THAT Sh. Rishi Pahwa, Jt. Managing Director of the Company may issue a formal letter of appointment to Sh. Girish Paman Vanvari.

RESOLVED FURTHER THAT any one Director of the Company may file necessary e-form with the Registrar of Companies and to do all such acts, deeds and things as may considered necessary and expedient in this regard.”

By order of the Board

Place: Ludhiana
Dated: 06.09.2021

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 Monday, September 27, 2021 as the 'Record Date' for determining entitlement of Members to final dividend for the financial year ended March 31, 2021.

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. 05.

To ratify the remuneration of Sh. Rishi Mohan Bansal, Cost Accountant (Registration No. 102056) of the Company for the Financial Year 2021-22.

The Board has appointed Sh. Rishi Mohan Bansal, Cost Accountant (Registration No. 102056) of the Company for the Financial Year 2021-22 to conduct the audit of the cost records of the Company for the Financial Year 2021-22 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. 05 of the notice for ratification of the remuneration payable to Cost Auditors for the financial year 2021-22.

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. 06

It is proposed to appoint Sh. Girish Paman Vanvari (DIN: 07376482), 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.

With over 27 years of consulting experience, Sh. Girish is the founder of Transaction Square - a Tax, Regulatory and Business Advisory Firm, at Mumbai.

Prior to his entrepreneurial venture, Sh. Girish had a 13-year stint with KPMG wherein he was the National Leader for Tax at KPMG India. He has regularly worked with many large multinationals and Indian promoter companies in advising them on various tax and regulatory issues. Further, he has built an exclusive legacy of work in M&A deals and restructuring transactions for some of the biggest deals in the industry. Prior to KPMG, Sh. Girish was at Arthur Andersen for over a decade.

Sh. Girish is a regular conference host, presenter and moderator at various tax conferences and seminars. He has been regularly featuring in a number of international and Indian media outlets, newspapers and business magazines.

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

By order of the Board

Place: Ludhiana
Dated: 06.09.2021

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

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 70th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2021.

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. 2020-21	F.Y. 2019-20	F.Y. 2020-21	F.Y. 2019-20
Revenue from Operations and other income	75,354.28	80,894.53	75,354.28	80,894.53
Profit for the year after meeting all expenses but before providing for depreciation & Income Tax	11,549.36	9,426.90	11,544.35	9,426.90
Depreciation for the Current year	2,495.99	2,532.40	2,495.99	2,532.40
Profit after depreciation but before Income Tax	9,053.37	6,894.50	9,048.36	6,894.50
Provision for tax - Current	1,675.00	2,203.60	1,675.00	2,203.60
- Deferred	531.19	(1,376.25)	531.19	(1,376.25)
Profit after tax	6,847.18	6,067.15	6,842.17	6,067.15
Balance b/f from earlier year	48,519.95	43,389.08	48,519.95	43,389.08
Add: Other Comprehensive Income(Loss)	3.44	(28.02)	3.44	(28.02)
Less: Appropriations				
Dividend	179.29	134.47	179.29	134.47
Dividend Distribution Tax	--	27.91	--	27.91
Amount transferred to General Reserve	500.00	500.00	500.00	500.00
Prior Period Adjustments	--	--	--	--
Tax adjustments of earlier years	(388.36)	245.88	(388.36)	245.88
Balance carried to Balance Sheet	55,079.64	48,519.95	55,074.63	48,519.95

2. STATE OF THE COMPANY'S AFFAIRS

The Company has invested Rs.18.93 crores in M/s Avon Newage Cycles Private Limited to purchase all its shares. M/s Avon Newage Cycles Private Limited (100% Subsidiary of Avon Cycles Limited) will manufacture premium Bicycles and this will help the Company to Capture huge Market Share in the future.

3. DIVIDEND

Your Directors are pleased to recommend a Dividend of Rs. 20 per share for the year ended 31st March, 2021. The Dividend if approved and declared at the forthcoming Annual General Meeting on 30th September, 2021, would result in total dividend outflow of Rs. 179.29 Lakh.

4. RESERVES

An amount of Rs. 5 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, there was no change in the Share Capital of the Company.

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, Sh. Nem Chand Jain, Sh. Darshan Lal Sharma and Sh. Jugdiep Singh, being the Independent Directors, were not liable to retire by rotation. Sh. Onkar Singh Pahwa (DIN: 01189248) retires by rotation at this Annual General Meeting and being eligible offer himself for re-appointment.

b) Cessation from Directorship:

During the year under review Mr. D.L. Sharma left for his heavenly abode on 10th September, 2020 after being infected from COVID-19.

c) 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.

d) 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 03.10.2020.

- e) **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 14 Meetings of the Board of Directors were held namely on 08.05.2020, 06.06.2020, 30.07.2020, 11.08.2020, 17.09.2020, 10.10.2020, 12.10.2020, 24.10.2020, 24.11.2020, 25.12.2020, 01.02.2021, 12.02.2021, 01.03.2021 and 15.03.2021.

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. Anil Arora-Chairman
- 2) Sh. Onkar Singh Pahwa- Member
- 3) Sh. Nem Chand Jain- Member

Three Audit Committee Meetings were held during the year under review namely on 03.10.2020, 25.01.2021 and 02.03.2021 respectively.

The Nomination and Remuneration Committee consisted of following members:

- 1) Sh. Anil Arora-Chairman
- 2) Sh. Onkar Singh Pahwa-Member
- 3) Sh. Nem Chand Jain-Member

The above composition of the Nomination & Remuneration Committee consists of Independent Directors viz., Sh. Nem Chand Jain and Sh. Anil Arora who form the majority. Company held two meetings of Nomination & Remuneration Committee during year under review namely on 03.10.2020 and 02.03.2021 respectively.

The Corporate Social Responsibility Committee consisted of the following members:

1. Sh. Anil Arora-Chairman
2. Sh. Onkar Singh Pahwa- Member
3. Sh. Rishi Pahwa- Member

The Committee has been constituted as per law having at least one member as independent director i.e. Sh. Anil Arora. Two meeting of CSR Committee were held during the year under review namely on 03.10.2020 and 02.03.2021.

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

During the period under review, Company has acquired all the shares of M/s Avon Newage Cycles Private Limited, hence it became holding Company of M/s Avon Newage Cycles Private Limited.

The Company also acquired 49.51% shares of M/s Avon Infrabiz Private Limited hence M/s Avon Infrabiz Private Limited became the Associate of this Company. Details of Subsidiary and Associate Company is attached as per annexure Annexure-B.

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. 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. Two meetings of CSR Committee were held during the year under review namely on 03.10.2020 and 02.03.2021. The Annual Report on Company's CSR activities of the Company is furnished in Annexure-C and attached to this report.

20. 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.

21. 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.

22. 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.

23. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

During the year under review, there were no significant and material orders passed by the Regulators or Courts or Tribunals against the Company.

24. AUDITORS AND AUDITORS' REPORTS:

STATUTORY AUDITORS:

M/s J. Arora & Company, Chartered Accountants were appointed as Statutory Auditors of the Company on 30.09.2019. They hold office upto financial year 2023-24. The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self-explanatory.

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 2020-21, 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 2021-22 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 2020-21. 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.

25. 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.

26. COMPLIANCE WITH SECRETARIAL STANDARDS

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

27. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN 31.03.2021 AND THE DATE OF THIS REPORT

No adverse or unfavourable material changes took place between 31.03.2021 and the date of this report which had an effect on the financial position of the company.

28. ANNUAL RETURN

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

29. 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.

30. 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. Also, 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.

31. REGISTRAR AND SHARE TRANSFER AGENT

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

32. LOANS RECEIVED FROM DIRECTOR

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

33. 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: 06.09.2021

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 2020-21

(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 2020-21.

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	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. 28,72,066/-)	02.03.2020	—
2	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. 29,90,941.90 2. Rent Received Rs. 70,92,174/- 3. Availment of services: Rs. 1,45,814/- 4. Royalty receipt of Rs. 46,47,140/- for use of brand name 'AVON'. Terms stipulated in agreement dt. 31.05.2014.	02.03.2020	—
3	Hans Raj Pahwa & Brothers (Partnership Firm in which directors are interested)	Availing of canteen services from Hans Raj Pahwa & Brothers	Ongoing	Canteen running expenses 4,62,818/-	02.03.2020	—
4	Aditragh Enterprises (Relative's entity)	Purchase and sale of goods from/to Aditragh Enterprises	Ongoing	1. Purchase of goods: Rs. 24,74,61,315/- 2. Sale of goods: Rs.16,35,000.35/-	02.03.2020	—
5	NRG Enterprises (Relative's entity)	Purchase and sale of goods from/to NRG Enterprises	Ongoing	Purchase of goods at of Rs.14,45,55,419/- 2. Sale of goods: Rs.35,85,048.30/-	02.03.2020	—

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:
6	Rolex Metals Pvt. Limited (Relative's entity)	Purchase of goods from Rolex Metals Pvt. Limited	Ongoing	Purchase of goods: Rs. 51,28,547/-	02.03.2020	—
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. 19,88,050/-	02.03.2020	—
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. 19,88,050/-	02.03.2020	—

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Date: 06.09.2021
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 2020-21

Part "A": Subsidiaries

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

1	Sr. No.:	1
2	Name of the subsidiary	M/s Avon Newage Cycles Private Limited
3	The date since when subsidiary was acquired	26.11.2020
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2020 to 31.03.2021 (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
6	Share capital (Authorized, Issued, Subscribed and paid up)	Authorised Capital : Rs. 25,00,00,000 Issued Capital : Rs. 9,46,40,000 Subscribed Capital : Rs. 9,46,40,000 Paid Up Capital : Rs. 9,46,40,000
7	Reserves & surplus	NIL
8	Total assets	Rs. 1003.95 Lakh
9	Total Liabilities (excluding Share Capital and Reserves & surplus)	Rs. 57.55 Lakh
10	Investments	NIL
11	Turnover	NIL
12	Profit before taxation	NIL
13	Provision for taxation	NIL
14	Profit after taxation	NIL
15	Proposed Dividend	NIL
16	% of shareholding	100%

1. Names of subsidiaries which are yet to commence operations: Avon Newage Cycles 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 2020-21.

Name of Associates	Avon Infrabiz Private Limited
1. Latest audited Balance Sheet Date	31.03.2021
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. 1495 Lakh
7. Profit / Loss for the year	Rs. (12.03) Lakh
i. Considered in Consolidation	Rs. (5.01) Lakh
ii. Not Considered in Consolidation	Rs. (7.02) 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: 06.09.2021
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 details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable :

Not Applicable for the financial year under review.

5. Details of the amount available for set-off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any :

Not applicable.

6. Average net profit of the company as per Section 135(5): 9166.96 Lakh

7. (a) Two percent of average net profit of the company as per section 135(5) : 183.34 Lakh

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

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

(d) Total CSR obligation for the financial year (7a+7b-7c): 183.34 Lakh

8. a) 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 section 135(6).		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
144.52 Lakh	50.86 Lakh	30.04.2021	NA	NA	NA

(b) Details of CSR amount spent against ongoing projects for the financial year:

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration as on March 31, 2021	Amount allocated for the project	Amount spent in the current financial Year	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implementation- Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration No.
1	Ambulances for Samvedna Trust	Item (i)	Yes	Punjab	Ludhiana	3 Year	41,88,195	30,05,029	11,83,166	No	Samvedna Trust	CSR00 004488
2	Maintenance of various School, (Giaspura, PAU, Jagraon, Jarkhad, kot Mangal Singh, & Thakerwal Etc.)	Item (ii)	Yes	Punjab	Ludhiana	3 Year	9,29,245	2,24,245	7,05,000	Direct	NA	NA
3	Green Belt Giaspura Chowk, Ludhiana	Item (iv)	Yes	Punjab	Ludhiana	3 Year	20,99,830	97,583	20,02,247	Direct	NA	NA
4	Park Maintenance at Model Town	Item (iv)	Yes	Punjab	Ludhiana	3 Year	5,79,480	2,84,020	2,95,460	Direct	NA	NA
5	Rain Water Harvesting	Item (iv)	Yes	Punjab	Ludhiana and nearby Ludhiana	3 Years	9,00,000	NIL	9,00,000	NA	NA	NA
Total							86,96,750	36,10,877	50,85,873			

C) Details of CSR amount spent against other than ongoing projects for the financial year:

Sr. No.	Name of the Project	Item from the list of activities in Schedule VIII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project	Mode of Implementation- Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration No.
1	promoting health care including preventive health care	Item (i)	Yes	Punjab	Ludhiana & Amritsar	30,65,089.90	Yes	NA	NA
2	promoting health care including preventive health care	Item (I)	Yes	Punjab	Ludhiana	21,65,000.26	No	Christian Medical College Ldh Society	CSR00007487
3	promoting health care including preventive health care	Item (I)	Yes	Punjab	Ludhiana	50,000	No	Care India Foundation	CSR00000786
4	promoting health care including preventive health care	Item (I)	Yes	Punjab	Ludhiana	2,00,000	No	Noble Foundation	CSR00001728
5	promoting health care including preventive health care	Item (I)	Yes	Punjab	Ludhiana	50,000	No	Sightsavers	CSR00001381
6	Eradicating hunger, poverty and malnutrition	Item (I)	Yes	Punjab	Ludhiana	8,705	Yes	NA	NA
7	Eradicating hunger, poverty and malnutrition	Item (I)	No	Madhya Pradesh	Ujjain	70,000	No	Jeevan Parbandhan Samooh	--
8	Education	Item (II)	Yes	Punjab	Ludhiana	2,112,219.56	Yes	NA	NA
9	Education	Item (II)	No	New Delhi	New Delhi	1,50,000	No	SAKSHAM	CSR00002055
10	Education	Item (II)	No	Punjab	Rajpura	1,08,000	No	SOS Children Villages of India	CSR00000692
11	Education	Item (II)	No	Himachal Pradesh	Sirmour	5,00,000	No	The Kalgidhar Society	CSR00004523
12	Education	Item (II)	No	Punjab	Ludhiana	50,000	No	Society For Equal Dignity of Children	--
13	Empowering Women	Item (II)	Yes	Punjab	Ludhiana	4,15,767.94	Yes	NA	NA
14	Animal Welfare	Item (IV)	Yes	New Delhi	New Delhi	2,25,000	No	Dhyan Foundation	CSR00003498
15	Animal Welfare	Item (IV)	No	Maharashtra	Mumbai	3,00,000	No	ISKON	CSR00005241
16	environmental sustainability	Item (IV)	Yes	Punjab	Ludhiana	1,98,176	Yes	NA	NA
17	Welfare of Armed Forces	Item (VI)	No	Punjab	Ludhiana	19,505	Yes	NA	NA
18	Welfare of Armed Forces	Item (VI)	No	Punjab	Jalandhar	2,00,000	Yes	NA	NA
19	Promotion of Sports	Item (VII)	No	Punjab	Mohali & Ludhiana	9,53,891.98	Yes	NA	NA
Total						1,08,41,355.64			

- (d) Amount spent in Administrative Overheads: Nil
- e) Amount spent on Impact Assessment, if applicable: Nil
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e):144.52 Lakh
- (g) Excess amount for set-off, if any

Sr. No.	Particular	Amount
I	Two percent of average net profit of the company as per section 135(5)	183.34 Lakh
II	Total amount spent for the Financial Year	144.52 Lakh
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

9. (a) Details of Unspent CSR amount for the preceding three financial years

(₹ in Lakh)

Sr. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years
				Name of the Fund	Amount (in ₹)	Date of transfer	
Not Applicable							

(b)Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sr. No	Project ID	Name of the Project.	Financial Year in which the project was commenced.	Project duration	Total amount allocated for the project	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year	Status of the project - Completed / Ongoing
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year.
- (a) Date of creation or acquisition of the capital asset(s): Nil
 - (b) Amount of CSR spent for creation or acquisition of capital asset: Nil
 - (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: Nil
 - (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) : Nil
11. An amount of Rs. 50.86 lakh is remaining unspent related with ongoing projects. This amount has been transferred to a separate unspent CSR Account. The said ongoing projects shall be completed in the financial year 2023-24.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place: Ludhiana
Date: 06.09.2021

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

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

ANNEXURE-D

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO FOR YEAR 2020-21

A) Conservation of Energy

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

- Installed LED lights in SQA, export packing and new building at all 3 floors.
- Energy efficient ceiling fans installed at Canteen, War Room, Showroom (20Nos)
- Axial flow fans installed instead of ceiling fans at 2'nd floor (8No)

B) Technology Absorption

The efforts made towards technology absorption;

- Overhead conveyor installed for material handling from 2'nd floor to ground floor of new building.
- Brazing furnace converted from RFO to LPG fired (4No).
- New Dbrazing plant installed at 2'nd floor of new building with LPG fired hot water generator instead of steam heating (1No)
- 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	2020-21	2019-20
Income in Foreign Exchange (FOB value of exports)	3197.81	3814.90
CIF value of Imports	2180.09	1770.29
Expenditure in Foreign Exchange (others)	0	34.88

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Date: 06.09.2021

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, 2021

[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, 2021, 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 2020-2021 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 is 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.

Fourteen (14) Board Meetings were held during the year. Three (3) meetings of the Audit Committee were held during the year. Two (2) Meetings of the Nomination and Remuneration Committee were held during the year. Two (2) Meetings of the CSR Committee were held during the Year. The Annual General Meeting of the Company was held on 24.10.2020.

- 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 during the year;
- n. The Company's Nomination and Remuneration Committee is in place;
- o. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Independent Directors. Presently, The Company has three Independent Directors on its Board. One Independent Director Sh. D.L. Sharma expired on 10.09.2020.
- p. The Company has no holding company. The Company has one subsidiary in Avon Newage Cycles 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 as above;
 - 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. However some 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 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 and foreign investments;
- 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 Central Excise Act, 1944.
- (iii) The Customs Act, 1962.
- (iv) Goods and Services Tax Act, 2017
- (vii) The Information Technology Act, 2000 (As amended in 2008).
- (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.

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: 06.09.2021

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

Sd/-
(Madan Lal Arora)
Prop.

FCS: 1226; C.P. No.: 2646
UDIN: F001226C000983647

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 31st March, 2021, 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, 2021, 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 31st March 2021. 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 2021. 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, 2016 ("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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 36 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.

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

Place: Ludhiana
Date: 06.09.2021

Sd/-
Jeevan Arora
Proprietor
Membership No: 090809

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 31st March 2021, we report the following:

- (1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Property, Plant & Equipment have been physically verified by the management at reasonable intervals, having regard to the size of the company and the nature of its assets. No material discrepancies between the book records and the physical inventory were noticed.
 - (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.
- (ii) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on physical verification.
 - (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
 - (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 not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.
 - (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 31st March 2021, 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) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks. The Company does not have any borrowings from government and has not issued any debentures.
- (ix) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans have been applied by Company for the purpose for which they were borrowed.
- (x) To the best of our knowledge and according to the information and explanations given to us,

no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

- (xi) In our opinion and according to the information and explanations given to us and based on examination of the records of the Company, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company as prescribed under Section 406 of the Act.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the Ind AS standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

Place: Ludhiana
Date: 06.09.2021

Sd/-
Jeevan Arora
Proprietor
Membership No: 090809

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 31st March 2021 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 2021, 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: 06.09.2021

Sd/-
Jeevan Arora
Proprietor
Membership No: 090809

Avon Cycles Limited, Ludhiana
Standalone Balance Sheet as at 31.03.2021

(Amount ₹ in Lakh)

	Note	As at 31.03.2021	As at 31.03.2020	
ASSETS				
Non-Current Assets				
a)	Property Plant & Equipment	2	14,092.26	12,609.95
b)	Right-of-Use Asset	3	472.66	521.98
c)	Investment Properties	2.1	2,949.83	3,027.81
e)	Capital Work in Progress		2,245.38	2,009.1
f)	Intangible Assets	2.3	56.87	60.93
g)	Financial Assets:			
	I) Non Current Investments	4	7,603.69	4,332.01
	ii) Long Term Loans & Advances	5	0.65	43.48
	iii) Other Financial Assets	6	680.63	5,779.87
h)	Employee Planned Assets	7	6.30	-
l)	Other Non current assets	8	5,684.73	6,008.22
	Total Non- Current Assets		<u>33,793.00</u>	<u>34,385.16</u>
Current Assets				
a)	Inventories	9	11,490.67	5,040.17
b)	Financial Assets:			
	I) Current Investments	10	8,973.44	5,600.37
	ii) Trade Receivables	11	13,299.87	13,591.83
	iii) Cash & Cash Equivalents	12	13,468.94	8,066.81
	iv) Other Balances with Banks	13	6,345.01	3,941.13
	v) Short Term Loans & Advances	14	3,800.29	4,483.27
	vi) Other Financial Assets	15	308.18	171.88
c)	Other Current Assets	16	4,898.55	4,755.15
d)	Assets held for Sale	2.2	62.27	104.03
	Total Current Assets		<u>62,647.22</u>	<u>45,754.64</u>
	TOTAL ASSETS		<u>96,440.22</u>	<u>80,139.80</u>
EQUITY AND LIABILITIES				
Equity				
a)	Share Capital	17	89.64	89.64
b)	Other Equity	18	68,547.04	61,487.35
	Total Equity		<u>68,636.68</u>	<u>61,576.99</u>
LIABILITIES				
Non-Current Liabilities				
a)	Financial Liabilities:			
	I) Long Term Borrowings	19	2,903.83	1,599.84
	ii) Lease Liability	20	270.44	302.28
	iii) Other Financial Liabilities	21	497.34	464.39
b)	Employee Benefit Obligation	22	90.82	39.44
c)	Long-Term Provisions	23	4,763.60	5,240.00

d)	Deferred Tax Liability (net)	24	1,806.73	1,261.59
e)	Other Non- Current Liabilities	25	10.13	11.73
	Total Non- Current Liabilities		<u>10,342.89</u>	<u>8,919.27</u>
	Current Liabilities			
a)	Financial Liabilities:			
	I) Short Term Borrowings	26	-	228.68
	ii) Lease Liability	27	30.10	26.21
	iii) Trade Payables			
(a)	Total outstanding dues of micro and small enterprises	28	5,896.78	2,402.92
(b)	Total outstanding dues of trade payable other than micro and small enterprises	28	5,868.77	3,143.56
	iii) Other Financial Liabilities	29	2,029.25	741.97
b)	Short Term Provisions	30	1,725.86	2,203.60
c)	Other current Liabilities	31	1,909.89	896.60
	Total Current Liabilities		<u>17,460.65</u>	<u>9,643.54</u>
	TOTAL EQUITY & LIABILITIES		<u>96,440.22</u>	<u>80,139.80</u>
	Notes on Financial Statements	1 to 66		

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: 06.09.2021
UDIN: 21090809AAAAC6305

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 year ended 31.03. 2021

(Amount ₹ in Lakh)

Particulars	Note	Year Ended 31.03.2021	Year Ended 31.03.2020
Income			
a) Revenue from Operations	32	71,030.52	79,471.11
b) Other Income	33	4,323.76	1,423.42
Total Income		<u>75,354.28</u>	<u>80,894.53</u>
Expenses			
a) Cost of Materials Consumed	34	46,890.25	44,230.42
b) Purchases of Stock-in-trade	35	6,163.80	5,341.78
c) Change in Inventories	36	(6,296.34)	791.03
d) Employee Benefits Expense	37	4,451.01	4,379.74
e) Finance Costs	38	365.93	415.43
f) Depreciation & Amortisation Expense		2,495.99	2,532.40
g) Other Expenses	39	12,034.89	16,132.71
Total Expenses		<u>66,105.53</u>	<u>73,823.51</u>
Profit Before Tax & Exceptional Items		9,248.75	7,071.02
Exceptional Items:			
CSR Expenditure u/s 135 of Companies Act, 2013		195.38	176.52
Profit Before Tax		9,053.37	6,894.50
Tax Expenses			
Current Tax		1,675.00	2,203.60
Deferred Tax		531.19	(1,376.25)
Profit for the year from Continuing Operations		<u>6,847.18</u>	<u>6,067.15</u>
Other Comprehensive Income:			
Re-measurement of post-employment benefit Obligations		17.40	(38.05)
Income Tax Relating to these items		(13.96)	10.03
Other Comprehensive Income, Net of Tax		<u>3.44</u>	<u>(28.02)</u>
Total Comprehensive Income		<u>6,850.62</u>	<u>6,039.13</u>
Earnings per equity share of face value of Basic and diluted (in ₹)	₹10 each	720.48	704.25
Notes on Financial Statements	1 to 66		

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: 06.09.2021
UDIN: 21090809AAAACT6305

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

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

Avon Cycles Limited
STATEMENT OF CHANGES IN EQUITY

a) EQUITY SHARE CAPITAL

	(₹ in Lakh)
Particulars	Amount
Balance as on April 01, 2020	89.64
Proceeds from Issue of Shares	-
Balances as on March 31, 2021	89.64

b) OTHER EQUITY

	(₹ in Lakh)		
Particulars	Retained Earnings	General Reserve	Total
Balance as on April 01, 2020	48,520.01	12,967.40	61,487.41
Profit for the year	6,847.08	-	6,847.08
Other Comprehensive Income/ (Loss) for the year	3.44	-	3.44
Total Comprehensive Income for the year	6,850.52	-	6,850.52
Transferred to General Reserve	(500.00)	-	(500.00)
Transfer From Retained Earnings	-	500.00	500.00
Final Dividend for Financial Year 2019 - 2020 (@ Rs. 15/- per share)	(179.29)	-	(179.29)
Tax adjustment of earlier years	388.36	-	388.36
Balances as on March 31, 2021	55,079.60	13,467.40	68,546.99

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: 06.09.2021

UDIN: 21090809AAACT6305

Sd/-

(Rishi Pahwa)

Joint Managing Director

DIN: 00286399

Sd/-

(Mandeep Singh Pahwa)

Director

DIN: 00248245

AVON CYCLES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2021

(Amount ₹ in Lakh)

	2020 - 2021	2019 - 2020	
A. Cash Flow From Operating Activities			
Net profit before tax	9,053.26		6,894.66
Adjustments for :			
Interest expenses	282.54	322.02	
Depreciation and Amortisation on PPE	2,448.01	2,532.39	
Profit/ Loss on Sales/ Fair Valuation of Investment	(2,849.23)	535.32	
Profit on Sales of Fixed Assets	(76.77)	(20.55)	
Loss on sale of Fixed Assets	-	-	
Interest Received	(1,072.25)	(814.41)	
Dividend Received	(16.98)	(15.19)	
(Profit)/loss on Share Trading	(505.26)	113.47	
Other Non-Operating Income	(46.47)	(145.33)	
Other Comprehensive Income	3.44	(28.02)	
Prior Period Adjustment	-	-	
Rent	(220.99)	(341.66)	2,138.04
Operating profit before working capital changes	<u>6,999.30</u>		9,032.70
Adjustments for :			
Trade Receivables	291.97	2,183.49	
Inventories	(6,450.50)	510.40	
Loan & Advances	725.81	(936.22)	
Other Financial Assets	4,962.94	(5,049.95)	
Other Assets (excluding Advance Tax)	(910.72)	(1,399.39)	
Trade Payables	6,219.07	(1,636.78)	
Other Financial Liabilities	1,292.27	269.17	
Provisions (Excluding Provision of Income Tax)	102.24	38.92	
Other Liabilities	1,556.83	(1,212.12)	(7,232.48)
Cash generations from operation	<u>14,789.21</u>		1,800.22
Taxes Paid	<u>(1,689.00)</u>		(1,171.47)
Net Cash from operating activities (A)	<u>13,100.21</u>		628.75
B. Cash Flow From Investing Activities			
Purchase of Fixed Assets	(4,197.43)	(1,512.47)	
Purchase of Investment	(6,644.66)	2,828.31	
Sale of Fixed Assets	223.24	271.65	
Interest Received	1,072.25	814.41	
Dividend Received	16.98	15.19	
Profit/Loss on Sales of Investment	2,849.23	(535.32)	
Profit/Loss on Share Trading	505.26	(113.47)	
Other Non-Operating Income	46.47	145.33	
Rent Received	220.99	341.66	2,255.29
Net Cash From Investing Activities (B)	<u>(5,907.67)</u>		2,255.29
C. Cash Flow From Financing Activities			
Interest Paid	(282.54)	(322.02)	
Dividend Paid	(179.29)	(134.47)	
Dividend Distribution Tax Paid	-	(27.91)	
Proceeds/(Repayments) of/from loan funds	1,075.30	(1,291.10)	(1,775.50)
Net Cash From Financing Activities (C)	<u>613.47</u>		(1,775.50)
Total (A + B + C)	<u>7,806.01</u>		1,108.54
Cash & Cash Equivalents as on 01/04/20	<u>12,007.94</u>		10,899.40
Cash & Cash Equivalents as on 31/03/21	<u>19,813.95</u>		12,007.94

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

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: 06.09.2021
UDIN: 21090809AAAAC6305

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, 2021

BACKGROUND

Avon Cycles Ltd. is a closely held company limited by shares, incorporated and domiciled in India. 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.

Transition:

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. In respect of leases previously classified as an operating lease applying Ind AS 17, the company adopts the transition option to recognise Right-of-Use asset (ROU) at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before transition option to recognise Rightof- Use asset (ROU) at an amount equal to the lease liability, on the date of initial

application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹349.03 Lakh and a lease liability of ₹349.03 Lakh. Further, in respect of leases which were classified as operating leases, applying Ind AS 17, ₹221.83 lakh has been reclassified from "PPE" to "Right of Use Asset". The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 9.50%.

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.

i) 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 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 counter party.

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 24, 2021, the Ministry of Corporate Affairs (“MCA”) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021.

Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- a) Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- b) Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- c) Specified format for disclosure of shareholding of promoters.
- d) Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset underdevelopment.
- e) If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- f) Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of Profit & Loss:

- (a) Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

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 31.03.2021

(₹ in Lakh)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET CARRYING AMOUNT	
	As on 31.03.2020	Additions/Trfd./ Adjustment	Sale/Trfd. / Adjustment	Total as on 31.03.2021	Upto 31.03.2020	For the year	Sale/ Trfd.	Upto 31.03.2021	As on 31.03.2021	As on 31.03.2020
Freehold Land	623.12	246.57	-	869.69	-	-	-	-	869.69	623.12
Factory Buildings	3,653.97	-	-	3,653.97	1,647.19	202.31	-	1,849.50	1,804.47	2,006.78
Other Buildings	143.07	-	-	143.07	83.09	3.47	-	86.56	56.51	59.98
Plant & Machinery	23,722.71	3,443.96	-	27,166.67	14,455.26	1,911.96	-	16,367.22	10,799.45	9,267.45
Furniture and Fixtures	325.90	3.29	0.20	328.99	242.48	21.91	0.19	264.20	64.79	83.42
Office Equipment	312.36	22.67	1.66	333.37	242.22	20.58	1.38	261.42	71.95	70.14
Computer Equipment	421.67	7.39	224.04	205.02	343.72	36.06	216.40	163.38	41.64	77.95
Vehicles	728.02	148.79	180.67	696.14	306.91	132.15	126.68	312.38	383.76	421.11
Total	29,930.82	3,872.67	406.57	33,396.92	17,320.87	2,328.44	344.65	19,304.66	14,092.26	12,609.95

Note: Freehold Land includes Land of value Rs. 6.40 Lakh and Factory Building includes Factory Building of value Rs.1478.51 Lakh hypothecated to Banks on Pari - Passu Charge Basis.

2.1 INVESTMENT PROPERTIES AS ON 31.03.2021

(₹ in Lakh)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET CARRYING AMOUNT	
	As on 31.03.2020	Additions/Trfd./ Adjustment	Sale/Trfd. / Adjustment	Total as on 31.03.2021	Upto 31.03.2020	For the year	Sale/ Trfd.	Upto 31.03.2021	As on 31.03.2021	As on 31.03.2020
Freehold Land	992.58	69.31	40.75	1,021.14	-	-	-	-	1,021.14	992.58
Buildings	2,687.69	-	2.86	2,684.83	652.46	104.52	0.84	756.14	1,928.69	2,035.23
Total	3,680.27	69.31	43.61	3,705.97	652.46	104.52	0.84	756.14	2,949.83	3,027.81

Note: Freehold Land includes Land of value 350.94 Lakh and Buildings of Value 1904.95 Lakh hypothecated to Banks on Pari - Passu Charge Basis.

2.2 INVESTMENT PROPERTIES HELD FOR SALE AS ON 31.03.2021

(₹ in Lakh)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET CARRYING AMOUNT	
	As on 31.03.2020	Additions/Trfd./ Adjustment	Sale/Trfd. / Adjustment	Total as on 31.03.2021	Upto 31.03.2020	For the year	Sale/ Trfd.	Upto 31.03.2021	As on 31.03.2021	As on 31.03.2020
Freehold Land	87.78	-	31.98	55.80	-	-	-	-	55.80	87.78
Building	18.65	-	11.39	7.26	2.40	-	1.61	0.79	6.47	16.25
Total	106.43	-	43.37	63.06	2.40	-	1.61	0.79	62.27	104.03

Note: 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, 2021. The Company has received an advance of Rs. 21.71 Lakh shown in Other Current Liabilities (Schedule No. 31)

2.3 INTANGIBLE ASSETS AS ON 31.03.2021

(₹ in Lakh)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET CARRYING AMOUNT	
	As on 31.03.2020	Additions/Trfd./ Adjustment	Sale/Trfd. / Adjustment	Total as on 31.03.2021	Upto 31.03.2020	For the year	Sale/ Trfd.	Upto 31.03.2021	As on 31.03.2021	As on 31.03.2020
Softwares	382.44	3.91	-	386.35	335.47	9.90	-	345.37	40.98	46.97
Trade marks	20.15	7.08	-	27.23	6.19	5.15	-	11.34	15.89	13.96
Total	402.59	10.99	-	413.58	341.66	15.05	-	356.71	56.87	60.93

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.

On transition, the adoption of the new standard resulted in recognition of Right of Use Asset of Rs. 349.03 Lakh and Lease Liability of Rs. 349.03 Lakh. Further, in respect of leases which were classified as operating leases, applying IndAs 17, Rs. 221.83 Lac has been reclassified from "Non Current/ Current Assets to Right of Use Asset" from prepaid operating lease rentals. In Standalone financial statements for year ended March 31, 2020, the nature of expenses in respect of operating leases has changed from lease rent in previous period to amortisation of Right of Use asset and finance cost incurred for lease liability. The effect of this adoption is insignificant on the profit before tax, profit for the period and earning per share. IndAs 116 will result in cash inflow from operating activities and an increase in cash outflow from financing activities on account of lease payments.

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 st 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

Following are the changes in the carrying value of right of use (ROU) assets for the year ended March 31, 2020:

(₹ in lakh)

	Land	Building	Total As on 31 st March, 2020
Balance as on April 01, 2019	2.14	346.90	349.04
Adjustments in Opening Balance	221.83	-	221.83
Addition	-	-	- -
Deletion	-	-	--
Depreciation	7.21	41.68	48.89
Balance as on March 31, 2020	216.76	305.22	521.98

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

The following is the breakup of current and non-current Lease Liabilities as on March 31, 2021:

Particulars	(₹ in lakh)	(₹ in lakh)
	As at 31 st March, 2021	As at 31 st March, 2020
Non - Current Lease Liabilities	270.44	302.28
Current Lease Liabilities	30.10	26.21
Total Lease Liabilities	<u>300.54</u>	<u>328.49</u>

Following is movement in Lease Liabilities during year ended March 31, 2021

Particulars	(₹ in lakh)	(₹ in lakh)
	As at 31 st March, 2021	As at 31 st March, 2020
Balance in Beginning	328.49	349.03
Adjustments in Opening Balance	(2.59)	-
Finance Cost accrued during the period	30.96	33.16
Payment of Lease Liabilities	56.32	53.70
Balance at the End	<u>300.54</u>	<u>328.49</u>

The table below provide details regarding the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis:

Particulars	(₹ in lakh)	(₹ in lakh)
	As at 31 st March, 2021	As at 31 st March, 2020
Less than One Year	58.65	53.70
One to Five Years	258.97	275.28
More than Five years	132.51	233.93
Total	<u>450.13</u>	<u>562.91</u>

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

Particulars	(₹ in lakh)	(₹ in lakh)
	As at 31 st March, 2021	As at 31 st March, 2020
Depreciation Expense on Right to Use Asset	47.98	48.89
Interest Expense on Lease Liabilities	30.96	33.16
Expense relating to Low Value and Short Term Leases (included in other Expenses)	2.69	0.03
Total Amount recognised in profit and Loss account	<u>81.63</u>	<u>82.08</u>

(₹ in lakh)

4. NON- CURRENT INVESTMENTS	As at		As at	
Non -current investments consist of the following :	31 st March, 2021		31 st March, 2020	
INVESTMENTS CARRIED AT FVTPL				
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
Indian Acrylic Ltd of Rs.10 each	-	6,000	0.60	6,000
Super Poly Fabrics Ltd. of Rs.10 each	-	3,900	0.39	3,900
Munjal Auto Industries Ltd of Rs.10 each	-	1,000	0.54	1,000
Shivam Autotech Limited of Rs.10 each	-	1,000	0.18	1,000
TV Today Network Ltd of Rs.10 each	-	600	1.59	600
NDTV Ltd. of Rs.10 each	-	1,700	0.96	1,700
NTPC Ltd. of Rs.10 each	-	16,591	17.68	16,591
NHPC Ltd. of Rs.10 each	-	5,034	1.23	5,034
Punjab National Bank of Rs.10 each	-	2,355	0.86	2,355
Bank of Baroda of Rs.10 each	-	1,427	1.06	1,427
Jet Airways (India) Limited of Rs.10 each	-	355	0.33	355
Tech Mahindra Ltd of Rs.10 each	-	892	8.84	892
Reliance Power Ltd of Rs.10 each	-	1,192	0.05	1,192
Karur Vyasa Bank of Rs.10 each	-	816	0.45	816
Zee Entertainment Pvt. Ltd.	-	6,50,000	12.35	6,50,000
Yes Bank Ltd.	-	1,00,000	15.60	-
		<u>62.73</u>		<u>44.08</u>
b) INVESTMENTS UNQUOTED				
(i) Investment in equity shares of Subsidiary Companies:				
Avon Newage Cycles Pvt. Ltd.	9,464,000	946.40	-	-
		<u>946.40</u>		<u>-</u>
(ii) Investment in equity shares of Associate Companies:				
Avon Infrabiz Pvt. Ltd.	15,000,100	1,500.01	-	-
		<u>1,500.01</u>		<u>-</u>
(iii) Investment in other equity/preference shares:				
a) Fully Paid up shares:				
Pahwa Estates & Holdings (Pvt) Ltd of Rs.100 each	100	2.37	100	2.23
Nimbua Greenfield (Punjab) Ltd of Rs.10 each	84,375	122.48	84,375	119.23
NSE Ltd. of Rs. 1 each	51,000	601.80	-	-
b) Unpaid shares:				
Greenpedia Bikeshare Pvt. Ltd. of Rs. 10/- each	790	187.46	-	-
		<u>914.11</u>		<u>121.46</u>
(iv) Investment in debentures and bonds (unquoted)				
Arch Agro Industries Pvt. Ltd.	-	-	305	6.25
CRSL MLD Series 1 Type IV- 12.01.2012	-	-	30	30.00
		<u>-</u>		<u>36.25</u>

(v) Investment in AIF/ Real Estate and Pvt. Equity funds(unquoted)				
ICICI Ventures Pvt. Equity Fund	2,560	10.14	2,560	6.45
Kaizen Domestic Scheme-I	100	20.92	100	26.42
India Reit Fund	-	-	27	26.99
Aditya Birla Private Equity Class A Unit	200	0.19	200	0.19
TVS Shriram Growth -Sch IB	1	45.86	1	55.60
Kotak Alternative Opportunity India Fund	-	5.09	-	2.89
Kotak India Growth Fund-II	200	23.25	200	50.60
Kotak India Venture Fund- I	16,000	12.53	16,000	14.57
IIFL Income Opportunity Fund - Spl Situation Fund	9,38,541	12.74	9,38,541	20.51
Peninsula Brookfield India Real Estate Fund	282	21.27	282	52.23
Baring Private Equity India AIF	200	316.63	200	229.93
India Whizdom Fund	-	45.60	-	402.77
Avendus Absolute Return Fund	-	124.91	-	116.36
Edelweiss Crossover Opportunities Fund	5,28,920	89.19	8,65,714	82.26
Avendus Enhanced Return Fund - Class A1	-	246.34	-	166.84
White Oak India Equity Fund	9,49,884	163.97	9,49,884	89.70
IIFL Special Opportunities Fund Series-7	9,73,276	133.18	9,73,276	88.11
Birla AIF India Small & Midcap Gems Fund	-	-	3,00,000	244.77
IIFL Focussed Equity Strategies Fund	-	-	7,66,353	77.85
Motilal Oswal Focussed Business Advantage Fund	10,00,000	157.47	10,00,000	95.22
Samyakth Leasing Service LLP	-	25.00	-	55.56
IIFL Select Series - II	12,00,000	160.35	12,00,000	107.57
Axis Rera Opportunities Fund - AIF series -I	98	106.41	65	66.11
Sundaram India Premier Fund	29,558	406.67	29,558	283.66
IIFL India Private Equity Fund - Series	5,00,285	65.60	-	-
Mindspace Business Parks - REIT	11,800	34.79	-	-
ICICI Prudential Emerging Dominance Fund	29,350	30.74	-	-
Kotak Optimus Aggressive Scheme - Class	207	251.04	-	-
India Whizdom Fund - II	25,00,000	249.83	-	-
		<u>2,759.71</u>		<u>2,363.16</u>
(vi) Investment in Mutual Funds (Unquoted)				
HDFC Banking and PSU Debt Fund-Reg Plan-Growth	16,04,353	286.18	-	-
HDFC Banking and PSU Debt Fund-Direct Growth Option	4,89,881	89.40	-	-
Kotak India Growth Fund Series -5	-	-	19,60,000	139.04
		<u>375.58</u>		<u>139.04</u>
INVESTMENTS CARRIED AT AMORTISED COST:				
(i) Investment in Mutual Funds (Unquoted)				
DSP BR FMP- Sr227-39M-Reg- Gr Mat 27.5.21	-	-	10,00,000	115.33
DSP BR FMP- Sr227-39M-D-Reg- Gr-Mat 27.5.21	-	-	30,00,000	347.30
ICICI Pru Sr 82-1170 days PlanR DR Com 08Jul21	-	-	30,00,000	347.04
HDFC FMP 1177D Mar2018(1) Sr 39 - D-Gr	-	-	35,00,000	410.88
HDFC FMP 1177D Mar2018(1) Sr 39 -D-Gr	-	-	15,00,000	176.09
UTI FTI Series XXVIII-XIII(1134 d)- Dir Gr Plan	-	-	10,00,000	117.53
ABSL Fixed Term Plan - Series QG (1100 days)- Reg.	-	-	10,00,000	113.85
		<u>-</u>		<u>1,628.02</u>
(ii) Investment in debentures and bonds (unquoted)				
Bharat Bond FOF - April 2031- Reg Plan - Growth	9,999,500	1,045.15	-	-
		<u>1,045.15</u>		<u>-</u>
TOTAL NON-CURRENT INVESTMENTS		<u>7,603.69</u>		<u>4,332.01</u>

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

5	LONG TERM LOANS & ADVANCES	(₹ in lakh)	(₹ in lakh)
	Long term loan and advances consist of the following :-	As at	As at
		31st March, 2021	31st March, 2020
a)	Unsecured, considered good Other Loans & Advances	0.65	43.48
		<u>0.65</u>	<u>43.48</u>
	Other Loans & Advances includes:- Margin Money	0.65	43.48
6	OTHER FINANCIAL ASSETS	(₹ in lakh)	(₹ in lakh)
	Other Financial assets consist of the following :-	As at	As at
		31st March, 2021	31st March, 2020
	Other Financial Assets	680.63	5,779.87
		<u>680.63</u>	<u>5,779.87</u>
	Other Financial Assets consists of: - Bank Deposits with more than 12 months maturity	<u>680.63</u>	<u>5,779.87</u>
7	EMPLOYEE PLANNED ASSETS	(₹ in lakh)	(₹ in lakh)
	Employee Planned assets consist of the following :-	As at	As at
		31st March, 2021	31st March, 2020
	Employee Planned Assets	6.30	-
		<u>6.30</u>	<u>-</u>
8	OTHER NON CURRENT ASSETS	(₹ in lakh)	(₹ in lakh)
	Other non current assets consist of the following :-	As at	As at
		31st March, 2021	31st March, 2020
	(i) Security deposits	84.29	62.59
	(ii) Advance tax (including refunds receivable)	5,520.74	5,872.11
	(iii) Advances to Related Parties	-	-
	(iv) Other loans and advances	79.70	73.52
		<u>5,684.73</u>	<u>6,008.22</u>
	Other Loans & Advances Consists of: - Deferred Revenue Expenditure - Prepaid Expenses	1.64	9.20
		65.71	58.95

9 INVENTORIES

	(₹ in lakh)	(₹ in lakh)
	As at	As at
Inventories consist of the following :	31 st March, 2021	31 st March, 2020
Raw Materials	295.38	201.85
Work-in-progress	270.49	251.61
Finished Goods	9,914.54	3,487.40
Stores & Spares	206.56	222.14
Stock in trade	54.31	203.99
Securities Stock	749.39	673.18
	<u>11,490.67</u>	<u>5,040.17</u>

10 CURRENT INVESTMENTS

	(₹ in lakh)	(₹ in lakh)
	As at	As at
Current investments consist of the following :	31st March, 2021	31st March, 2020

INVESTMENTS CARRIED AT FVTPL**i) Investment in shares (quoted)**

	<u>Units/Shares</u>		<u>Units/Shares</u>	
ACC Limited	656	12.49	656	6.35
Aavas Financiers Ltd.	208	5.03	-	-
Aegis Logistics Ltd	3,023	9.01	2,907	4.05
Aditya Birla Fashion & Retail Ltd.	903	1.82	903	1.38
Alkem Laboratories Ltd.	66	1.83	338	7.86
APL Apollo Tubes Ltd.	783	10.97	-	-
Asahi India Glass Ltd.	3,018	9.35	2,540	3.97
Aster DM Healthcare Limited	5,679	7.81	5,353	5.09
AU Small Finance Bank Ltd.	496	6.08	103	0.52
Axis Bank Ltd.	1,919	13.38	1,831	6.94
Bajaj Finance Ltd.	-	-	268	5.94
Balaji Amines Ltd.	394	6.93	450	1.13
Balrampur Chini Mills Ltd.	1,941	4.16	2,219	2.31
Bank of Baroda	-	-	739	0.40
Bank of India	-	-	-	-
Bayer Cropscience Limited	41	2.19	112	3.87
Bharat forge Ltd.	454	2.71	1,650	3.88
Bharat Petroleum Corporation Ltd.	764	3.27	-	-
Bharti Airtel Ltd	2,363	12.22	1,070	4.72
Birla Corporation Ltd	194	1.84	-	-
Blue Star Ltd.	1,096	10.24	1,053	4.84
Bosch Ltd	25	3.52	68	6.39
Brigade Enterprises Ltd.	4,960	13.76	3,526	4.59
Cadila Healthcare Ltd.	605	2.67	605	1.62
Camlin Fine Sciences Ltd	5,246	7.37	7,443	2.90
Canfin Homes Ltd.	-	-	71	0.20
Central Depository Services (India) Limited	571	3.75	926	1.99
City Union Bank Ltd	-	-	6,971	9.00
Cipla Ltd	1,110	9.05	2,634	11.14
Colgate Palmolive (India) Limited	217	3.38	589	7.38
Container Corporation of India Ltd	486	2.91	1,317	4.37
Crompton Greaves Consumer Electrical Ltd.	888	3.49	-	-
Cummins India Ltd.	348	3.20	943	3.08
Deepak Fertilizers & Pharmaceuticals Corp. Ltd.	1,021	2.31	1,021	0.77
Deepak Nitrite Ltd.	509	8.43	-	-
Dr. Reddy's Laboratories Ltd.	94	4.25	94	2.93
Eicher Motors Ltd.	240	6.25	65	8.51

Engineers In	-	-	1,950	1.17
Emami Limited	772	3.75	1,744	2.96
Equitas Holdings Ltd.	1,894	1.65	1,894	0.81
Federal Bank Ltd	-	-	7,724	3.17
Gati Ltd.	2,148	2.20	-	-
Gland Pharma Ltd.	223	5.53	-	-
Geojit BNP Paribas Financial Services Ltd.	-	-	3,044	0.55
Glaxosmithkline Consumer Healthcare Ltd	-	-	109	10.87
Godrej Industries Ltd.	753	4.11	2,043	5.78
Godrej Agrovet Limited	-	-	1,222	4.49
Granuels India Ltd.	1,707	5.18	-	-
HDFC Bank Ltd	918	13.71	1,125	9.70
HDFC Life Insurance Co. Ltd.	-	-	80	0.35
Heidelberg Cement India Ltd.	-	-	1,162	1.65
Hindustan Petroleum Corporation Ltd	1,114	2.61	3,021	5.74
ICICI Bank Ltd	5,369	31.25	7,591	24.58
ICICI Lombard General Insurance Co. Ltd.	624	8.94	98	1.06
IIFL Finance Ltd.	1,336	3.75	-	-
Indian Energy Exchange Ltd	1,457	4.85	1,513	1.94
Infosys Ltd	575	7.87	-	-
Inox Leisure Ltd.	2,366	6.75	1,939	5.09
IPCA lab Ltd.	275	5.24	904	12.59
ITC Ltd.	1,207	2.64	-	-
J & K Bank	-	-	4,660	0.58
Jamna Auto Industries Ltd.	8,261	5.56	-	-
Jindal Saw Ltd.	2,941	2.18	2,941	1.35
JB Chemicals & Pharma Ltd.	-	-	1,008	5.13
K R B L Ltd.	965	1.73	875	1.18
Kotak Mahindra Bank Ltd	770	13.50	2,725	35.32
L & T Technology Services Ltd.	263	6.98	713	8.28
Larsen & Toubro Infotech Ltd	66	2.68	-	-
Larsen & Toubro Ltd.	127	1.80	-	-
Lumax Auto Technologies Ltd.	2,550	4.14	2,550	1.27
M. M Forgings Ltd.	54	0.27	-	-
Maruti Suzuki India Ltd.	-	-	118	5.06
Max Financial Services Ltd.	947	8.14	2,568	9.88
Mayur Uniquoters Ltd.	804	3.35	-	-
Motherson Sumi System Ltd	6,146	12.38	6,146	3.75
Marico Ltd.	2,864	11.78	2,864	7.87
Muthoot Finance Ltd.	343	4.14	397	2.43
Neogen Chemicals Ltd.	678	5.86	-	-
Orient Electric Ltd.	2,822	8.79	2,822	5.54
Orient Paper & industries Ltd	-	-	2,822	2.24
Page Industries Ltd.	22	6.67	110	18.66
Pheonix Mills Ltd.	723	5.66	-	-
PNC Infratech Limited	982	2.53	-	-
Ploycab India Ltd.	340	4.69	-	-
Prism Jhonson Ltd.	3,965	5.20	-	-
Quess Corp Ltd.	808	5.65	-	-
RBL Bank	1,697	3.52	-	-
Radico Khaitan Ltd.	817	4.58	-	-

Reliance Industries Ltd	550	11.02	616	6.86
S P Apparels	3,215	4.92	2,535	1.53
SBI Cards & Payment Services Ltd.	-	-	30	0.19
SBI Life Insurance Co. Ltd.	1,200	10.57	1,155	7.40
Shilpa Medicare Ltd.	536	1.79	717	1.75
SRF Ltd.	-	-	49	1.36
State Bank of India	3,691	13.45	1,466	2.89
Steel Authority of India Ltd.	3,946	3.11	-	-
Surya Roshni Ltd.	916	3.16	916	0.58
Sun Pharmaceuticals Industries Ltd	1,830	10.94	1,689	5.95
Suprajit Enginnering Limited	3,507	9.66	2,618	2.95
Tanla Platforms Ltd.	367	3.00	-	-
Tata Chemicals Ltd.	1,303	9.80	1,498	3.35
Tata Consultancy Services Ltd.	425	13.51	-	-
Tata Consumer Products Limited	-	-	1,707	5.03
Tata Elxsi Ltd.	285	7.67	285	1.79
Tech Mahindra Ltd	524	5.20	1,220	6.90
Trent Ltd.	560	4.21	-	-
Time Technoplast Ltd.	-	-	455	0.11
Ujjivan Financial Services Ltd.	-	-	734	0.20
United Breweries Ltd	762	9.46	716	6.58
Vaibhav Global Ltd.	171	6.55	-	-
VST Tillers Tractors Ltd	-	-	673	4.50
Voltas Ltd.	1,694	16.97	4,592	21.90
Westlife Development Ltd.	1,169	5.37	-	-
Wipro Ltd.	1,537	6.37	-	-
		594.21		410.98

ii) Investment in mutual funds (unquoted)

ICICI Pru Liquid - Reg Plan - Daily Div	38	0.04	36	0.04
ICICI Corp Bond Fund Reg Plan Growth	-	-	5,39,292	168.90
ICICI Pru Short Term Fund - Direct Plan - Growth	3,72,070	180.90	-	-
ICICI Pru Balanced Advantage Fund- Growth	3,04,101	134.53	3,04,101	92.96
ICICI Prudential Blue Chip Fund	90,387	48.47	55,435	17.62
ICICI Prudential Focussed Equity Fund - Growth	1,55,452	61.36	1,55,452	35.24
ICICI Prudential Short Term - Growth Option	36,572	16.77	36,572	15.42
ICICI Liquid Plan Growth	3,772	11.43	3,772	11.03
ICICI Prudential Credit Risk Fund Growth	-	-	5,75,348	125.13
ICICI Pru Regular Saving Fund - Direct Plan- Growth	26,17,376	661.62	26,17,376	605.87
ICICI Prudential FMP Series 82 - 1135 days Plan - V Commulative	10,00,000	124.03	10,00,000	115.18
ICICI Prudential Value Fund Series 13 Dividend	-	-	1,99,990	15.32
ICICI Prudential Banking and PSU Debt Fund - Growth	88,665	22.15	88,665	20.54
ICICI Prudential Short Term Fund - Growth	3,90,798	179.23	97,408	41.08
ICICI Prudential Short Term Fund - Direct plan - Growth	3,01,553	146.61	3,01,553	133.79
ICICI Pru Banking & PSU Debt Fund - Direct Plan - Growth	3,47,908	89.12	3,47,908	82.26
ICICI Prudential Liquid Fund	-	-	1,05,106	135.96

ICICI Prudential Liquid Fund	-	-	-	-
ICICI Pru Short Term Fund - Direct Plan - Growth	3,01,623	146.65	-	-
ICICI Prudential Liquid Fund - Growth	79,034	239.51	-	-
ICICI Prudential Liquid Fund - Direct Plan - Growth	6,703	20.43	-	-
ICICI Prudential Liquid Fund - Direct Plan - Growth	38,046	115.94	-	-
Reliance Regular Fund Saving Fund - Debt- Growth	-	-	18,71,828	428.12
Reliance India Short Term Fund - Growth	11,19,402	456.66	-	-
Invesco India Growth India Opp. Fund - Growth (GF-GP)	80,808	35.17	80,808	21.83
UTI Hybird Eq. Fund - Growth	66,376	136.72	66,376	84.71
UTI Core Equity Fund	2,74,631	216.89	2,74,631	115.69
UTI Long Term Advantage - Series VI- Regular - Gr.	3,10,850	32.72	3,10,850	18.15
UTI Value Opportunities Fund - Reg - Growth	1,81,209	150.22	1,81,209	85.23
UTI Focussed Equity Fund Series IV (1104 days) Reg Gr	-	-	5,00,000	38.30
UTI Mfd Focussed Eq Fund SR-V (1102d) reg growth	-	-	10,00,000	74.33
UTI Liquid Cash Plan - Reg Plan- Gr	2,713	90.95	-	-
UTI Flexi Cap Fund- Regular - Growth	12,975	27.56	-	-
UTI Healthcare Fund - Reg Plan- Gr	18,303	25.51	-	-
UTI Small Cap Fund - Reg Plan - GR	2,51,079	27.85	-	-
UTI Equity Fund	5,000	7.41	5,000	0.50
Birla Sun Life Cash Manager - Regular Plan - Growth	21	0.11	21	0.10
Birla Sun Life Advantage Fund - Growth Plan - Reg	8,781	47.52	8,781	26.31
ABSL Frontline Equity Fund - Reg - Growth	17,136	48.13	10,382	17.14
Kotak Money Market Scheme- Growth- Regular	331	11.48	331	10.92
Kotak Equity Fund Growth - Reg Plan	71,434	40.99	71,434	21.10
Kotak Income Opportunities Fund - Growth	-	-	4,94,848	108.62
Kotak India Growth Fund - Series 5- Reg Plan	19,60,000	285.18	-	-
Kotak Bond Fund (Short Term) - Reg - Growth	2,76,522	112.97	-	-
Kotak Liquid Fund - Growth - Direct	1,159	48.21	-	-
HDFC Credit Risk Debt Fund - Reg Plan - Growth	-	-	14,90,480	248.11
HDFC Mid Term Opportunities Reg Plan - Growth	42,07,736	1,048.90	42,07,736	964.16
HDFC Capital Builder Value Fund - Reg- Growth	899	3.14	899	1.76
HDFC Equity Fund - Reg - Growth	4,109	32.77	4,109	18.81
HDFC Small Cap Fund - Reg Plan - Growth	62,868	33.23	62,868	16.34
HDFC Banking and PSU Debt Fund - Reg Plan - Growth	-	-	1,24,564	20.58
HDFC Banking and PSU Debt Fund - Direct Growth Option	-	-	4,89,881	82.42
HDFC Low Duration Fund - Reg Plan - Growth	1,04,172	46.89	-	-
Axis Credit Risk Fund - Reg - Growth	-	-	31,45,025	476.97
Axis Short Term Fund - Regular Growth	21,25,315	507.81	-	-
Axis Liquid Fund - Growth	3	0.07	3	0.07
Axis Banking & PSU Debt Fund - Direct Growth(BD-DG)	4,225	88.63	4,225	82.00
Axis Banking & PSU Debt Fund - Regular Growth(BD-GP)	1,072	22.07	1,072	20.48
Axis Focused 25 Fund - REGULAR GROWTH(AF-GP)	1,01,047	37.87	1,01,047	23.63
Axis Liquid Fund - Regular Growth(CF-GP)	933	21.21	933	20.48
IDFC Infrastructure Direct - Growth	-	-	1,66,767	16.78
IDFC Banking & PSU Debt Fund - Reg - Growth	1,16,158	22.34	1,16,158	20.61
IDFC Banking & PSU Debt Fund - Direct Plan - Growth	4,59,382	89.77	4,59,382	82.52
Principal Balanced Fund - Reg - Growth	1,59,922	150.18	1,59,922	99.79
Principal Small Cap Fund - Reg - Growth	3,00,000	48.24	3,00,000	23.61
Principal Short Term Debt Fund - Reg Plan-- Growth	8,851	3.04	8,851	2.83
Principal Focussed Multicap Fund- Regular Plan Growth	2,10,001	186.73	2,10,001	115.12
Principal Balanced Advantage Fund - Reg - Growth	5,60,619	129.56	5,60,619	106.35
Principal Focussed Multicap Fund- Direct- Growth	69,696	65.67	69,696	40.15
Pricipal Focussed Multicap Fund - Direct Plan - Growth	38,272	36.06	38,272	22.04
SBI Blue Chip Fund- Regular- Growth	92,800	48.06	55,105	16.39
		6,623.28		5,189.39

INVESTMENTS CARRIED AT AMORTISED COST:	(₹ in lakh)	(₹ in lakh)
	As at	As at
(i) Investment in Mutual Funds (Unquoted)	31st March, 2021	31st March, 2020
DSP BR FMP- Sr227-39M-Reg- Gr Mat 27.5.21	10,00,000	-
DSP BR FMP- Sr227-39M-D-Reg- Gr-Mat 27.5.21	30,00,000	-
ICICI Pru Sr 82-1170 days PlanR DR Com 08Jul21	30,00,000	-
HDFC FMP 1177D Mar2018(1) Sr 39 - D-Gr	35,00,000	-
HDFC FMP 1177D Mar2018(1) Sr 39 -D-Gr	15,00,000	-
UTI FTI Series XXVIII-XIII(1134 d)- Dir Gr Plan	10,00,000	-
ABSL Fixed Term Plan - Series QG (1100 days)- Reg.	10,00,000	-
	<u>1,755.95</u>	<u>-</u>
TOTAL CURRENT INVESTMENTS	8,973.44	5,600.37

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

11 TRADE RECEIVABLES (Unsecured)	(₹ in lakh)	(₹ in lakh)
	As at	As at
Trade receivable consist of the following :-	31st March, 2021	31st March, 2020
a) Receivable from Related Parties		
- Unsecured, considered good	51.37	39.94
b) Receivable from Others		
i) Unsecured, Considered good	13,248.50	13,551.89
ii) Considered Doubtful	253.36	214.00
Less:		
Allowance for Doubtful Receivables	(253.36)	(214.00)
	<u>13,299.87</u>	<u>13,591.83</u>

12 CASH AND CASH EQUIVALENTS	(₹ in lakh)	(₹ in lakh)
	As at	As at
Cash and Cash Equivalents consist of the following :-	31st March, 2021	31st March, 2020
Cash & cash equivalents		
i) Balances with banks		
In current accounts	748.10	678.81
In cash credit accounts	1,675.08	2,932.10
(ii) Cheques on hand	61.51	57.17
(iii) Cash on hand	4.74	5.50
(iv) Imprest Balances	2.48	7.73
(v) Imprest Balances - Related Parties	-	0.02
(vi) Highly Liquid Investment with maturity of three months or less	10,977.05	4,385.48
	<u>13,468.94</u>	<u>8,066.81</u>

13 OTHER BALANCES WITH BANKS	(₹ in lakh)	(₹ in lakh)
Other Balances with Banks consist of the following :-	As at	As at
	31st March, 2021	31st March, 2020
Other bank balances consists of following:		
- Short - Term Bank Deposits	6,345.01	3,941.13
	<u>6,345.01</u>	<u>3,941.13</u>
14 SHORT TERM LOANS AND ADVANCES	(₹ in lakh)	(₹ in lakh)
Short term loans and advances consist of the following :-	As at	As at
	31st March, 2021	31st March, 2020
a) Secured, considered good		
Loans and advances to employees	121.94	74.88
b) Unsecured, considered good	-	-
(i) Advances to Related Parties	-	-
(ii) Other loans and advances	-	-
a) Unsecured, Considered good	3,678.35	4,408.39
b) Considered Doubtful	40.35	26.41
Less:		
Allwaonce for Doubtful Loans and Advances	(40.35)	(26.41)
	<u>3,800.29</u>	<u>4,483.27</u>
<u>Other loans and advances considered good includes</u>		
- Interest bearing loans & deposits	1,945.99	2,850.78
- Margin Money	234.37	204.00
15 OTHER FINANCIAL ASSETS	(₹ in lakh)	(₹ in lakh)
Other current assets consist of the following :-	As at	As at
	31st March, 2021	31st March, 2020
a) Interest receivable	42.74	39.19
b) Other current assets	265.44	132.69
	<u>308.18</u>	<u>171.88</u>
Other current assets includes :		
- Duty Drawback Receivable	19.37	11.25
- Subsidy receivable on E-Bike	-	23.56
- Subsidy receivable at Hajipur	5.49	1.75
- VAT Incentive Receivable at Hajipur	6.82	6.82
- Forward contract receivable a/c (net)	18.76	-
- MEIS/ Rodtep Incentive Receivable	91.48	-

16 OTHER CURRENT ASSETS	(₹ in lakh)	(₹ in lakh)
Other current assets consist of the following :-	As at	As at
	31 st March, 2021	31 st March, 2020
(i) Advance tax (including refunds receivable)	1,778.29	2,560.76
(ii) Other Current Assets	3,129.10	2,203.23
Less:		
Allwaonce for Doubtful Other Assets	<u>(8.84)</u>	<u>(8.84)</u>
	<u>4,898.55</u>	<u>4,755.15</u>
Other loans and advances considered good includes:		
GST Refundable	834.63	574.76
Prepaid Expenses	121.30	85.56
Advance to Suppliers including Capital Advances	1,488.00	1,100.28

17 SHARE CAPITAL

	(₹ in lakh)	(₹ in lakh)
	As at	As at
	31 st March, 2021	31 st March, 2020
Authorised Share Capital :		
10,00,000 Equity Shares (Prevoius Year 10,00,000) of Rs.10/-each	<u>100.00</u>	<u>100.00</u>
Issued, Subscribed and paid up :		
896442 Equity shares (Previous Year 896442) of Rs.10/- each fully paid up	<u>89.64</u>	<u>89.64</u>
	<u>89.64</u>	<u>89.64</u>

17.1 Reconciliation of number of shares

	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount (Lakh)	No. of shares	Amount (Lakh)
Equity Shares				
- Opening Balance	8,96,442	89.64	8,96,442	89.64
- Changes during the year	-	-	-	-
- Closing Balance	8,96,442	89.64	8,96,442	89.64

17.2 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.

17.3 The details of Shareholders holding more than 5% shares :

Name of Shareholder	As at 31 st March, 2021		As at 31 st March, 2020	
	No. of Shares	%	No. of Shares	%
Onkar Singh Pahwa	2,28,593	25.5	2,28,593	25.5
Sarabjit Kaur Pahwa	2,28,593	25.5	2,28,593	25.5
Rishi Pahwa	1,70,047	18.97	1,70,047	18.97
Mandeep Singh Pahwa	1,70,046	18.97	1,70,046	18.97
Pahwa Estates and Holdings Pvt Ltd	56,000	6.25	56,000	6.25

18 OTHER EQUITY

(₹ in lakh)

(₹ in lakh)

Other Equity consist of the following:

As at
31st March, 2021As at
31st March, 2020**General Reserve**

As per last Balance Sheet	12,967.40		12,467.40	
Add: Transferred from Profit and Loss Account	<u>500.00</u>	13,467.40	<u>500.00</u>	12,967.40

Retained Earnings

As per last Balance Sheet	48,519.95		43,389.08	
Add: Profit for the year	6,847.18		6,067.15	
Other Comprehensive Income	<u>3.44</u>		<u>(28.02)</u>	
	55,370.57		49,428.21	
Less : Appropriations				
Transferred to General Reserve	500.00		500.00	
Dividend on Equity Shares	179.29		134.47	
Tax on Dividend	-		27.91	
Prion Period Adjustments	-		-	
Tax adjustment of earlier years	<u>(388.36)</u>	55,079.64	<u>245.88</u>	48,519.95

TOTAL**68,547.04****61,487.35****19 LONG TERM BORROWINGS**

(₹ in lakh)

(₹ in lakh)

Long -term borrowings consist of the following :

As at
31st March, 2021As at
31st March, 2020**Secured - at Amortised Cost**

Term Loans - from Banks	1,910.10	525.42
Term Loans - from Other	<u>17.93</u>	<u>34.59</u>
	1,928.03	560.01

Unsecured - at Amortised Cost

Loan & Advance from related parties(Directors)	<u>975.80</u>	1,039.83
Total	2,903.83	<u>1,599.84</u>

Detail of Term Loans is:

Name of Facility	Repayment Terms	Security	Amount O/s as at 31.03.2021	Amount O/s as at 31.03.2020
HDFC Bank car loan (Kia Carnival)	36 monthly installments starting from March 2020	Hypothecation of Car - Kia Carnival	16.66	24.34
Toyota Financial Services India Ltd. - Car Loan (Toyota Vellfire Hybrid)	36 monthly installments starting from April 2020	Hypothecation of Car Toyota Vellfire Hybrid	34.56	49.95
Punjab National Bank - Car Loan (Mercedes Benz E220d)	36 monthly installments starting from April 2017	Hypothecation of Car- Mercedes Benz	41.10	-
HDFC Bank Term Loan - Solar Plant (20 cr)	25 quarterly installments starting after 3 months from the date of first disbursement	Hypothecation of Fixed Assets created out of Term Loan	671.80	291.01
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	69.74
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	1,393.74	-
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	195.47	-
HDFC Bank Term Loan - Solar Plant (8 cr)	22 quarterly installments starting after 6 months from the date of first disbursement	Hypothecation of Fixed Assets created out of Term Loan	-	329.94

20 NON CURRENT LEASE LIABILITY	(₹ in lakh)	(₹ in lakh)
Non- Current Lease Liabilities consist of the following :	As at	As at
	31st March, 2021	31st March, 2020
Lease Liability	<u>270.44</u>	<u>302.28</u>
	<u>270.44</u>	<u>302.28</u>
21 OTHER FINANCIAL LIABILITIES	(₹n lakh)	(₹ in lakh)
Other Financial Liabilities consist of the following :	As at	As at
	31st March, 2021	31st March, 2020
Other Financial Liabilities	<u>497.34</u>	<u>464.39</u>
	<u>497.34</u>	<u>464.39</u>
Other Financial Liabilities includes:		
Dealer's Securities	449.28	422.73
Security Deposits	24.13	25.72
22 EMPLOYEE BENEFIT OBLIGATION	(₹ in lakh)	(₹ in lakh)
Employee Benefit Obligation consist of the following :	As at	As at
	31st March, 2021	31st March, 2020
Provisions for Employee Benefits	<u>90.82</u>	<u>39.44</u>
	<u>90.82</u>	<u>39.44</u>
Provision for employee benefifits includes:		
Provision for Gratuity (Net of Planned Assets)	-	39.44
Unpaid Earned Leaves	90.82	-
23 LONG TERM PROVISIONS	(₹ in lakh)	(₹ in lakh)
Long-term provisions consist of the following :	As at	As at
	31st March, 2021	31st March, 2020
Other Provisions	<u>4,763.60</u>	<u>5,240.00</u>
	<u>4,763.60</u>	<u>5,240.00</u>
Other Provisions includes:		
Provision for Income Tax	4,763.60	5,240.00
24 DEFERRED TAX LIABILITY (NET)	(₹ in lakh)	(₹ in lakh)
	As at	As at
	31st March, 2021	31st March, 2020
Deferred Tax Liability (Net)	<u>1,806.73</u>	<u>1,261.59</u>
25 OTHER LONG TERM LIABILITIES	(₹ in lakh)	(₹in lakh)
Other long -term liabilities consist of the following :	As at	As at
	31st March, 2021	31st March, 2020
Other Long Term Liabilities	<u>10.13</u>	<u>11.73</u>
	<u>10.13</u>	<u>11.73</u>
Other Long Term Liabilities includes:		
Deferred Revenue Income	10.13	11.73

26 SHORT TERM BORROWINGS	(₹ in lakh)	(₹ in lakh)
Short -term borrowings consist of the followings	As at	As at
	31st March, 2021	31st March, 2020
Secured loans:		
Working Capital limits from Banks	-	128.68
Unsecured Loans:		
Loans repayable on demand from Banks	-	-
Loan from Related Parties	-	-
Other borrowings(from entities other than banks)	-	100.00
	<u> </u>	<u> </u>
	-	228.68

Detail of Short Term Borrowings is:

Name of Facility	Security	Amt. Guaratneed	
		31.03.2021	31.03.2020
Punjab National Bank Export Packing Credit Limit	Hypothication of any stock (RM/ WIP/FG) meant for export and export LC's issued by bank.	-	128.68

27 CURRENT LEASE LIABILITY	(₹ in lakh)	(₹ in lakh)
Current Lease Liabilities consist of the following :	As at	As at
	31st March, 2021	31st March, 2020
Lease Liability	30.10	26.21
	<u> </u>	<u> </u>
	30.10	26.21

28 TRADE PAYABLES:	(₹ in lakh)	(₹ in lakh)
Trade Payables consists of following:	As at	As at
	31st March, 2021	31st March, 2020
a) Trade Payables:		
a) Total Outstanding dues of micro enterprises and small enterprises	5,896.78	2,402.92
b) Total Outstanding dues of other than micro enterprises and small enterprises	5,313.27	2,888.25
b) Due to Related Parties	555.30	255.31
	<u> </u>	<u> </u>
	11,765.55	5,546.48

29 OTHER FINANCIAL LIABILITIES	(₹ in lakh)	(₹ in lakh)
Other current liabilities consist of the following :	As at	As at
	31st March, 2021	31st March, 2020
a) Current Maturities of Long Term Debt	471.76	204.98
b) Other Financial Liabilities		
i) Due to Related Parties	-	0.63
ii) Due to Other than Related parties	1,557.49	536.36
	<u> </u>	<u> </u>
	2,029.25	741.97
Other Financial Liabilities includes:		
Cheques Issued but not presented	836.64	249.47
Capital Creditors	95.27	85.93
Forward Contract Payable (Net)	-	17.32

30 SHORT-TERM PROVISIONS	(₹ in lakh)	(₹ in lakh)
	As at	As at
Short -term borrowings consists of the following:	31st March, 2021	31st March, 2020
Provision for Income Tax	1,675.00	2,203.60
Provision for Unspent CSR Liability	<u>50.86</u>	<u>-</u>
	<u>1,725.86</u>	<u>2,203.60</u>
31 OTHER CURRENT LIABILITIES	(₹ in lakh)	(₹ in lakh)
	As at	As at
Other current liabilities consist of the following :	31st March, 2021	31st March, 2020
Advance received from Customers	527.48	323.96
Other Payables	1,349.35	524.32
Other Payables due to Related Parties	33.40	48.32
	<u>1,909.89</u>	<u>896.60</u>
Other payables includes :		
Statutory liabilities	630.82	132.75
Income Received in Advance	15.54	17.06
Advance from Sale of Property	21.71	42.78
32 REVENUE FROM OPERATIONS	(₹ in lakh)	(₹ in lakh)
	As at	As at
	31st March, 2021	31st March, 2020
Sale of Products	70,905.88	79,233.61
Other Operating Revenues	124.64	237.50
	<u>71,030.52</u>	<u>79,471.11</u>
32.1 PARTICULARS OF SALE OF PRODUCTS	(₹ in lakh)	(₹ in lakh)
Particulars	2020 - 2021	2019-2020
Bicycles & its parts	66,087.51	74,163.99
Bikes & its parts	801.03	740.25
E-Rickshaw & its parts	813.40	1,027.59
Power	2,492.28	2,889.25
Export Incentives	256.64	164.93
Others	455.01	247.60
	<u>70,905.87</u>	<u>79,233.61</u>

33 OTHER INCOME		(₹ in lakh)		(₹ in lakh)
		2020 - 2021		2019-2020
Interest		1,072.25		814.41
Dividend		16.98		15.19
Net gain on Sale/ Fair valuation of Investments		2,849.23		-
Net Gain on Trading in Securities:				
a) Gain on trading in Securities other than Derivative	505.26			-
b) Gain/(Loss) on trading in Derivative	<u>(464.19)</u>	41.07		
Royalty		46.47		36.86
Other Non Operating Income		297.76		556.96
		<u>4,323.76</u>		<u>1,423.42</u>
Other Non - Operating Income includes:				
- Rent Received		220.99		344.00
- Profit on Trading of Shares & Units		-		-
- Keyman Insurance claim		-		183.10
34 COST OF MATERIALS CONSUMED		(₹ in lakh)		(₹ in lakh)
		2020 - 2021		2019-2020
		% of		% of
		consumption		consumption
Imported	2,101.68	4.48	1,582.78	3.58
Indigenous	44,788.57	95.52	<u>42,647.64</u>	<u>96.42</u>
TOTAL	<u>46,890.25</u>	<u>100</u>	<u>44,230.42</u>	<u>100.00</u>

35 PURCHASE OF STOCK - IN - TRADE		(₹ in lakh) 2020 - 2021		(₹ in lakh) 2019-2020
		% of consumption		% of consumption
Imported	78.41	1.27	149.34	2.80
Indigeneous	6,085.39	98.73	5,192.44	97.20
TOTAL	6,163.80	100.00	5,341.78	100.00
36 CHANGE IN INVENTORIES OF FINISHED GOODS/ STOCK-IN-TRADE/ WORK-IN-PROGRESS		(₹ in lakh) 2020 - 2021		(₹ in lakh) 2019-2020
Opening Stock		3,943.00		4,734.03
Less: Closing Stock		(10,239.34)		(3,943.00)
		(6,296.34)		791.03
37 EMPLOYEE BENEFITS EXPENSE		(₹ in lakh) 2020 - 2021		(₹ in lakh) 2019-2020
Salaries and Wages		4,030.84		3,955.60
Contribution to Provident and other Funds		337.83		344.65
Staff Welfare Expenses		82.34		79.49
TOTAL		4,451.01		4,379.74
38 FINANCE COSTS		(₹ in lakh) 2020 - 2021		(₹ in lakh) 2019-2020
Interest Expenses		282.54		322.02
Other borrowing costs		83.39		93.41
		365.93		415.43
39 OTHER EXPENSES		(₹ in lakh) 2020 - 2021		(₹ in lakh) 2019-2020
Manufacturing Expenses				
Stores, chemical and packing material	3,100.82		2,945.18	
Processing Charges	155.34		47.22	
Power & Fuel	258.62		382.54	
Carriage Inward	74.95		64.24	
Repairs to Machinery	535.26	4,124.99	530.29	3,969.47

Selling and distribution Expenses

Clearing & Forwarding Charges	6,176.15		8,382.16	
Commission	62.21		350.01	
Advertisement	527.73		1,289.19	
Other Selling Expenses	49.92	6,816.01	141.07	10,162.43

Establishment Expenses

Printing & Stationery	14.21		18.02	
Postage, Telegrams & Telephone Expenses	39.50		31.23	
Travelling Expenses	78.66		281.17	
Vehicles Maintenance Expenses	22.00		39.76	
Repairs to Building	65.22		89.77	
Repairs & Renewals	21.40		23.18	
Payments to Auditors	15.50		2.00	
Charity & Donation	16.59		69.54	
Insurance	112.61		83.83	
Rent	2.90		0.24	
Rates & Taxes	23.83		19.60	
Legal & Professional Charges	158.69		259.09	
Net Loss on Sale/ Fair Valuation of Investments	-		535.32	
Net Loss on Trading in Securities:	-		-	
a) Loss on trading in Securities other than Derivative	-		113.47	
b) Gain/(Loss) on trading in Derivative	-		(99.16)	
Bad Debts & Advances written off	107.63		91.71	
Miscellaneous Expenses	415.15	1,093.89	442.04	2,000.81
		<u>12,034.89</u>		<u>16,132.71</u>

39.1 PAYMENT TO AUDITOR AS

	(₹ in lakh) 2020 - 2021	(₹ in lakh) 2019-2020
i) Audit Fees	2.00	2.00
ii) Tax Audit Fee	3.00	-
iii) GST/ VAT Audit Fee	-	-
iv) Certification fees	-	-
iii) Others	10.50	-
	<u>15.50</u>	<u>2.00</u>

40 CONTINGENT LIABILITIES:

	(₹ in lakh) 2020 - 2021	(₹ in lakh) 2019-2020
a) Guarantees given by Bank	7446.38	6279.06
b) Proposed Dividend	179.29	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. 34.68 Lakh. No Provision has been made in the Standalone financial statements as no default has been reported till 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 Lac are outstanding for Assessment Year 2016-17 and Rs. 39.76 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.
- 41 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.

42 DIVIDENDS

Dividends paid during the year ended March 31, 2021 include an amount of Rs. 20 per equity share towards final dividend for the year ended March 31, 2020. 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, 2021, the income available for distribution were Rs. 6850.62 Lac. Dividend, if approved by shareholders at Annual General Meeting, the dividend would result in a cash outflow of Rs. 179.28 Lakh.

43 SEGMENTAL INFORMATION

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

44 Tax Balances:

44.1 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
Deferred Tax Assets:				
Expenses deductible in Future Years	175.53	39.81	-	215.34
Provision for Doubtful Debts/ Advances	62.73	13.42	-	76.15
Losses allowable in future years	358.65	(60.33)	-	298.32
Others	9.58	0.01	(13.96)	(4.37)
	<u>606.50</u>	<u>(7.10)</u>	<u>(13.96)</u>	<u>585.44</u>
Deferred Tax Liabilities:				
Property, Plant & Equipment, and Intangible Assets	1,700.56	(23.10)	-	1,677.46
Investment in Bonds, Mutual Funds and equity instruments	114.54	552.94	-	667.48
ROU Assets	48.70	(5.38)	-	43.32
Others	4.29	(0.38)	-	3.91
	<u>1,868.09</u>	<u>524.08</u>	<u>-</u>	<u>2,392.17</u>
Net Deferred Tax Liability	<u>(1,261.59)</u>	<u>(531.19)</u>	<u>(13.96)</u>	<u>(1,806.73)</u>

44.2 Income Tax Recognised in Profit or Loss:

Particulars	(₹ in lakh)	(₹ in lakh)
	For Year Ended 31st March 2021	For Year Ended 31st March 2020
Current Tax		
In respect of current year	1,675.00	2,203.60
Deferred Tax		
In respect of Current Year	531.19	(1,376.25)
Total Income Tax Expense Recognised	<u>2,206.19</u>	<u>827.35</u>

44.3 Income Tax recognised in Other Comprehensive Income

Particulars	(₹ in lakh)	(₹ in lakh)
	For Year Ended 31st March 2021	For Year Ended 31st March 2020
Arising on Remeasurement of Defined benefit Obligation	(13.96)	10.03
	<u>(13.96)</u>	<u>10.03</u>

45 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)	(₹ in lakh)
	31st March 2021	31st March 2020
Profit/ (Loss) after Tax	6,847.18	6,067.15
Less: Adjustment of Income Tax Earlier Years	(388.36)	245.88
Profit after adjustment of Income Tax Earlier Years (A)	<u>6,458.82</u>	<u>6,313.03</u>
Weighted average number of equity shares (B)	8,96,442.00	8,96,442.00
Earning per share : Basic/Diluted (A/B)`	720.50	704.23

46 The Company incorporated Wholly Owned Subsidiary M/s Avon Newage Cycles Pvt. Ltd. on 16.09.2020.

47 Interest includes Rs. 89.69 Lac for F/Y 2020-21 and Rs. 151.76 lakh for F/Y 2019-20 paid to Directors.

48 Charity & Donation includes Rs. 10.50 lakh contributed to political parties during Financial year 2019-20, Rs. 7.50 Lac during Financial Year 2018-19 , detail of which is as below:

Party Name	(₹ in lakh)	(₹ in lakh)
	31st March 2021	31st March 2020
Bhartiya Janta Party	10.00	5.00
Bihar Pradesh Janta Dal United	0.50	-
Shiromani Akali Dal	-	5.00
All India Congress Committee	-	10.00
	<u>10.50</u>	<u>20.00</u>

- 49 Interest received of Rs. 887.83 lakh (Previous Year Rs. 673.30 lakh) includes Tax deducted at source of Rs. 59.78 Lac (Previous Year Rs. 63.27 lakh).
- 50 Expenditure on insurance includes Rs. 16.03 Lac (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 personnel or premature surrender of the policy. Such benefits will be accounted for in the year, in which they become due.
- 51 Sales-tax assessments have been completed upto to the accounting year ended 31st March 2014.
- 52 Income -tax assessments of the Company have been completed upto the accounting year ended 31.03.2018 relevant to the assessment year 2018-19.
- 53 In accordance with section 135 of Companies Act, 2013, the company is covered by the provision of said section:

Particulars	(₹ in lakh)	(₹ in lakh)
	As at 31st March 2021	As at 31st March 2020
The amount required to be spent under CSR Obligation	195.23	188.41
The amount spent under CSR Obligation	144.52	176.52
Amount unspent under CSR Obligation	50.86	-

Note: The unspent amount will be transferred to Unspent CSR Account within 30 days from the end of Financial Year in accordance with Companies Act, 2013 read with CSR ammendment Rules.

- 54 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.
- 55 Previous years's figures have been regrouped/ recasted/ rearranged/ reclassified where necessary to make them comparable.
- 56 Micro, Small and Medium Enterprises
- a) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act,2006

PARTICULARS	(₹ in lakh)	
	2020-21	2019-20
A) (i) Principal amount remaining unpaid at the end of accounting year	5,895.20	2,385.47
(ii) Interest due on above	1.58	17.45
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.	22.45	-
C) The amount of interest accrued and remaining unpaid at the end of the financial year.	1.58	17.45
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	-	-
E) The amount of further interest remaining due and payable in succeeding years, until such interest is actually paid.	1.58	17.45

- 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.

57 Government Grants:

	(₹ in lakh)	(₹ in lakh)
	As at	As at
	31st March 2021	31st March 2020
At the Beginning	32.13	43.59
Provided during the year	8.19	41.98
Received/ Adjusted during the year	28	53.44
At the End of the year	12.32	32.13

58 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.

59 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.

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 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 2021	(₹ in lakh) 31st March 2020
Variable Rate Borrowings	2,307.46	819.38
Fixed Rate Borrowings	1,068.12	1,214.12

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 company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	(₹ in lakh) 31st March 2021	Effect on Profit Before Tax (₹ in lakh) 31st March 2020
Increase by 50 Basis Points	11.54	4.10
Decrease by 50 Basis Points	(11.54)	(4.10)

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 2021	(USD in lakh) 31st March 2020
Trade Receivables	-	2.23
EEFC Balance	0.0822	0.0788
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	-	-	8.41	(8.41)

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.

	(USD in lakh)	(USD in lakh)
	31st March 2021	31st March 2020
Forward Contracts against Exports	20.00	10.00
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 counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables)

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 Note 5.2. Trade receivables are unsecured but considered goods subject to provision made thereon.

Trade Receivables	(₹ in lakh)	(₹ in lakh)
	31st March 2021	31st March 2020
Not Due	9,735.86	4,923.97
Up to Six Months Past Due	1,667.73	5,891.97
6 Months to 1 Year Past Due	208.71	2,772.41
More Than 1 Year Past Due	1,940.93	217.47
	<u>13,553.23</u>	<u>13,805.82</u>
 Provision for Doubtful Debts		
Provision for Doubtful Debts	<u>(253.36)</u>	<u>(214.00)</u>
Total	<u>13,299.87</u>	<u>13,591.83</u>
	(₹ in lakh)	(₹ in lakh)
	31st March 2021	31st March 2020
Reconciliation of Provision for Doubtful Debts		
Balance at the Beginning of the Year	214.00	285.16
Add: Provision made during the year	39.36	-
Less: Provision Written Back during the Year	-	71.16
Balance at the end of the Year	<u>253.36</u>	<u>214.00</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 2021	31st March 2020		
Floating rate				
(a) Expiring within one year (Bank overdraft and other facilities)				
Secured				
- Working Capital Limits	-	128.68		
(b) Expiring beyond one year (Bank loans)				
Secured				
-Term loan from banks	1,928.03	560.01		
ii) Maturity Patterns of borrowings				(₹ in lakh)
Year ended 31st March, 2021	Less than 1Year	1 to 2 years	2 to 5 years	More than 5 yrs
Contractual Maturities of borrowings	471.76	471.76	1,456.27	-
Contractual Maturities of trade payables	11,765.55	-	-	-
Contractual Maturities of other financial liabilities	1,587.58	999.66	97.86	646.07
Total	13,824.89	1,471.41	1,554.14	646.07
Year ended 31st March, 2020				
Contractual Maturities of borrowings	333.67	181.92	378.09	-
Contractual Maturities of trade payables	5,546.48	-	-	-
Contractual Maturities of other financial liabilities	563.20	1,172.19	87.11	647.20
Total	6,443.35	1,354.11	465.20	647.20

(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.

60 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 2021	(₹ in lakh) 31st March 2020
Borrowings	3,375.58	2,033.51
Trade Payables	11,765.55	5,546.48
Less: Cash & Cash Equivalents	<u>(13,468.94)</u>	<u>(8,066.80)</u>
Net Debt	1,672.19	(486.81)
Equity	<u>68,636.64</u>	<u>61,577.05</u>
Capital & Net Debt	70,308.83	61,090.24
Gearing Ratio	2.38%	- 0.80%

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.

61 Expenditure Incurred on Research & Development

Particulars	(₹ in lakh) 2020 - 2021	(₹ in lakh) 2019 - 2020
	Capital Expenditure	64.39
Revenue Expenditure	<u>143.78</u>	<u>178.63</u>
	<u>208.17</u>	<u>253.08</u>

62 Changes in accounting policies, accounting estimates and errors:

Company has created Provision of Rs. 113.63 lakh on account of unpaid earned leaves of employees. Company has restated comparative information to correct the error prospectively from current year as it is impracticable to determine the effect of prior period including the beginning of current year.

63 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 2021			₹ in lakh 31st March 2020		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial Assets						
Investments	13,775.98	-	2,801.10	8,304.39	-	1,628.03
Trade Receivables	-	-	13,299.87	-	-	13,591.84
Other Financial Assets	-	-	4,789.75	-	-	10,478.43
Cash & Cash Equivalents	10,977.05	-	2,491.89	4,385.48	-	3,681.32
Other Bank Balances	-	-	6,345.01	-	-	3,941.13
Total	24,753.03	-	29,727.62	12,689.87	-	33,320.75
Financial Liabilities						
Borrowings	-	-	2,903.83	-	-	1,828.53
Trade Payables	-	-	11,765.55	-	-	5,546.48
Other Financial Liabilities	-	-	2,827.13	-	-	1,534.85
Total	-	-	17,496.51	-	-	8,909.86

(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 2021			₹ in lakh 31st March 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investments	7,655.75	-	6,120.24	5,783.51	36.25	2,484.63
Cash & Cash Equivalents	10,977.05	-	-	4,385.48	-	-
Total	18,632.80	-	6,120.24	10,168.99	36.25	2,484.63

Financial assets and liabilities measured at amortised cost for which fair values are disclosed	₹ in lakh 31st March 2021			₹ in lakh 31st March 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investments	-	2,801.10	-	-	1,628.03	-
Trade Receivables	-	-	13,299.87	-	-	13,591.84
Other Financial Assets	-	-	4,789.75	-	-	10,478.43
Cash & Cash Equivalents	-	-	2,491.89	-	-	3,681.32
Bank Balances	-	-	6,345.01	-	-	3,941.13
Total	-	2,801.10	26,926.52	-	1,628.03	31,692.72
Financial Liabilities						
Borrowings	-	-	2,903.83	-	-	1,828.53
Trade Payables	-	-	11,765.55	-	-	5,546.48
Other Financial Liabilities	-	-	2,827.13	-	-	1,534.85
Total	-	-	17,496.51	-	-	8,909.86

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 2021		₹ in lakh 31st March 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Investments	2,801.10	1,018.14	1,628.03	1,628.03
Margin Money	235.02	235.02	247.49	247.49
Employee Loans	121.94	121.94	74.88	74.88
Other Financial Assets	-	-	59.01	59.01
Total	3,158.06	1,375.10	2,009.41	2,009.41
Financial Liabilities				
Security Deposits	24.13	24.13	25.72	25.72
Total	24.13	24.13	25.72	25.72

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.

64 Related Party Transactions

a) List of Related Parties and Relationship

Party

1 Parent

NIL

2 Subsidiaries

Avon Newage Cycles 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.

Avon Eduventure Pvt. Ltd.

5 Key Management personnel

Sh. Onkar Singh Pahwa

Sh. Rishi Pahwa

Smt. Sarabjit Kaur Pahwa

Sh. Mandeep Singh Pahwa

Sh. Jugdiep Singh

Sh. Anil Arora

Sh. Nem Chand Jain

Sh. Darshan Lal Sharma

6 Other Related Parties

Smt. Pallavi Pahwa

Smt. Jasmine Pahwa

Aditragh Enterprises

NRG Enterprises

Rolex Metals Pvt. Ltd.

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	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Rent Paid	-	-	-	-	-	-	-	-	-	-
Remuneration Paid	-	-	-	-	-	-	1,143.04	1,155.94	39.76	39.76
Interest Paid	-	-	-	-	28.72	29.82	89.69	151.77	-	-
Interest Received	-	-	-	-	2.41	34.26	-	-	-	-
Rent Received	-	-	-	-	70.92	71.32	-	-	-	-
Service Charges Received	-	-	-	-	1.46	1.09	-	-	-	-
Dividend Paid	-	-	-	-	11.20	8.40	159.46	119.59	-	-
Royalty	-	-	-	-	46.47	36.86	-	-	-	-
Food Bill	-	-	-	-	4.63	2.23	-	-	-	-
Purchase	-	-	-	-	-	0.65	-	-	3,971.45	5,440.33
Sale	-	-	-	-	29.91	3.14	-	-	52.20	47.11
Sale of Fixed Assets	-	-	0.13	-	-	-	-	-	-	-
Sitting Fees	-	-	-	-	-	-	0.90	1.20	-	-
Legal & Professional Charges	-	-	-	-	-	-	1.50	6.00	-	-
Payment of Misc. Charges	-	-	0.12	-	0.76	-	-	-	-	-
Purchase of Shares	946.40	-	1,500.00	-	-	-	-	-	-	-
Debit balances outstanding as at the closing	-	-	-	-	51.37	39.94	-	0.02	-	-
Credit balances as at the closing	2.21	-	-	-	-	0.06	27.76	23.69	558.94	280.50

65 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 2021	31st March 2020
Gratuity Plan	823.90	791.30

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 2021	For the Year ended on 31st March 2020
Present value obligation as at the start of the year	791.30	692.16
Interest costs	54.17	53.41
Current Service costs	69.52	61.40
Past Service Cost	-	-
Benefits paid	(69.41)	(50.72)
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in financial assumptions	7.17	55.77
- experience Variance	(28.86)	(20.65)
- Change in Demographic Assumptions	-	(0.06)
Present value obligation as at the end of the year	823.90	791.30

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

Changes in Defined Benefit Obligation	For the Year ended on 31st March 2021	For the Year ended on 31st March 2020
Fair value of plan assets as at the start of the year	751.86	691.64
Return on plan assets	51.47	53.37
Actuarial gains/ (losses)	(4.29)	(3.00)
Contributions by employer	100.57	60.58
Benefits paid	(69.41)	(50.72)
Fair value of plan assets as at the end of the year	830.20	751.86

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 2021	For the year ended on 31st March 2020
Present value obligation as at the end of the year	823.90	791.30
Fair value of plan assets as at the end of the year	830.20	751.86
Net asset/(obligation) recognized in balance sheet	6.30	(39.44)

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

(₹ in lakh)

Particulars		
	For the year ended on 31st March 2021	For the year ended on 31st March 2020
Amount recognized in the statement of profit and loss		
Current service cost	69.52	61.40
Interest on obligation	2.70	0.04
Past Service Cost	-	-
Total included in employee benefit expense	72.22	61.44

f) Amount recognised in the statement of Other Comprehensive Income

(₹ in lakh)

Particulars		
	For the year ended on 31st March 2021	For the year ended on 31st March 2020
Change in Financial Assumptions	7.17	55.77
Change in Demographic Assumptions	-	(0.06)
Experience Variance i.e. Actual Experience vs Assumptions	(28.86)	(20.65)
Actuarial Gain/(Loss) for the year	4.29	3.00
Components of defined benefit cost recognised in OCI	(17.40)	38.05

g) Principal actuarial assumptions at the balance sheet date:

Particulars		
	For the year ended on 31st March 2021	For the year ended on 31st March 2020
Actuarial Assumptions		
Discount rate (per annum)	6.75%	6.85%
Salary escalation rate (per annum)	7.00%	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:

Particulars		
Demographic Assumptions	For the year ended on 31st March 2021,	For the year ended on 31st March 2020,
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 2021	For the year ended on 31st March 2020
Defined Benefit Obligation (base)	823.89	791.30

Particulars	(₹ in lakh)			
	For the year ended on 31st March, 2021		For the year ended on 31st March, 2020	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+1%) (% change compared to base due to sensitivity)	902.41 9.50%	757.40 -8.10%	867.81 9.70%	726.50 -8.20%
Salary Growth Rate (-/+1%) (% change compared to base due to sensitivity)	760.72 -7.70%	897.10 8.90%	729.69 -7.80%	862.69 9.00%
Attrition Rate (-/+ 50% of attrition rates) (% change compared to base due to sensitivity)	824.40 0.10%	823.43 -0.10%	791.22 0.00%	791.35 0.00%
Mortality Rate (-/+ 10% of mortality rates) (% change compared to base due to sensitivity)	823.85 0.00%	823.94 0.00%	791.24 0.00%	791.37 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):

Particulars	
Expected Cash Flows over the next (valued on undiscounted basis)	(₹ in lakh)
1 Year	161.21
2 to 5 years	252.26
6 to 10 years	281.83
More than 10 years	1,098.79

66 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: 06.09.2021

UDIN: 21090809AAAAC6305

Sd/-

(Rishi Pahwa)

Joint Managing Director

DIN: 00286399

Sd/-

(Mandeep Singh Pahwa)

Director

DIN: 00248245

Independent Auditor's 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, 2021, 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, 2021, 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 2021. 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)(1) 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 2021. 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. 1,003.95 Lakh as at 31st March 2021, total revenues (before consolidation adjustments) of Rs. Nil and total net profit after tax (before consolidation adjustments) of Rs. Nil and net cash inflows (before consolidation adjustments) amounting to Rs. 265.83 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. 12.03 Lakh for the year ended 31 March, 2021, 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 2021 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 2021 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, 2014, 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 36 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.

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

Sd/-
Jeevan Arora
Proprietor
Membership No: 090809

Place: Ludhiana
Date: 06.09.2021

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 2021 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 2021, 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 2021, 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

Sd/-
Jeevan Arora
Proprietor
Membership No: 090809

Place: Ludhiana
Date: 06.09.2021

Avon Cycles Limited, Ludhiana
Consolidated Balance Sheet as at 31.03.2021

(Amount ₹ in Lakh)

	Note	As at 31.03.2021	As at 31.03.2020
ASSETS			
Non-Current Assets			
a)	2	14,747.47	12,609.95
b)	3	472.66	521.98
c)	2.1	2,949.83	3,027.81
e)		2,245.38	2,000.91
f)	2.3	56.87	60.93
g)			
I)	4	6,652.28	4,332.01
ii)	5	0.65	43.48
iii)	6	680.63	5,779.87
h)	7	6.30	-
i)	8	5,709.54	6,008.22
		<u>33,521.61</u>	<u>34,385.16</u>
Total Non- Current Assets			
Current Assets			
a)	9	11,490.66	5,040.17
b)			
I)	10	8,973.44	5,600.37
ii)	11	13,299.87	13,591.83
iii)	12	13,734.78	8,066.81
iv)	13	6,345.01	3,941.13
v)	14	3,800.29	4,483.27
vi)	15	308.18	171.88
c)	16	4,954.45	4,755.15
d)	2.2	62.27	104.03
		<u>62,968.95</u>	<u>45,754.64</u>
Total Current Assets			
TOTAL ASSETS		<u>96,490.56</u>	<u>80,139.80</u>
EQUITY AND LIABILITIES			
Equity			
a)	17	89.64	89.64
b)	18	68,542.03	61,487.35
		<u>68,631.67</u>	<u>61,576.99</u>
Equity Attributable to shareholders of Company			
		-	-
Non - Controlling Interest			
		-	-
Total Equity		<u>68,631.67</u>	<u>61,576.99</u>
LIABILITIES			
Non-Current Liabilities			
a)			
I)	19	2,903.83	1,599.84
ii)	20	270.44	302.28
iii)	21	497.34	464.39

b)	Employee Benefit Obligation	22	90.82	39.44
c)	Long-Term Provisions	23	4,763.60	5,240.00
d)	Deferred Tax Liability (net)	24	1,806.73	1,261.59
e)	Other Non- Current Liabilities	25	10.13	11.73
	Total Non- Current Liabilities		<u>10,342.89</u>	<u>8,919.27</u>
	Current Liabilities			
a)	Financial Liabilities:			
	I) Short Term Borrowings	26	-	228.68
	ii) Lease Liability	27	30.10	26.21
	iii) Trade Payables			
	(a) total outstanding dues of micro and small enterprises	28	5,896.78	2,402.92
	(b) total outstanding dues of trade payable other than micro and small enterprises	28	5,866.66	3,143.56
	iii) Other Financial Liabilities	29	2,086.37	741.97
b)	Short Term Provisions	30	1,725.86	2,203.60
c)	Other current Liabilities	31	1,910.23	896.60
	Total Current Liabilities		<u>17,516.00</u>	<u>9,643.54</u>
	TOTAL EQUITY & LIABILITIES		<u>96,490.56</u>	<u>80,139.80</u>
	Notes on Financial Statements	1-68	-	-

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: 06.09.2021
UDIN: 21090809AAAACU7093

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 year ended 31.03. 2021

(Amount ₹ in Lakh)

Particulars	Note	Year Ended 31.03.2021	Year Ended 31.03.2020
INCOME			
a) Revenue from Operations	32	71,030.52	79,471.11
b) Other Income	33	4,323.76	1,423.42
Total Income		<u>75,354.28</u>	<u>80,894.53</u>
Expenses			
a) Cost of Materials Consumed	34	46,890.25	44,230.42
b) Purchases of Stock-in-trade	35	6,163.80	5,341.78
c) Change in Inventories	36	(6,296.34)	791.03
d) Employee Benefits Expense	37	4,451.01	4,379.74
e) Finance Costs	38	365.93	415.43
f) Depreciation & Amortisation Expense		2,495.99	2,532.40
g) Other Expenses	39	12,034.89	16,132.71
Total Expenses		<u>66,105.53</u>	<u>73,823.51</u>
Profit Before Share of Profit/(loss) of Associates and Joint Ventures, Exceptional Items & Tax		9,248.75	7,071.02
Share of Profit/(Loss) of Associates & Joint Ventures		(5.01)	-
Profit Before Tax & Exceptional Items		<u>9,243.74</u>	<u>7,071.02</u>
Exceptional Items:			
CSR Expenditure u/s 135 of Companies Act, 2013		195.38	176.52
Profit Before Tax		9,048.36	6,894.50
Tax Expenses			
Current Tax		1,675.00	2,203.60
Deferred Tax		531.19	(1,376.25)
Profit for the year from Continuing Operations		<u>6,842.17</u>	<u>6,067.15</u>
Other Comprehensive Income:			
Re-measurement of post-employment benefit Obligations		17.40	(38.05)
Income Tax Relating to these items		(13.96)	10.03
Other Comprehensive Income, Net of Tax		3.44	(28.02)
Total Comprehensive Income		<u>6,845.61</u>	<u>6,039.13</u>
Net Profit Attributable to:			
a) Owners to Company		6,842.17	6,067.15
b) Non - Controlling Interest		-	-
Other Comprehensive Income Attributable to:			
a) Owners to Company		3.44	(28.02)
b) Non - Controlling Interest		-	-
Total Comprehensive Income Attributable to:		<u>6,845.61</u>	<u>6,039.13</u>
a) Owners to Company		<u>6,845.61</u>	<u>6,039.13</u>
b) Non - Controlling Interest		-	-
Earnings per equity share of face value of	₹10 each	719.94	704.23
Basic and diluted (in ₹)			

Notes on Financial Statements

1-68

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: 06.09.2021

UDIN: 21090809AAAACU7093

Sd/-

(Rishi Pahwa)

Joint Managing Director

DIN: 00286399

Sd/-

(Mandeep Singh Pahwa)

Director

DIN: 00248245

Avon Cycles Limited
Consolidated Statement Of Changes In Equity

a) EQUITY SHARE CAPITAL

	(₹ in Lakh)
Particulars	Amount
Balance as on April 01, 2020	89.64
Proceeds from Issue of Shares	-
Balances as on March 31, 2021	89.64

b) OTHER EQUITY

	(₹ in Lakh)					
Particulars	Retained Earnings	General Reserve	Total	Equity attributable to shareholders of Company	Non - Controlling Interests	Total Equity
Balance as on April 01, 2020	48,520.01	12,967.40	61,487.41	61,487.41	-	61,487.41
Profit for the year	6,842.06	-	6,842.06	6,842.06	-	6,842.06
Other Comprehensive Income/ (Loss) for the year	3.44	-	3.44	3.44	-	3.44
Total Comprehensive Income for the year	6,845.51	-	6,845.51	6,845.51	-	6,845.51
Transferred to General Reserve	(500.00)	-	(500.00)	(500.00)	-	(500.00)
Transfer From Retained Earnings	-	500.00	500.00	500.00	-	500.00
Final Dividend for Financial Year 2019 - 2020 (@ Rs. 15/- per share)	(179.29)	-	(179.29)	(179.29)	-	(179.29)
Tax adjustment of earlier years	388.36	-	388.36	388.36	-	388.36
Balances as on March 31, 2021	55,074.59	13,467.40	68,541.98	68,541.98	-	68,541.98

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: 06.09.2021

UDIN: 21090809AAAACU7093

Sd/-

(Rishi Pahwa)

Joint Managing Director

DIN: 00286399

Sd/-

(Mandeep Singh Pahwa)

Director

DIN: 00248245

Avon Cycles Limited
Consolidated Cash Flow Statement For The Year Ended 31.03.2021

(Amount ₹ in Lakh)

	2020 - 2021	2019 - 2020
A. Cash Flow From Operating Activities		
Net profit before tax	9048.25	6894.66
Adjustments for :		
Interest expenses	282.54	322.02
Depreciation and Amortisation on PPE	2448.01	2,532.39
Profit/ Loss on Sales/ Fair Valuation of Investment	(2,849.23)	535.32
Profit on Sales of Fixed Assets	(76.77)	(20.55)
Loss on sale of Fixed Assets	-	-
Interest Received	(1072.25)	(814.41)
Dividend Received	(16.98)	(15.19)
(Profit)/loss on Share Trading	(505.26)	113.47
Other Non-Operating Income	(46.47)	(145.33)
Other Comprehensive Income	3.44	(28.02)
Prior Period Adjustment	0.00	-
Rent	(220.99)	(341.66)
Operating profit before working capital changes	<u>6994.29</u>	<u>9032.70</u>
Adjustments for :		
Trade Receivables	291.97	2183.49
Inventories	(6450.50)	510.40
Loan & Advances	725.81	(936.22)
Other Financial Assets	4962.94	(5049.95)
Other Assets (excluding Advance Tax)	(991.42)	(1399.40)
Trade Payables	6216.95	(1636.78)
Other Financial Liabilities	1349.40	269.17
Provisions (Excluding Provision of Income Tax)	102.24	38.92
Other Liabilities	1557.17	(1212.12)
Cash generations from operation	<u>14758.86</u>	<u>1800.21</u>
Taxes Paid	(1689.00)	(1171.47)
Net Cash from operating activities (A)	<u>13069.86</u>	<u>628.74</u>
B. Cash Flow From Investing Activities		
Purchase of Fixed Assets	(4852.64)	(1512.47)
Purchase of Investment	(5693.25)	2828.31
Sale of Fixed Assets	223.24	271.65
Interest Received	1072.25	814.41
Dividend Received	16.98	15.19
Profit/Loss on Sales of Investment	2849.23	(535.32)
Profit/Loss on Share Trading	505.26	(113.47)
Other Non-Operating Income	46.47	145.33
Rent Received	220.99	341.66
Net Cash From Investing Activities (B)	<u>(5611.47)</u>	<u>2255.29</u>
C. Cash Flow From Financing Activities		
Interest Paid	(282.54)	(322.02)
Dividend Paid	(179.29)	(134.47)
Dividend Distribution Tax Paid	0.00	(27.91)

(Amount ₹ in Lakh)

	2020 - 2021		2019 - 2020	
Proceeds/(Repayments) of/from loan funds	1075.30	613.47	(1291.10)	(1775.50)
Net Cash From Financing Activities (C)		<u>613.47</u>		<u>(1775.50)</u>
Total (A + B + C)		8071.86		1108.53
Cash & Cash Equivalents as on 01/04/20		12007.93		10899.40
Cash & Cash Equivalents as on 31/03/21		20079.79		12007.93

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

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: 06.09.2021

UDIN:21090809AAAACU7093

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, 2021

BACKGROUND

The Consolidated Financial Statements comprise financial statements of “Avon Cycles Limited” (“the Holding Company” or “The Company”) and its subsidiary i.e. M/s Avon Newage Cycles Pvt. Ltd.(collectively referred to as “the Group”) for the year ended 31st March, 2021. The Holding Company is a closely held company limited by shares, incorporated and domiciled in India. The Company is engaged in diversified businesses primarily The principal activities of Group is dealing in manufacturing of Bicycle & Cycle Parts, E-Bikes, E-Rickshaws and Power & Real Estate.

1) SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation:

i) Compliance with Ind As:

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 ammended 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) Principles for Consolidation:

- i) The financial statements of the Holding Company and its subsidiaries are combined on a line-by-line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intragroup transactions.
- ii) Profits or losses resulting from intra-group transactions that are recognised in assets, such as Inventory and Property, Plant and Equipment, are eliminated in full.
- iii) The audited financial statements of subsidiaries/associates have been prepared in accordance with Ind AS.
- iv) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.
- v) The carrying amount of the parent's investment in subsidiary is offset (eliminated) against the parent's portion of equity in subsidiary.
- vi) Investment in Associates and Joint Ventures has been accounted under the Equity Method as per Ind AS 28 – Investments in Associates and Joint Ventures.

- vii) The Group accounts for its share of post acquisition changes in net assets of associates and joint ventures, after eliminating unrealised profits and losses resulting from transactions between the Group and its associates and joint ventures.
- viii) Non-Controlling Interest's share of profit/loss of consolidated subsidiaries for the year is identified and adjusted against the income of the Group in order to arrive at the net income attributable to shareholders of the Company.
- ix) Non-Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet.

c) 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).

d) 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.

e) 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.

f) 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.

g) 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.

Transition:

Effective April 1, 2019, the group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. In respect of leases previously classified as an operating lease applying Ind AS 17, the group adopts the transition option to recognise Right-of-Use asset (ROU) at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before transition option to recognise Rightof- Use asset (ROU) at an amount equal to the lease liability, on the date of initial application. Consequently, the group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹349.03 Lakh and a lease liability of ₹349.03 Lakh. Further, in respect of leases which were classified as operating leases, applying Ind AS 17, ₹221.83 lakh has been reclassified from "PPE" to "Right of Use Asset". The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 9.50%.

h) 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.

i) 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.

j) 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.

k) 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.

I) 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).

m) 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.

n) 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.

o) 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.

p) 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.

q) 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.

r) 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.

s) 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 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.

t) 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)
- 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.

u) 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.

v) 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.

w) 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.

x) 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.

y) Applicability of New and Revised Ind As:

On March 24, 2021, the Ministry of Corporate Affairs (“MCA”) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

z) Balance Sheet:

- a) Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- b) Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- c) Specified format for disclosure of shareholding of promoters.

- d) Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- e) If a group has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- f) Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of group, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of Profit & Loss:

- a) Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the Consolidated financial statements.

The amendments 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 31.03.2021

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET CARRYING AMOUNT	
	As on 31.03.2020	Additions/ Trfd./ Adjustment	Sale/Trfd. / Adjustment	Total as on 31.03.2021	Upto 31.03.2020	For the year	Sale/ Trfd.	Upto 31.03.2021	As on 31.03.2021	As on 31.03.2020
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Freehold Land	623.12	901.78	-	1,524.90	-	-	-	-	1,524.90	623.12
Factory Buildings	3,653.97	-	-	3,653.97	1,647.19	202.31	-	1,849.50	1,804.47	2,006.78
Other Buildings	143.07	-	-	143.07	83.09	3.47	-	86.56	56.51	59.98
Plant & Machinery	23,722.71	3,443.96	-	27,166.67	14,455.26	1,911.96	-	16,367.22	10,799.45	9,267.45
Furniture and Fixtures	325.90	3.29	0.20	328.99	242.48	21.91	0.19	264.20	64.79	83.42
Office Equipment	312.36	22.67	1.66	333.37	242.22	20.58	1.38	261.42	71.95	70.14
Computer Equipment	421.67	7.39	224.04	205.02	343.72	36.06	216.40	163.38	41.64	77.95
Vehicles	728.02	148.79	180.67	696.14	306.91	132.15	126.68	312.38	383.76	421.11
Total	29,930.82	4,527.88	406.57	34,052.13	17,320.87	2,328.44	344.65	19,304.66	14,747.47	12,609.95

Note: Freehold Land includes Land of value Rs. 6.40 Lac and Factory Building includes Factory Building of value Rs. 1478.51 Lac hypothicated to Banks on Pari Passu Charge Basis.

2.1 INVESTMENT PROPERTIES AS ON 31.03.2021

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET CARRYING AMOUNT	
	As on 31.03.2020	Additions/ Trfd./ Adjustment	Sale/Trfd. / Adjustment	Total as on 31.03.2021	Upto 31.03.2020	For the year	Sale/ Trfd.	Upto 31.03.2021	As on 31.03.2021	As on 31.03.2020
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Freehold Land	992.58	69.31	40.75	1,021.14	-	-	-	-	1,021.14	992.58
Buildings	2,687.69	-	2.86	2,684.83	652.46	104.52	0.84	756.14	1,928.69	2,035.23
Total	3,680.27	69.31	43.61	3,705.97	652.46	104.52	0.84	756.14	2,949.83	3,027.81

Note: Freehold Land includes Land of value 350.94 Lakh and Buildings of Value 1904.95 Lakh hypothicated to Banks on Pari -Passu Charge Basis.

2.2 INVESTMENT PROPERTIES HELD FOR SALE AS ON 31.03.2021

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET CARRYING AMOUNT	
	As on 31.03.2020	Additions/ Trfd./ Adjustment	Sale/Trfd. / Adjustment	Total as on 31.03.2021	Upto 31.03.2020	For the year	Sale/ Trfd.	Upto 31.03.2021	As on 31.03.2021	As on 31.03.2020
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Freehold Land	87.78	-	31.98	55.80	-	-	-	-	55.80	87.78
Building	18.65	-	11.39	7.26	2.40	-	1.61	0.79	6.47	16.25
Total	106.43	-	43.37	63.06	2.40	-	1.61	0.79	62.27	104.03

Note: 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, 2021. The Company has received an advance of Rs. 21.71 Lakh shown in Other Current Liabilities (Schedule No. 31)

2.3 INTANGIBLE ASSETS AS ON 31.03.2021

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET CARRYING AMOUNT	
	As on 31.03.2020	Additions/ Trf/ Adjustment	Sale/Trfd. Adjustment	Total as on 31.03.2021	Upto 31.03.2020	For the year	Sale/ Trfd.	Upto 31.03.2021	As on 31.03.2021	As on 31.03.2020
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Softwares	382.44	3.91	-	386.35	335.47	9.90	-	345.37	40.98	46.97
Trade marks	20.15	7.08	-	27.23	6.19	5.15	-	11.34	15.89	13.96
Total	402.59	10.99	-	413.58	341.66	15.05	-	356.71	56.87	60.93

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

On transition, the adoption of the new standard resulted in recognition of Right of Use Asset of Rs. 349.03 Lakh and Lease Liability of Rs. 349.03 Lakh. Further, in respect of leases which were classified as operating leases, applying IndAs 17, Rs. 221.83 Lac has been reclassified from "Non Current/ Current Assets to Right of Use Asset" from prepaid operating lease rentals. In Consolidated financial statements for year ended March 31, 2020, the nature of expenses in respect of operating leases has changed from lease rent in previous period to amortisation of Right of Use asset and finance cost incurred for lease liability. The effect of this adoption is insignificant on the profit before tax, profit for the period and earning per share. Ind As 116 will result in cash inflow from operating activities and an increase in cash outflow from financing activities on account of lease payments.

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 st 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

Following are the changes in the carrying value of right of use (ROU) assets for the year ended March 31, 2020:

(₹ in lakh)

	Land	Building	Total As on 31 st March, 2021
Balance as on April 01, 2019	2.14	346.90	349.04
Adjustments in Opening Balance	221.83	-	221.83
Addition	-	-	-
Deletion	-	-	-
Depreciation	7.21	41.68	48.89
Balance as on March 31, 2020	216.76	305.22	521.98

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, 2021

Particulars	(₹ in lakh)	(₹ in lakh)
	As at 31 st March, 2021	As at 31 st March, 2020
Non - Current Lease Liabilities	270.44	302.28
Current Lease Liabilities	30.10	26.21
Total Lease Liabilities	<u>300.54</u>	<u>328.49</u>

Following is movement in Lease Liabilities during year ended March 31, 2021

Particulars	(₹ in lakh)	(₹ in lakh)
	As at 31 st March, 2021	As at 31 st March, 2020
Balance in Beginning	328.49	349.03
Adjustments in Opening Balance	(2.59)	-
Finance Cost accrued during the period	30.96	33.16
Payment of Lease Liabilities	56.32	53.70
Balance at the End	<u>300.54</u>	<u>328.49</u>

The table below provide details regarding the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis:

Particulars	(₹ in lakh)	(₹ in lakh)
	As at 31 st March, 2021	As at 31 st March, 2020
Less than One Year	58.65	53.70
One to Five Years	258.97	275.28
More than Five years	132.51	233.93
Total	<u>450.13</u>	<u>562.91</u>

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

Particulars	(₹ in lakh)	(₹ in lakh)
	As at 31 st March, 2021	As at 31 st March, 2020
Depreciation Expense on Right to Use Asset	47.98	48.89
Interest Expense on Lease Liabilities	30.96	33.16
Expense relating to Low Value and Short Term Leases (included in other Expenses)	2.69	0.03
Total Amount recognised in profit and Loss account	<u>81.63</u>	<u>82.08</u>

(₹ in lakh)

4. NON- CURRENT INVESTMENTS	As at		As at	
Non-current investments consist of the following :	31 st March, 2021		31 st March, 2020	
INVESTMENTS CARRIED AT FVTPL				
a) INVESTMENTS QUOTED	Units/Shares		Units/Shares	
(i) Investment in equity/ Pref. shares (quoted)				
Bihar Sponge Ltd of Rs.10 each	100	-	100	0.02
Steel Strips Tubes Ltd. of Rs.10 each-	500	0.02	500	0.04
Indian Acrylic Ltd of Rs.10 each	6,000	0.60	6,000	0.91
Super Poly Fabrics Ltd. of Rs.10 each	3,900	0.39	3,900	0.39
Munjhal Auto Industries Ltd of Rs.10 each	1,000	0.54	1,000	0.26
Shivam Autotech Limited of Rs.10 each	1,000	0.18	1,000	0.09
TV Today Network Ltd of Rs.10 each	600	1.59	600	1.00
NDTV Ltd. of Rs.10 each	1,700	0.96	1,700	0.43
NTPC Ltd. of Rs.10 each	16,591	17.68	16,591	13.97
NHPC Ltd. of Rs.10 each	5,034	1.23	5,034	1.00
Punjab National Bank of Rs.10 each	2,355	0.86	2,355	0.76
Bank of Baroda of Rs.10 each	1,427	1.06	1,427	0.76
Jet Airways (India) Limited of Rs.10 each	355	0.33	355	0.05
Tech Mahindra Ltd of Rs.10 each	892	8.84	892	5.04
Reliance Power Ltd of Rs.10 each	1,192	0.05	1,192	0.01
Karur Vyasa Bank of Rs.10 each	816	0.45	816	0.17
Zee Entertainment Pvt. Ltd.	6,50,000	12.35	6,50,000	19.18
Yes Bank Ltd.	1,00,000	15.60	-	-
		<u>62.73</u>		<u>44.08</u>
b) INVESTMENTS UNQUOTED				
(i) Investment in equity shares of Associate Companies:				
Avon Infrabiz Pvt. Ltd.	1,50,00,100	1,495.00	-	-
		<u>1,495.00</u>		<u>-</u>
(ii) Investment in other equity/preference shares:				
a) Fully Paid up shares:				
Pahwa Estates & Holdings (Pvt) Ltd of Rs.100 each	100	2.37	100	2.23
Nimbua Greenfield (Punjab) Ltd of Rs.10 each	84,375	122.48	84,375	119.23
NSE Ltd. of Rs. 1 each	51,000	601.80	-	-
b) Unpaid shares:				
Greenpedia Bikeshare Pvt. Ltd. of Rs. 10/- each	790	187.46	-	-
		<u>914.11</u>		<u>121.46</u>
(iii) Investment in debentures and bonds (unquoted)				
Arch Agro Industries Pvt. Ltd.	-	-	305	6.25
CRSL MLD Series 1 Type IV- 12.01.2012	-	-	30	30.00
		<u>-</u>		<u>36.25</u>

(iv) **Investment in AIF/ Real Estate and Pvt. Equity funds(unquoted)**

ICICI Ventures Pvt. Equity Fund	2,560	10.14	2,560	6.45
Kaizen Domestic Scheme-I	100	20.92	100	26.42
India Reit Fund	-	-	27	26.99
Aditya Birla Private Equity Class A Unit	200	0.19	200	0.19
TVS Shriram Growth -Sch IB	1	45.86	1	55.60
Kotak Alternative Opportunity India Fund	-	5.09	-	2.89
Kotak India Growth Fund-II	200	23.25	200	50.60
Kotak India Venture Fund- I	16,000	12.53	16,000	14.57
IIFL Income Opportunity Fund - Spl Situation Fund	9,38,541	12.74	9,38,541	20.51
Peninsula Brookfield India Real Estate Fund	282	21.27	282	52.23
Baring Private Equity India AIF	200	316.63	200	229.93
India Whizdom Fund	-	45.60	-	402.77
Avendus Absolute Return Fund	-	124.91	-	116.36
Edelweiss Crossover Opportunities Fund	5,28,920	89.19	8,65,714	82.26
Avendus Enhanced Return Fund - Class A1	-	246.34	-	166.84
White Oak India Equity Fund	9,49,884	163.97	9,49,884	89.70
IIFL Special Opportunities Fund Series-7	9,73,276	133.18	9,73,276	88.11
Birla AIF India Small & Midcap Gems Fund	-	-	3,00,000	244.77
IIFL Focussed Equity Strategies Fund	-	-	7,66,353	77.85
Motilal Oswal Focussed Business Advantage Fund	10,00,000	157.47	10,00,000	95.22
Samyakh Leasing Service LLP	-	25.00	-	55.56
IIFL Select Series - II	12,00,000	160.35	12,00,000	107.57
Axis Rera Opportunities Fund - AIF series -I	98	106.41	65	66.11
Sundaram India Premier Fund	29,558	406.67	29,558	283.66
IIFL India Private Equity Fund - Series	5,00,285	65.60	-	-
Mindspace Business Parks - REIT	11,800	34.79	-	-
ICICI Prudential Emerging Dominance Fund	29,350	30.74	-	-
Kotak Optimus Aggressive Scheme - Class	207	251.04	-	-
India Whizdom Fund - II	25,00,000	249.83	-	-
		<u>2,759.71</u>		<u>2,363.16</u>

(vi) **Investment in Mutual Funds (Unquoted)**

HDFC Banking and PSU Debt Fund-Reg Plan-Growth	16,04,353	286.18	-	-
HDFC Banking and PSU Debt Fund-Direct Growth Option	4,89,881	89.40	-	-
Kotak India Growth Fund Series -5	-	-	19,60,000	139.04
		<u>375.58</u>		<u>139.04</u>

INVESTMENTS CARRIED AT AMORTISED COST:

(i) **Investment in Mutual Funds (Unquoted)**

DSP BR FMP- Sr227-39M-Reg- Gr Mat 27.5.21	-	-	10,00,000	115.33
DSP BR FMP- Sr227-39M-D-Reg- Gr-Mat 27.5.21	-	-	30,00,000	347.30
ICICI Pru Sr 82-1170 days PlanR DR Com 08Jul21	-	-	30,00,000	347.04
HDFC FMP 1177D Mar2018(1) Sr 39 - D-Gr	-	-	35,00,000	410.88
HDFC FMP 1177D Mar2018(1) Sr 39 -D-Gr	-	-	15,00,000	176.09
UTI FTI Series XXVIII-XIII(1134 d)- Dir Gr Plan	-	-	10,00,000	117.53
ABSL Fixed Term Plan - Series QG (1100 days)- Reg.	-	-	10,00,000	113.85
		<u>-</u>		<u>1,628.02</u>

(ii) **Investment in debentures and bonds (unquoted)**

Bharat Bond FOF - April 2031- Reg Plan - Growth	99,99,500	1,045.15	-	-
		<u>1,045.15</u>		<u>-</u>

TOTAL NON-CURRENT INVESTMENTS

6,652.28 4,332.01

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

5	LONG TERM LOANS & ADVANCES	(₹ in lakh) As at 31st March, 2021	(₹ in lakh) As at 31st March, 2020
	Long term loan and advances consist of the following :-		
a)	Unsecured, considered good Other Loans & Advances	0.65 <hr/> 0.65	43.48 <hr/> 43.48
	Other Loans & Advances includes:- Margin Money	0.65	43.48
6	OTHER FINANCIAL ASSETS	(₹ in lakh) As at 31st March, 2021	(₹ in lakh) As at 31st March, 2020
	Other Financial assets consist of the following :-		
	Other Financial Assets	680.63 <hr/> 680.63	5,779.87 <hr/> 5,779.87
	Other Financial Assets consists of: - Bank Deposits with more than 12 months maturity	<hr/> 680.63	<hr/> 5,779.87
7	EMPLOYEE PLANNED ASSETS	(₹ in lakh) As at 31st March, 2021	(₹ in lakh) As at 31st March, 2020
	Employee Planned assets consist of the following :-		
	Employee Planned Assets	6.30 <hr/> 6.30	- <hr/> -
8	OTHER NON CURRENT ASSETS	(₹ in lakh) As at 31st March, 2021	(₹ in lakh) As at 31st March, 2020
	Other non current assets consist of the following :-		
	(i) Security deposits	84.29	62.59
	(ii) Advance tax (including refunds receivable)	5,520.75	5,872.11
	(iii) Advances to Related Parties	-	-
	(iv) Other loans and advances	104.50 <hr/> 5,709.54	73.52 <hr/> 6,008.22
	Other Loans & Advances Consists of:		
	- Deferred Revenue Expenditure	1.64	9.20
	- Prepaid Expenses	65.71	58.95
	- Preliminary Expenses	0.26	-
	- Pre - Operative Expenses	24.54	-

9	INVENTORIES	(₹ in lakh)	(₹ in lakh)
		As at	As at
	Inventories consist of the following :	31 st March, 2021	31 st March, 2020
	Raw Materials	295.38	201.85
	Work-in-progress	270.49	251.61
	Finished Goods	9,914.53	3,487.40
	Stores & Spares	206.56	222.14
	Stock in trade	54.31	203.99
	Securities Stock	749.39	673.18
		<u>11,490.66</u>	<u>5,040.17</u>

10	CURRENT INVESTMENTS	(₹ in lakh)	(₹ in lakh)
	Current investments consist of the following :	As at	As at
		31st March, 2021	31st March, 2020

INVESTMENTS CARRIED AT FVTPL

i) Investment in shares (quoted)	<u>Units/Shares</u>		<u>Units/Shares</u>	
ACC Limited	656	12.49	656	6.35
Aavas Financiers Ltd.	208	5.03	-	-
Aegis Logistics Ltd	3,023	9.01	2,907	4.05
Aditya Birla Fashion & Retail Ltd.	903	1.82	903	1.38
Alkem Laboratories Ltd.	66	1.83	338	7.86
APL Apollo Tubes Ltd.	783	10.97	-	-
Asahi India Glass Ltd.	3,018	9.35	2,540	3.97
Aster DM Healthcare Limited	5,679	7.81	5,353	5.09
AU Small Finnace Bank Ltd.	496	6.08	103	0.52
Axis Bank Ltd.	1,919	13.38	1,831	6.94
Bajaj Finance Ltd.	-	-	268	5.94
Balaji Amines Ltd.	394	6.93	450	1.13
Balrampur Chini Mills Ltd.	1,941	4.16	2,219	2.31
Bank of Baroda	-	-	739	0.40
Bank of India	-	-	-	-
Bayer Cropscience Limited	41	2.19	112	3.87
Bharat forge Ltd.	454	2.71	1,650	3.88
Bharat Petroleum Corporation Ltd.	764	3.27	-	-
Bharti Airtel Ltd	2,363	12.22	1,070	4.72
Birla Corporation Ltd	194	1.84	-	-
Blue Star Ltd.	1,096	10.24	1,053	4.84
Bosch Ltd	25	3.52	68	6.39
Brigade Enterprises Ltd.	4,960	13.76	3,526	4.59
Cadila Healthcare Ltd.	605	2.67	605	1.62
Camlin Fine Sciences Ltd	5,246	7.37	7,443	2.90
Canfin Homes Ltd.	-	-	71	0.20
Central Depository Services (India) Limited	571	3.75	926	1.99
City Union Bank Ltd	-	-	6,971	9.00
Cipla Ltd	1,110	9.05	2,634	11.14
Colgate Palmolive (India) Limited	217	3.38	589	7.38
Container Corporation of India Ltd	486	2.91	1,317	4.37
Crompton Greaves Consumer Electrical Ltd.	888	3.49	-	-
Cummins India Ltd.	348	3.20	943	3.08
Deepak Fertilizers & Pharmaceuticals Corp. Ltd.	1,021	2.31	1,021	0.77
Deepak Nitrite Ltd.	509	8.43	-	-
Dr. Reddy's Laboratories Ltd.	94	4.25	94	2.93
Eicher Motors Ltd.	240	6.25	65	8.51

Engineers In	-	-	1,950	1.17
Emami Limited	772	3.75	1,744	2.96
Equitas Holdings Ltd.	1,894	1.65	1,894	0.81
Federal Bank Ltd	-	-	7,724	3.17
Gati Ltd.	2,148	2.20	-	-
Gland Pharma Ltd.	223	5.53	-	-
Geojit BNP Paribas Financial Services Ltd.	-	-	3,044	0.55
Glaxosmithkline Consumer Healthcare Ltd	-	-	109	10.87
Godrej Industries Ltd.	753	4.11	2,043	5.78
Godrej Agrovet Limited	-	-	1,222	4.49
Granuels India Ltd.	1,707	5.18	-	-
HDFC Bank Ltd	918	13.71	1,125	9.70
HDFC Life Insurance Co. Ltd.	-	-	80	0.35
Heidelberg Cement India Ltd.	-	-	1,162	1.65
Hindustan Petroleum Corporation Ltd	1,114	2.61	3,021	5.74
ICICI Bank Ltd	5,369	31.25	7,591	24.58
ICICI Lombard General Insurance Co. Ltd.	624	8.94	98	1.06
IIFL Finance Ltd.	1,336	3.75	-	-
Indian Energy Exchange Ltd	1,457	4.85	1,513	1.94
Infosys Ltd	575	7.87	-	-
Inox Leisure Ltd.	2,366	6.75	1,939	5.09
IPCA lab Ltd.	275	5.24	904	12.59
ITC Ltd.	1,207	2.64	-	-
J & K Bank	-	-	4,660	0.58
Jamna Auto Industries Ltd.	8,261	5.56	-	-
Jindal Saw Ltd.	2,941	2.18	2,941	1.35
JB Chemicals & Pharma Ltd.	-	-	1,008	5.13
K R B L Ltd.	965	1.73	875	1.18
Kotak Mahindra Bank Ltd	770	13.50	2,725	35.32
L & T Technology Services Ltd.	263	6.98	713	8.28
Larsen & Toubro Infotech Ltd	66	2.68	-	-
Larsen & Toubro Ltd.	127	1.80	-	-
Lumax Auto Technologies Ltd.	2,550	4.14	2,550	1.27
M. M Forgings Ltd.	54	0.27	-	-
Maruti Suzuki India Ltd.	-	-	118	5.06
Max Financial Services Ltd.	947	8.14	2,568	9.88
Mayur Uniquoters Ltd.	804	3.35	-	-
Motherson Sumi System Ltd	6,146	12.38	6,146	3.75
Marico Ltd.	2,864	11.78	2,864	7.87
Muthoot Finance Ltd.	343	4.14	397	2.43
Neogen Chemicals Ltd.	678	5.86	-	-
Orient Electric Ltd.	2,822	8.79	2,822	5.54
Orient Paper & industries Ltd	-	-	2,822	2.24
Page Industries Ltd.	22	6.67	110	18.66
Pheonix Mills Ltd.	723	5.66	-	-
PNC Infratech Limited	982	2.53	-	-
Ploycab India Ltd.	340	4.69	-	-
Prism Jhonson Ltd.	3,965	5.20	-	-
Quess Corp Ltd.	808	5.65	-	-
RBL Bank	1,697	3.52	-	-
Radico Khaitan Ltd.	817	4.58	-	-

Reliance Industries Ltd	550	11.02	616	6.86
S P Apparels	3,215	4.92	2,535	1.53
SBI Cards & Payment Services Ltd.	-	-	30	0.19
SBI Life Insurance Co. Ltd.	1,200	10.57	1,155	7.40
Shilpa Medicare Ltd.	536	1.79	717	1.75
SRF Ltd.	-	-	49	1.36
State Bank of India	3,691	13.45	1,466	2.89
Steel Authority of India Ltd.	3,946	3.11	-	-
Surya Roshni Ltd.	916	3.16	916	0.58
Sun Pharmaceuticals Industries Ltd	1,830	10.94	1,689	5.95
Suprajit Enginnering Limited	3,507	9.66	2,618	2.95
Tanla Platforms Ltd.	367	3.00	-	-
Tata Chemicals Ltd.	1,303	9.80	1,498	3.35
Tata Consultancy Services Ltd.	425	13.51	-	-
Tata Consumer Products Limited	-	-	1,707	5.03
Tata Elxsi Ltd.	285	7.67	285	1.79
Tech Mahindra Ltd	524	5.20	1,220	6.90
Trent Ltd.	560	4.21	-	-
Time Technoplast Ltd.	-	-	455	0.11
Ujjivan Financial Services Ltd.	-	-	734	0.20
United Breweries Ltd	762	9.46	716	6.58
Vaibhav Global Ltd.	171	6.55	-	-
VST Tillers Tractors Ltd	-	-	673	4.50
Voltas Ltd.	1,694	16.97	4,592	21.90
Westlife Development Ltd.	1,169	5.37	-	-
Wipro Ltd.	1,537	6.37	-	-
		594.21		410.98

ii) Investment in mutual funds (unquoted)

ICICI Pru Liquid - Reg Plan - Daily Div	38	0.04	36	0.04
ICICI Corp Bond Fund Reg Plan Growth	-	-	5,39,292	168.90
ICICI Pru Short Term Fund - Direct Plan - Growth	3,72,070	180.90	-	-
ICICI Pru Balanced Advantage Fund- Growth	3,04,101	134.53	3,04,101	92.96
ICICI Prudential Blue Chip Fund	90,387	48.47	55,435	17.62
ICICI Prudential Focussed Equity Fund - Growth	1,55,452	61.36	1,55,452	35.24
ICICI Prudential Short Term - Growth Option	36,572	16.77	36,572	15.42
ICICI Liquid Plan Growth	3,772	11.43	3,772	11.03
ICICI Prudential Credit Risk Fund Growth	-	-	5,75,348	125.13
ICICI Pru Regular Saving Fund - Direct Plan- Growth	26,17,376	661.62	26,17,376	605.87
ICICI Prudential FMP Series 82 - 1135 days Plan - V Commulative	10,00,000	124.03	10,00,000	115.18
ICICI Prudential Value Fund Series 13 Dividend	-	-	1,99,990	15.32
ICICI Prudential Banking and PSU Debt Fund - Growth	88,665	22.15	88,665	20.54
ICICI Prudential Short Term Fund - Growth	3,90,798	179.23	97,408	41.08
ICICI Prudential Short Term Fund - Direct plan - Growth	3,01,553	146.61	3,01,553	133.79
ICICI Pru Banking & PSU Debt Fund - Direct Plan - Growth	3,47,908	89.12	3,47,908	82.26
ICICI Prudential Liquid Fund	-	-	1,05,106	135.96

ICICI Prudential Liquid Fund	-	-	-	-
ICICI Pru Short Term Fund - Direct Plan - Growth	3,01,623	146.65	-	-
ICICI Prudential Liquid Fund - Growth	79,034	239.51	-	-
ICICI Prudential Liquid Fund - Direct Plan - Growth	6,703	20.43	-	-
ICICI Prudential Liquid Fund - Direct Plan - Growth	38,046	115.94	-	-
Reliance Regular Fund Saving Fund - Debt- Growth	-	-	18,71,828	428.12
Reliance India Short Term Fund - Growth	11,19,402	456.66	-	-
Invesco India Growth India Opp. Fund - Growth (GF-GP)	80,808	35.17	80,808	21.83
UTI Hybird Eq. Fund - Growth	66,376	136.72	66,376	84.71
UTI Core Equity Fund	2,74,631	216.89	2,74,631	115.69
UTI Long Term Advantage - Series VI- Regular - Gr.	3,10,850	32.72	3,10,850	18.15
UTI Value Opportunities Fund - Reg - Growth	1,81,209	150.22	1,81,209	85.23
UTI Focussed Equity Fund Series IV (1104 days) Reg Gr	-	-	5,00,000	38.30
UTI Mfd Focussed Eq Fund SR-V (1102d) reg growth	-	-	10,00,000	74.33
UTI Liquid Cash Plan - Reg Plan- Gr	2,713	90.95	-	-
UTI Flexi Cap Fund- Regular - Growth	12,975	27.56	-	-
UTI Healthcare Fund - Reg Plan- Gr	18,303	25.51	-	-
UTI Small Cap Fund - Reg Plan - GR	2,51,079	27.85	-	-
UTI Equity Fund	5,000	7.41	5,000	0.50
Birla Sun Life Cash Manager - Regular Plan - Growth	21	0.11	21	0.10
Birla Sun Life Advantage Fund - Growth Plan - Reg	8,781	47.52	8,781	26.31
ABSL Frontline Equity Fund - Reg - Growth	17,136	48.13	10,382	17.14
Kotak Money Market Scheme- Growth- Regular	331	11.48	331	10.92
Kotak Equity Fund Growth - Reg Plan	71,434	40.99	71,434	21.10
Kotak Income Opportunities Fund - Growth	-	-	4,94,848	108.62
Kotak India Growth Fund - Series 5- Reg Plan	19,60,000	285.18	-	-
Kotak Bond Fund (Short Term) - Reg - Growth	2,76,522	112.97	-	-
Kotak Liquid Fund - Growth - Direct	1,159	48.21	-	-
HDFC Credit Risk Debt Fund - Reg Plan - Growth	-	-	14,90,480	248.11
HDFC Mid Term Opportunities Reg Plan - Growth	42,07,736	1,048.90	42,07,736	964.16
HDFC Capital Builder Value Fund - Reg- Growth	899	3.14	899	1.76
HDFC Equity Fund - Reg - Growth	4,109	32.77	4,109	18.81
HDFC Small Cap Fund - Reg Plan - Growth	62,868	33.23	62,868	16.34
HDFC Banking and PSU Debt Fund - Reg Plan - Growth	-	-	1,24,564	20.58
HDFC Banking and PSU Debt Fund - Direct Growth Option	-	-	4,89,881	82.42
HDFC Low Duration Fund - Reg Plan - Growth	1,04,172	46.89	-	-
Axis Credit Risk Fund - Reg - Growth	-	-	31,45,025	476.97
Axis Short Term Fund - Regular Growth	21,25,315	507.81	-	-
Axis Liquid Fund - Growth	3	0.07	3	0.07
Axis Banking & PSU Debt Fund - Direct Growth(BD-DG)	4,225	88.63	4,225	82.00
Axis Banking & PSU Debt Fund - Regular Growth(BD-GP)	1,072	22.07	1,072	20.48
Axis Focused 25 Fund - REGULAR GROWTH(AF-GP)	1,01,047	37.87	1,01,047	23.63
Axis Liquid Fund - Regular Growth(CF-GP)	933	21.21	933	20.48
IDFC Infrastructure Direct - Growth	-	-	1,66,767	16.78
IDFC Banking & PSU Debt Fund - Reg - Growth	1,16,158	22.34	1,16,158	20.61
IDFC Banking & PSU Debt Fund - Direct Plan - Growth	4,59,382	89.77	4,59,382	82.52
Principal Balanced Fund - Reg - Growth	1,59,922	150.18	1,59,922	99.79
Principal Small Cap Fund - Reg - Growth	3,00,000	48.24	3,00,000	23.61
Principal Short Term Debt Fund - Reg Plan-- Growth	8,851	3.04	8,851	2.83
Principal Focussed Multicap Fund- Regular Plan Growth	2,10,001	186.73	2,10,001	115.12
Principal Balanced Advantage Fund - Reg - Growth	5,60,619	129.56	5,60,619	106.35
Principal Focussed Multicap Fund- Direct- Growth	69,696	65.67	69,696	40.15
Pricipal Focussed Multicap Fund - Direct Plan - Growth	38,272	36.06	38,272	22.04
SBI Blue Chip Fund- Regular- Growth	92,800	48.06	55,105	16.39
		6,623.28		5,189.39

INVESTMENTS CARRIED AT AMORTISED COST:**(i) Investment in Mutual Funds (Unquoted)**

DSP BR FMP- Sr227-39M-Reg- Gr Mat 27.5.21	10,00,000	123.81	-	-
DSP BR FMP- Sr227-39M-D-Reg- Gr-Mat 27.5.21	30,00,000	373.52	-	-
ICICI Pru Sr 82-1170 days PlanR DR Com 08Jul21	30,00,000	373.07	-	-
HDFC FMP 1177D Mar2018(1) Sr 39 - D-Gr	35,00,000	444.99	-	-
HDFC FMP 1177D Mar2018(1) Sr 39 -D-Gr	15,00,000	190.71	-	-
UTI FTI Series XXVIII-XIII(1134 d)- Dir Gr Plan	10,00,000	127.35	-	-
ABSL Fixed Term Plan - Series QG (1100 days)- Reg.	10,00,000	122.50	-	-
		<u>1,755.95</u>		<u>-</u>

TOTAL CURRENT INVESTMENTS**8,973.44****5,600.37**

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

11 TRADE RECEIVABLES (Unsecured)**(₹ in lakh)****(₹ in lakh)**

Trade receivable consist of the following :-

As at**As at****31st March, 2021****31st March, 2020****a) Receivable from Related Parties**

- Unsecured, considered good

51.37**39.94****b) Receivable from Others****i) Unsecured, Considered good****13,248.50****13,551.89****ii) Considered Doubtful****253.36****214.00**

Less:

Allowance for Doubtful Receivables

(253.36)**(214.00)****13,299.87****13,591.83****12 CASH AND CASH EQUIVALENTS****(₹ in lakh)****(₹ in lakh)**

Cash and Cash Equivalents consist of the following :-

As at**As at****31st March, 2021****31st March, 2020**

Cash & cash equivalents

i) Balances with banks

In current accounts

1,013.92**678.81**

In cash credit accounts

1,675.08**2,932.10****(ii) Cheques on hand****61.51****57.17****(iii) Cash on hand****4.74****5.50****(iv) Imprest Balances****2.48****7.73****(v) Imprest Balances - Related Parties****-****0.02****(vi) Highly Liquid Investment with maturity of three months or less****10,977.05****4,385.48****13,734.78****8,066.81**

13 OTHER BALANCES WITH BANKS	(₹ in lakh)	(₹ in lakh)
Other Balances with Banks consist of the following :-	As at	As at
	31st March, 2021	31st March, 2020
Other bank balances consists of following:		
- Short - Term Bank Deposits	6,345.01	3,941.13
	<u>6,345.01</u>	<u>3,941.13</u>
14 SHORT TERM LOANS AND ADVANCES	(₹ in lakh)	(₹ in lakh)
Short term loans and advances consist of the following :	As at	As at
	31st March, 2021	31st March, 2020
a) Secured, considered good		
Loans and advances to employees	121.94	74.88
b) Unsecured, considered good	-	-
(i) Advances to Related Parties	-	-
(ii) Other loans and advances	-	-
a) Unsecured, Considered good	3,678.35	4,408.39
b) Considered Doubtful	40.35	26.41
Less:		
Allwaonce for Doubtful Loans and Advances	(40.35)	(26.41)
	<u>3,800.29</u>	<u>4,483.27</u>
Other loans and advances considered good includes		
- Interest bearing loans & deposits	1,945.99	2,850.78
- Margin Money	234.37	204.00
15 OTHER FINANCIAL ASSETS	(₹ in lakh)	(₹ in lakh)
Other current assets consist of the following :-	As at	As at
	31st March, 2021	31st March, 2020
a) Interest receivable	42.74	39.19
b) Other current assets		
(a) Balance with Related Parties	-	-
(b) Balance with Other Than Related Parties	265.44	132.69
	<u>308.18</u>	<u>171.88</u>
Other current assets includes :		
- Duty Drawback Receivable	19.37	11.25
- Subsidy receivable on E-Bike	-	23.56
- Subsidy receivable at Hajipur	5.49	1.75
- VAT Incentive Receivable at Hajipur	6.82	6.82
- Forward contract receivable a/c (net)	18.76	-
- MEIS/ Rodtep Incentive Receivable	91.48	-

16 OTHER CURRENT ASSETS

Other current assets consist of the following :-

	(₹ in lakh)	(₹ in lakh)
	As at	As at
	31 st March, 2021	31 st March, 2020
(i) Advance tax (including refunds receivable)	1,778.29	2,560.76
(ii) Other Current Assets	3,185.00	2,203.23
Less:		
Allwaonce for Doubtful Other Assets	<u>(8.84)</u>	<u>(8.84)</u>
	<u>4,954.45</u>	<u>4,755.15</u>

Other loans and advances considered good includes:

GST Refundable	834.63	574.76
Prepaid Expenses	121.30	85.56
Advance to Suppliers including Capital Advances	1,543.91	1,100.28

17 SHARE CAPITAL

	(₹ in lakh)	(₹ in lakh)
	As at	As at
	31 st March, 2021	31 st March, 2020
Authorised Share Capital :		
10,00,000 Equity Shares (Prevoius Year 10,00,000) of Rs.10/-each	<u>100.00</u>	<u>100.00</u>
	<u>100.00</u>	<u>100.00</u>
Issued, Subscribed and paid up :		
896442 Equity shares (Previous Year 896442) of Rs.10/- each fully paid up	<u>89.64</u>	<u>89.64</u>
	<u>89.64</u>	<u>89.64</u>

17.1 Reconciliation of number of shares

	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount (Lakh)	No. of shares	Amount (Lakh)
Equity Shares				
- Opening Balance	8,96,442	89.64	8,96,442	89.64
- Changes during the year	-	-	-	-
- Closing Balance	8,96,442	89.64	8,96,442	89.64

17.2 Terms/ Rights attached to Equity Shares

The group 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 group after distribution of all preferential amounts, in proportion to their shareholding.

17.3 The details of Shareholders holding more than 5% shares :

Name of Shareholder	As at 31 st March, 2021		As at 31 st March, 2020	
	No. of Shares	%	No. of Shares	%
Onkar Singh Pahwa	2,28,593	25.5	2,28,593	25.5
Sarabjit Kaur Pahwa	2,28,593	25.5	2,28,593	25.5
Rishi Pahwa	1,70,047	18.97	1,70,047	18.97
Mandeep Singh Pahwa	1,70,046	18.97	1,70,046	18.97
Pahwa Estates and Holdings Pvt Ltd	56,000	6.25	56,000	6.25

18 OTHER EQUITY

(₹ in lakh)

(₹ in lakh)

Other Equity consist of the following:

As at
31st March, 2021As at
31st March, 2020**General Reserve**

As per last Balance Sheet	12,967.40		12,467.40	
Add: Transferred from Profit and Loss Account	500.00	13,467.40	500.00	12,967.40

Retained Earnings

As per last Balance Sheet	48,519.95		43,389.08	
Add: Profit for the year	6,842.17		6,067.15	
Other Comprehensive Income	3.44		(28.02)	
	<u>55,365.56</u>		<u>49,428.21</u>	

Less : Appropriations

Transferred to General Reserve	500.00		500.00	
Dividend on Equity Shares	179.29		134.47	
Tax on Dividend	-		27.91	
Prion Period Adjustments	-		-	
Tax adjustment of earlier years	<u>(388.36)</u>	<u>55,074.63</u>	<u>245.88</u>	<u>48,519.95</u>

TOTAL68,542.0361,487.35**19 LONG TERM BORROWINGS**

(₹ in lakh)

(₹ in lakh)

Long -term borrowings consist of the following :

As at
31st March, 2021As at
31st March, 2020**Secured - at Amortised Cost**

Term Loans - from Banks	1,910.10	525.42
Term Loans - from Other	17.93	34.59
	<u>1,928.03</u>	<u>560.01</u>

Unsecured - at Amortised Cost

Loan & Advance from related parties(Directors)	975.80	1,039.83
Total	<u>2,903.83</u>	<u>1,599.84</u>

Detail of Term Loans is:

Name of Facility	Repayment Terms	Security	Amount O/s as at 31.03.2021	Amount O/s as at 31.03.2020
HDFC Bank car loan (Kia Carnival)	36 monthly installments starting from March 2020	Hypothecation of Car - Kia Carnival	16.66	24.34
Toyota Financial Services India Ltd. - Car Loan (Toyota Vellfire Hybrid)	36 monthly installments starting from April 2020	Hypothecation of Car Toyota Vellfire Hybrid	34.56	49.95
Punjab National Bank - Car Loan (Mercedes Benz E220d)	36 monthly installments starting from August 2020	Hypothecation of Car- Mercedes Benz	41.10	-
HDFC Bank Term Loan - Solar Plant (20 cr)	25 quarterly installments starting after 3 months from the date of first disbursement	Hypothication of Fixed Assets created out of Term Loan	671.80	291.01
HDFC Bank Term Loan - Solar Plant (12.71 cr)	26 quarterly installments starting after 6 months from the date of first disbursement	Hypothication of Fixed Assets created out of Term Loan	46.45	69.74
HDFC Bank Term Loan _ Solar Plant (20 cr)	27 quarterly installments starting after 6 months from the date of first disbursement	Hypothication of Fixed Assets created out of Term Loan	1,393.74	-
HDFC Bank Term Loan - Solar Plant (20 cr)	27 quarterly installments starting after 6 months from the date of first disbursement	Hypothication of Fixed Assets created out of Term Loan	195.47	-
HDFC Bank Term Loan - Solar Plant (8 cr)	22 quarterly installments starting after 6 months from the date of first disbursement	Hypothication of Fixed Assets created out of Term Loan	-	329.94

20 NON CURRENT LEASE LIABILITY	(₹ in lakh)	(₹ in lakh)
Non- Current Lease Liabilities consist of the following :	As at	As at
	31st March, 2021	31st March, 2020
Lease Liability	<u>270.44</u>	<u>302.28</u>
	<u>270.44</u>	<u>302.28</u>
21 OTHER FINANCIAL LIABILITIES	(₹n lakh)	(₹ in lakh)
Other Financial Liabilities consist of the following :	As at	As at
	31st March, 2021	31st March, 2020
Other Financial Liabilities	<u>497.34</u>	<u>464.39</u>
	<u>497.34</u>	<u>464.39</u>
Other Financial Liabilities includes:		
Dealer's Securities	449.28	422.73
Security Deposits	24.13	25.72
22 EMPLOYEE BENEFIT OBLIGATION	(₹ in lakh)	(₹ in lakh)
Employee Benefit Obligation consist of the following :	As at	As at
	31st March, 2021	31st March, 2020
Provisions for Employee Benefits	<u>90.82</u>	<u>39.44</u>
	<u>90.82</u>	<u>39.44</u>
Provision for employee benefifits includes:		
Provision for Gratuity (Net of Planned Assets)	-	39.44
Unpaid Earned Leaves	90.82	-
23 LONG TERM PROVISIONS	(₹ in lakh)	(₹ in lakh)
Long-term provisions consist of the following :	As at	As at
	31st March, 2021	31st March, 2020
Other Provisions	<u>4,763.60</u>	<u>5,240.00</u>
	<u>4,763.60</u>	<u>5,240.00</u>
Other Provisions includes:		
Provision for Income Tax	4,763.60	5,240.00
24 DEFERRED TAX LIABILITY (NET)	(₹ in lakh)	(₹ in lakh)
	As at	As at
	31st March, 2021	31st March, 2020
Deferred Tax Liability (Net)	<u>1,806.73</u>	<u>1,261.59</u>
25 OTHER LONG TERM LIABILITIES	(₹ in lakh)	(₹in lakh)
Other long -term liabilities consist of the following :	As at	As at
	31st March, 2021	31st March, 2020
Other Long Term Liabilities	<u>10.13</u>	<u>11.73</u>
	<u>10.13</u>	<u>11.73</u>
Other Long Term Liabilities includes:		
Deferred Revenue Income	10.13	11.73

26 SHORT TERM BORROWINGS	(₹ in lakh)	(₹ in lakh)
Short -term borrowings consist of the followings	As at	As at
	31st March, 2021	31st March, 2020
Secured loans:		
Working Capital limits from Banks	-	128.68
Unsecured Loans:		
Loans repayable on demand from Banks	-	-
Loan from Related Parties	-	-
Other borrowings(from entities other than banks)	-	100.00
	<u> </u>	<u> </u>
	-	228.68

Detail of Short Term Borrowings is:

Name of Facility	Security	Amt. Guaratneed	
		31.03.2021	31.03.2020
Punjab National Bank Export Packing Credit Limit	Hypothication of any stock (RM/ WIP/FG) meant for export and export LC's issued by bank.	-	128.68

27 CURRENT LEASE LIABILITY	(₹ in lakh)	(₹ in lakh)
Current Lease Liabilities consist of the following :	As at	As at
	31st March, 2021	31st March, 2020
Lease Liability	30.10	26.21
	<u> </u>	<u> </u>
	30.10	26.21

28 TRADE PAYABLES:	(₹ in lakh)	(₹ in lakh)
Trade Payables consists of following:	As at	As at
	31st March, 2021	31st March, 2020
a) Trade Payables:		
a) Total Outstanding dues of micro enterprises and small enterprises	5,896.78	2,402.92
b) Total Outstanding dues of other than micro enterprises and small enterprises	5,313.36	2,888.25
b) Due to Related Parties	553.30	255.31
	<u> </u>	<u> </u>
	11,763.44	5,546.48

29 OTHER FINANCIAL LIABILITIES	(₹ in lakh)	(₹ in lakh)
Other current liabilities consist of the following :	As at	As at
	31st March, 2021	31st March, 2020
a) Current Maturities of Long Term Debt	471.76	204.98
b) Other Financial Liabilities		
i) Due to Related Parties	-	0.63
ii) Due to Other than Related parties	1,614.61	536.36
	<u> </u>	<u> </u>
	2,086.37	741.97
Other Financial Liabilities includes:		
Cheques Issued but not presented	893.67	249.47
Capital Creditors	95.27	85.93
Forward Contract Payable (Net)	-	17.32

30 SHORT-TERM PROVISIONS	(₹ in lakh)	(₹ in lakh)
	As at	As at
Short -term borrowings consists of the following:	31st March, 2021	31st March, 2020
Provision for Income Tax	1,675.00	2,203.60
Provision for Unspent CSR Liability	<u>50.86</u>	<u>-</u>
	<u>1,725.86</u>	<u>2,203.60</u>

31 OTHER CURRENT LIABILITIES	(₹ in lakh)	(₹ in lakh)
	As at	As at
Other current liabilities consist of the following :	31st March, 2021	31st March, 2020
Advance received from Customers	527.48	323.96
Other Payables	1,349.35	524.32
Other Payables due to Related Parties	<u>33.40</u>	<u>48.32</u>
	<u>1,910.23</u>	<u>896.60</u>
Other payables includes :		
Statutory liabilities	631.16	132.75
Income Received in Advance	15.54	17.06
Advance from Sale of Property	21.71	42.78

32 REVENUE FROM OPERATIONS	(₹ in lakh)	(₹ in lakh)
	As at	As at
	31st March, 2021	31st March, 2020
Sale of Products	70,905.88	79,233.61
Other Operating Revenues	<u>124.64</u>	<u>237.50</u>
	<u>71,030.52</u>	<u>79,471.11</u>

32.1 PARTICULARS OF SALE OF PRODUCTS	(₹ in lakh)	(₹ in lakh)
Particulars	2020 - 2021	2019-2020
Bicycles & its parts	66,087.51	74,163.99
E-Bikes & its parts	801.03	740.25
E-Rickshaw & its parts	813.40	1,027.59
Power	2,492.28	2,889.25
Export Incentives	256.64	164.93
Others	<u>455.01</u>	<u>247.60</u>
	<u>70,905.87</u>	<u>79,233.61</u>

33 OTHER INCOME	(₹ in lakh)		(₹ in lakh)	
		2020 - 2021		2019-2020
Interest		1,072.25		814.41
Dividend		16.98		15.19
Net gain on Sale/ Fair valuation of Investments		2,849.23		-
Royalty		46.47		36.86
Net Gain on Trading in Securities:	505.26			
a) Gain on trading in Securities other than Derivative	<u>(464.19)</u>	41.07		-
b) Gain/(Loss) on trading in Derivative				
Other Non Operating Income		297.76		556.96
		<u>4,323.76</u>		<u>1,423.42</u>
Other Non - Operating Income includes:				
- Rent Received		220.99		344.00
- Profit on Trading of Shares & Units		-		-
- Keyman Insurance claim		-		183.10
- Profit from Derivatives/ F&O		-		9.31

34 COST OF MATERIALS CONSUMED	(₹ in lakh)		(₹ in lakh)	
		2020 - 2021		2019-2020
		% of consumption		% of consumption
Imported	2,101.68	4.48	1,582.78	3.58
Indigenous	44,788.57	95.52	42,647.64	96.42
TOTAL	<u>46,890.25</u>	<u>100.00</u>	<u>44,230.42</u>	<u>100.00</u>

35 PURCHASE OF STOCK - IN - TRADE		(₹ in lakh) 2020 - 2021		(₹ in lakh) 2019-2020
		% of consumption		% of consumption
Imported	78.41	1.27	149.34	2.80
Indigeneous	6,085.39	98.73	5,192.44	97.20
TOTAL	6,163.80	100.00	5,341.78	100.00
36 CHANGE IN INVENTORIES OF FINISHED GOODS/ STOCK-IN-TRADE/ WORK-IN-PROGRESS		(₹ in lakh) 2020 - 2021		(₹ in lakh) 2019-2020
Opening Stock		3,943.00		4,734.03
Less: Closing Stock		(10,239.34)		(3,943.00)
		(6,296.34)		791.03
37 EMPLOYEE BENEFITS EXPENSE		(₹ in lakh) 2020 - 2021		(₹ in lakh) 2019-2020
Salaries and Wages		4,030.84		3,955.60
Contribution to Provident and other Funds		337.83		344.65
Staff Welfare Expenses		82.34		79.49
TOTAL		4,451.01		4,379.74
38 FINANCE COSTS		(₹ in lakh) 2020 - 2021		(₹ in lakh) 2019-2020
Interest Expenses		282.54		322.02
Other borrowing costs		83.39		93.41
		365.93		415.43
39 OTHER EXPENSES		(₹ in lakh) 2020 - 2021		(₹ in lakh) 2019-2020
Manufacturing Expenses				
Stores, chemical and packing material	3,100.82		2,945.18	
Processing Charges	155.34		47.22	
Power & Fuel	258.62		382.54	
Carriage Inward	74.95		64.24	
Repairs to Machinery	535.26	4,124.99	530.29	3,969.47

Selling and distribution Expenses

Clearing & Forwarding Charges	6,176.15		8,382.16	
Commission	62.21		350.01	
Advertisement	527.73		1,289.19	
Other Selling Expenses	49.92	6,816.01	141.07	10,162.43

Establishment Expenses

Printing & Stationery	14.21		18.02	
Postage, Telegrams & Telephone Expenses	39.50		31.23	
Travelling Expenses	78.66		281.17	
Vehicles Maintenance Expenses	22.00		39.76	
Repairs to Building	65.22		89.77	
Repairs & Renewals	21.40		23.18	
Payments to Auditors	15.50		2.00	
Charity & Donation	16.59		69.54	
Insurance	112.61		83.83	
Rent	2.90		0.24	
Rates & Taxes	23.83		19.60	
Legal & Professional Charges	158.69		259.09	
Net Loss on Sale/ Fair Valuation of Investments	-		535.32	
Net Loss on Trading in Securities:	-		-	
a) Loss on trading in Securities other than Derivative	-		113.47	
b) Gain/(Loss) on trading in Derivative	-		(99.16)	
Bad Debts & Advances written off	107.63		91.71	
Miscellaneous Expenses	415.15	1,093.89	442.04	2,000.81
		<u>12,034.89</u>		<u>16,132.71</u>

39.1 PAYMENT TO AUDITOR AS

	(₹ in lakh) 2020 - 2021	(₹ in lakh) 2019-2020
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	10.50	-
	<u>15.50</u>	<u>5.00</u>

40 CONTINGENT LIABILITIES:

	(₹ in lakh) 2020 - 2021	(₹ in lakh) 2019-2020
a) Guarantees given by Bank	7446.38	6279.06
b) Proposed Dividend	179.29	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. 34.68 Lakh. No Provision has been made in the Consolidated financial statements as no default has been reported till 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. 39.76 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.
- 41 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.

42 DIVIDENDS

Dividends paid during the year ended March 31, 2021 include an amount of ` 20 per equity share towards final dividend for the year ended March 31, 2020. The dividends declared by the group are based on profits available for distribution as reported in the Consolidated financial statements of the group. Accordingly, the retained earnings reported in these Consolidated financial statements may not be fully distributable. As at March 31, 2021, the income available for distribution were Rs. 6845.61 Lakh. Dividend, if approved by shareholders at Annual General Meeting, the dividend would result in a cash outflow of Rs. 179.29 Lakh.

43 Tax Balances:

43.1 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
Deferred Tax Assets:				
Expenses deductible in Future Years	175.53	39.81	-	215.34
Provision for Doubtful Debts/ Advances	62.73	13.42	-	76.15
Losses allowable in future years	358.65	(60.33)	-	298.32
Others	9.58	0.01	(13.96)	(4.37)
	<u>606.50</u>	<u>(7.10)</u>	<u>(13.96)</u>	<u>585.44</u>
Deferred Tax Liabilities:				
Property, Plant & Equipment, and Intangible Assets	1,700.56	(23.10)	-	1,677.46
Investment in Bonds, Mutual Funds and equity instruments	114.54	552.94	-	667.48
ROU Assets	48.70	(5.38)	-	43.32
Others	4.29	(0.38)	-	3.91
	<u>1,868.09</u>	<u>524.08</u>	<u>-</u>	<u>2,392.17</u>
Net Deferred Tax Liability	<u>(1,261.59)</u>	<u>(531.19)</u>	<u>(13.96)</u>	<u>(1,806.73)</u>

43.2 Income Tax Recognised in Profit or Loss:

Particulars	(₹ in lakh)	(` in lakh)
	For Year Ended 31st March 2021	For Year Ended 31st March 2020
Current Tax		
In respect of current year	1,675.00	2,203.60
Deferred Tax		
In respect of Current Year	531.19	(1,376.25)
Total Income Tax Expense Recognised	<u>2,206.19</u>	<u>827.35</u>

43.3 Income Tax recognised in Other Comprehensive Income

Particulars	(₹ in lakh)	(₹ in lakh)
	For Year Ended 31st March 2021	For Year Ended 31st March 2020
Arising on Remeasurement of Defined benefit Obligation	(13.96)	10.03
	<u>(13.96)</u>	<u>10.03</u>

44 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 2021	31st March 2020
Profit/ (Loss) after Tax	6,842.17	6,067.15
Less: Adjustment of Income Tax Earlier Years	(388.36)	245.88
Profit after adjustment of Income Tax Earlier Years (A)	<u>6,453.81</u>	<u>6,313.03</u>
Weighted average number of equity shares (B)	8,96,442.00	8,96,442.00
Earning per share : Basic/Diluted (A/B)`	719.94	704.23

45 Interest includes Rs. 89.69 Lac for F/Y 2020-21 and Rs. 151.76 lakh for F/Y 2019-20 paid to Directors.

46 Charity & Donation includes Rs. 10.50 lakh contributed to political parties during Financial year 2020-21, Rs. 20 Lac during Financial Year 2019-20, detail of which is as below:

Party Name	(₹ in lakh)	(₹ in lakh)
	31st March 2021	31st March 2020
Bhartiya Janta Party	10.00	5.00
Bihar Pradesh Janta Dal United	0.50	-
Shiromani Akali Dal	-	5.00
All India Congress Committee	-	10.00
	<u>10.50</u>	<u>20.00</u>

- 47 Interest received of Rs. 1072.25 lakh (Previous Year Rs. 814.41 lakh) includes Tax deducted at source of Rs. 59.78 Lac (Previous Year Rs. 63.27 lakh).
- 48 Expenditure on insurance includes Rs. 16.03 Lac (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.
- 49 Sales-tax assessments have been completed upto to the accounting year ended 31st March 2014.
- 50 Income -tax assessments of the group have been completed upto the accounting year ended 31.03.2018 relevant to the assessment year 2018-19.
- 51 In accordance with section 135 of Companies Act, 2013, the company is covered by the provision of said section:

Particulars	(₹ in lakh)	(₹ in lakh)
	As at 31st March 2021	As at 31st March 2020
The amount required to be spent under CSR Obligation	195.38	188.41
The amount spent under CSR Obligation	144.52	176.52
Amount unspent under CSR Obligation	50.86	-

Note: The unspent amount will be transferred to Unspent CSR Account within 30 days from the end of Financial Year in accordance with Companies Act, 2013 read with CSR amendment Rules.

- 52 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.
- 53 Previous years's figures have been regrouped/ recasted/ rearranged/ reclassified where necessary to make them comparable.
- 54 Micro, Small and Medium Enterprises
- a) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

PARTICULARS	(₹ in lakh)	
	2020-21	2019-20
A) (i) Principal amount remaining unpaid at the end of accounting year	5,895.20	2,385.47
(ii) Interest due on above	1.58	17.45
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.	22.45	-
C) The amount of interest accrued and remaining unpaid at the end of the financial year.	1.58	17.45
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	-	-
E) The amount of further interest remaining due and payable in succeeding years, until such interest is actually paid.	1.58	17.45

- 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 group.

55 Government Grants:

	(₹ in lakh)	(₹ in lakh)
	As at	As at
	31st March 2021	31st March 2020
At the Beginning	32.13	43.59
Provided during the year	8.19	41.98
Received/ Adjusted during the year	28	53.44
At the End of the year	12.32	32.13

56 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 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 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.

57 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 2021	31st March 2020
Variable Rate Borrowings	2,307.46	819.38
Fixed Rate Borrowings	1,068.12	1,214.12

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 group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	(₹ in lakh)	Effect on Profit Before Tax (₹ in lakh)
	31st March 2021	31st March 2020
Increase by 50 Basis Points	11.54	4.10
Decrease by 50 Basis Points	(11.54)	(4.10)

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.

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

	(USD in lakh)	(USD in lakh)
Particulars	31st March 2021	31st March 2020
Trade Receivables	-	2.23
EEFC Balance	0.0822	0.0788
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 2021		31st March 2020	
	5% Increase	5% Decrease	5% Increase	5% Decrease
USD				
Increase/ (Decrease) in Profit or Loss	-	-	8.41	(8.41)

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.

	(USD in lakh)	(USD in lakh)
	31st March 2021	31st March 2020
Forward Contracts against Exports	20.00	10.00
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	Provision for expected credit loss
Low Credit Risk	12 month expected credit loss
Moderate credit risk	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 Note 5.2. Trade receivables are unsecured but considered goods subject to provision made thereon.

Trade Receivables	(₹ in lakh) 31st March 2021	(₹ in lakh) 31st March 2020
Not Due	9,735.86	4,923.97
Up to Six Months Past Due	1,667.73	5,891.97
6 Months to 1 Year Past Due	208.71	2,772.41
More Than 1 Year Past Due	1,940.93	217.47
	<u>13,553.23</u>	<u>13,805.82</u>
Provision for Doubtful Debts		
Provision for Doubtful Debts	-253.36	(214.00)
Total	<u>13,299.87</u>	<u>13,591.83</u>
	(₹ in lakh) 31st March 2021	(₹ in lakh) 31st March 2020
Reconciliation of Provision for Doubtful Debts		
Balance at the Beginning of the Year	214.00	285.16
Add: Provision made during the year	39.36	-
Less: Provision Written Back during the Year	-	71.16
Balance at the end of the Year	<u>253.36</u>	<u>214.00</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) 31st March 2021	(₹ in lakh) 31st March 2020
Floating rate		
(a) Expiring within one year (Bank overdraft and other facilities)		
Secured		
- Working Capital Limits	-	128.68
(b) Expiring beyond one year (Bank loans)		
Secured		
-Term loan from banks	1,928.03	560.01

ii) Maturity Patterns of borrowings	(₹ in lakh)			
	Less than 1Year	1 to 2 years	2 to 5 years	More than 5 yrs
Year ended 31st March, 2021				
Contractual Maturities of borrowings	471.76	471.76	1,456.27	-
Contractual Maturities of trade payables	11,763.43	-	-	-
Contractual Maturities of other financial liabilities	1,644.71	999.66	97.87	646.07
Total	<u>13,879.90</u>	<u>1,471.41</u>	<u>1,554.14</u>	<u>646.07</u>
Year ended 31st March, 2020				
Contractual Maturities of borrowings	333.67	181.92	378.09	-
Contractual Maturities of trade payables	5,546.48	-	-	-
Contractual Maturities of other financial liabilities	563.21	1,172.19	87.11	647.20
Total	<u>6,443.35</u>	<u>1,354.11</u>	<u>465.20</u>	<u>647.20</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.

58 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) 31st March 2021	(₹ in lakh) 31st March 2020
Borrowings	3,375.58	2,033.51
Trade Payables	11,763.43	5,546.48
Less: Cash & Cash Equivalents	<u>(13,734.77)</u>	<u>(8,066.80)</u>
Net Debt	1,404.24	(486.81)
Equity	<u>68,631.63</u>	<u>61,577.05</u>
Capital & Net Debt	70,035.87	61,090.24
Gearing Ratio	2.01%	- 0.80%

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.

59 Expenditure Incurred on Research & Development

Particulars	(₹ in lakh) 2020 - 2021	(₹ in lakh) 2019 - 2020
	- Capital Expenditure	64.39
- Revenue Expenditure	<u>143.78</u>	<u>178.63</u>
	<u>208.17</u>	<u>253.08</u>

60 Changes In Accounting Policies, Accounting Estimates And Errors:

Group has created Provision of Rs. 113.63 lakh on account of unpaid earned leaves of employees. Group has restated comparative information to correct the error prospectively from current year as it is impracticable to determine the effect of prior period including the beginning of current year.

61 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 2021			31st March 2020		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial Assets						
Investments	12,824.57	-	2,801.10	8,304.39	-	1,628.03
Trade Receivables	-	-	13,299.87	-	-	13,591.84
Other Financial Assets	-	-	4,789.75	-	-	10,478.43
Cash & Cash Equivalents	10,977.05	-	2,757.72	4,385.48	-	3,681.32
Other Bank Balances	-	-	6,345.01	-	-	3,941.13
Total	23,801.62	-	29,993.45	12,689.87	-	33,320.76
Financial Liabilities						
Borrowings	-	-	2,903.83	-	-	1,828.53
Trade Payables	-	-	11,763.43	-	-	5,546.48
Other Financial Liabilities	-	-	2,884.25	-	-	1,534.85
Total	-	-	17,551.51	-	-	8,909.86

(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.

(₹ in lakh)

Financial assets and liabilities measured at fair value-recurring fair value measurements	31st March 2021			31st March 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investments	7,655.75	-	5,168.83	5,783.51	36.25	2,484.62
Cash & Cash Equivalents	10,977.05	-	-	4,385.48	-	-
Total	18,632.80	-	5,168.83	10,168.99	36.25	2,484.62

(₹ in lakh)

Financial assets and liabilities measured at amortised cost for which fair values are disclosed	31st March 2021			31st March 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investments	-	2,801.10	-	-	1,628.03	-
Trade Receivables	-	-	13,299.87	-	-	13,591.84
Other Financial Assets	-	-	4,789.75	-	-	10,478.43
Cash & Cash Equivalents	-	-	2,757.72	-	-	3,681.32
Other Bank Balances	-	-	6,345.01	-	-	3,941.13
Total	-	2,801.10	27,192.35	-	1,628.03	31,692.72
Financial Liabilities						
Borrowings	-	-	2,903.83	-	-	1,828.53
Trade Payables	-	-	11,763.43	-	-	5,546.48
Other Financial Liabilities	-	-	2,884.25	-	-	1,534.85
Total	-	-	17,551.51	-	-	8,909.86

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 2021		₹ in lakh 31st March 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Investments	2,801.10	1018.14	1,628.03	1,628.03
Margin Money	235.02	235.02	247.49	247.49
Employee Loans	121.94	121.94	74.88	74.88
Other Financial Assets	-	-	59.01	59.01
Total	3,158.07	1375.11	2,009.41	2,009.41
Financial Liabilities				
Security Deposits	24.13	24.13	25.72	25.72
Total	24.13	24.13	25.72	25.72

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.

62 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 Cycles Holdings Ltd.	United Kingdom	100%

63 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%

64 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 other comprehensive income	(₹ in Lakh)
Parent M/s Avon Cycles Ltd.	98.64%	68,636.68	100%	6,847.18	100%	3.44	100%	6,850.62
Subsidiary M/s Avon Newage Cycles Pvt. Ltd.	1.36%	946.40	0	0	0	0	0	0
Total	100%	69,583.08	100%	6,847.18	100%	3.44	100%	6,850.62
Adjustment arising out of Consolidation Non - Controlling interest in all subsidiaries		(2,446.41)	-	-	-	-	-	-
Associates (Investment as per Equity Method)								
Indian: M/s Avon Infrabiz Pvt. Ltd.	2.18%	1,495.00	-0.07%	(5.01)	0.00%	-	-0.07%	(5.01)
Foreign	-	-	-	-	-	-	-	-
Joint Ventures (Investment as per Equity Method)								
Indian	-	-	-	-	-	-	-	-
Foreign	-	-	-	-	-	-	-	-
TOTAL		68,631.67		6,842.17		3.44		6,845.61

65 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, Treassury 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, 2021

(Amount ₹ in Lakh)

Particulars	Bicycle & EV Segment	Power Segment	Others	Unallocable	Total
1 SEGMENT REVENUE					
External Turnover	71,125.52	2,535.57	1,693.20	0.00	75,354.29
Inter - Segment Turnover	-	-	-	-	-
Revenue from Operations	71,125.52	2,535.57	1,693.20	0.00	75,354.29
2 Segment Result before Depreciation, Interest & Tax	8,803.56	1,784.87	1,637.82	(120.59)	12,105.66
Less:					
Finance Costs	225.91	139.79	0.23	-	365.93
Depreciation & Amortisation Expense	683.75	1,762.94	49.30	-	2,495.99
Profit Before Tax & Exceptional Items	7,893.90	(117.86)	1,588.29	(120.59)	9,243.74
Exceptional Items:					
CSR Expenditure u/s 135 of Companies Act, 2013					195.38
Profit Before Tax					9,048.36
Less:					
Current Tax					1,675.00
Deferred Tax					531.19
Other Comprehensive Income, Net of Tax					3.44
Profit After Tax and before adjustment of Non- Controlling Interest					6,845.61
Add: Share of (Profit) /Loss transferred to Non- Controlling Interest					-
Profit After Tax and after adjustment of Non- Controlling Interest					6,845.61
Other Information:					
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

Year Ended March 31, 2020

(Amount ₹ in Lakh)

Particulars	Bicycle & EV Segment	Power Segment	Others	Unallocable	Total
1 SEGMENT REVENUE					
External Turnover	77,543.10	2,812.20	638.38	-	80,993.68
Inter - Segment Turnover	-	-	-	-	-
Revenue from Operations	77,543.10	2,812.20	638.38	-	80,993.68
2 Segment Result before Depreciation, Interest & Tax	8,136.38	2,121.18	(84.59)	(153.97)	10,019.00
Less:					
Finance Costs	367.01	48.23	0.20	-	415.44
Depreciation & Amortisation Expense	747.83	1,746.29	38.27	-	2,532.39
Profit Before Tax & Exceptional Items	7,021.54	326.66	(123.06)	(153.97)	7,071.17
Exceptional Items:					
CSR Expenditure u/s 135 of Companies Act, 2013					176.52
Profit Before Tax					6,894.65
Less:					
Current Tax					2,203.60
Deferred Tax					(1,376.25)
Other Comprehensive Income, Net of Tax					(28.02)
Profit After Tax and before adjustment of Non- Controlling Interest					6,039.28
Add: Share of (Profit) /Loss transferred to Non- Controlling Interest					-
Profit After Tax and after adjustment of Non- Controlling Interest					6,039.28
Other Information:					
Segment Assets	52,500.72	10,307.81	8,906.18	8,425.17	80,139.88
Segment Liabilities	9,017.96	811.79	27.88	8,705.19	18,562.82

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) 2020-2021	(₹ in lakh) 2019-2020
India	67,264	75,012
Africa	2,198.85	2,379.93
South/Latin America	-	37.31
Asia	1,093.80	527.98
UAE	-	899.20
Europe	92.74	212.04
Unallocated Revenue	256.63	164.92
	<u>70,905.88</u>	<u>79,233.61</u>

Information regarding geographical non- current assets is as follows:

	(₹ in lakh) For Year Ended 31st March 2021	(₹ in lakh) For Year Ended 31st March 2020
Non - Current Assets:		
Within India	33,521.62	34,385.22
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, 2021 and 2020, respectively.

66 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.

Avon Eduventure Pvt. Ltd.

3 Key Management personnel

Sh. Onkar Singh Pahwa

Sh. Rishi Pahwa

Smt. Sarabjit Kaur Pahwa

Sh. Mandeep Singh Pahwa

Sh. Jugdiep Singh

Sh. Anil Arora

Sh. Nem Chand Jain

Sh. Darshan Lal Sharma

4 Other Related Parties

Smt.Pallavi Pahwa
Smt.Jasmine Pahwa
Aditragh Enterprises
NRG Enterprises
Rolex Metals Pvt. Ltd.

b) Related Party Transactions :

(₹ in lakh)

Transactions	Associates / Joint Ventures		Entities with Control or Joint Control by KMP		Key Management Personnel		Other Related Parties	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Remuneration Paid	-	-	-	-	1,143.04	1,155.94	39.76	39.76
Interest Paid	-	-	28.72	29.82	89.69	151.77	-	-
Interest Received	-	-	2.41	34.26	-	-	-	-
Rent Received	-	-	70.92	71.32	-	-	-	-
Service Charges Received	-	-	1.46	1.09	-	-	-	-
Dividend Paid	-	-	11.20	8.40	159.46	119.59	-	-
Royalty	-	-	46.47	36.86	-	-	-	-
Food Bill	-	-	4.63	2.23	-	-	-	-
Purchase	-	-	-	0.65	-	-	3,971.45	5,440.33
Sale	-	-	29.91	3.14	-	-	52.20	47.11
Sale of Fixed Assets	0.13	-	-	-	-	-	-	-
Sitting Fees	-	-	-	-	0.90	1.20	-	-
Legal & Professional Charges	-	-	-	-	1.50	6.00	-	-
Payment of Misc. Charges	0.12	-	0.76	-	-	-	-	-
Purchase of Shares	1,500.00	-	-	-	-	-	-	-
Debit balances o/s as at the closing	-	-	51.37	39.94	-	0.02	-	-
Credit balances o/s as at the closing	-	-	-	0.06	27.76	23.69	558.94	280.50

67 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 2021	31st March 2020
Gratuity Plan	823.90	791.30

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 2021	For the year ended on 31st March 2020
Present value obligation as at the start of the year	791.30	692.16
Interest costs	54.17	53.41
Current Service costs	69.52	61.40
Past Service Cost	-	-
Benefits paid	(69.41)	(50.72)
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in financial assumptions	7.17	55.77
- experience Variance	(28.86)	(20.65)
- Change in Demographic Assumptions	-	(0.06)
Present value obligation as at the end of the year	823.90	791.30

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 2021	For the year ended on 31st March 2020
Fair value of plan assets as at the start of the year	751.86	691.64
Return on plan assets	51.47	53.37
Actuarial gains/ (losses)	(4.29)	(3.00)
Contributions by employer	100.57	60.58
Benefits paid	(69.41)	(50.72)
Fair value of plan assets as at the end of the year	830.20	751.86

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 2021	For the year ended on 31st March 2020
Present value obligation as at the end of the year	823.90	791.30
Fair value of plan assets as at the end of the year	830.20	751.86
Net asset/(obligation) recognized in balance sheet	6.30	(39.44)

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

(₹ in lakh)

Particulars		
Amount recognized in the statement of profit and loss	For the year ended on 31st March 2021	For the year ended on 31st March 2020
Current service cost	69.52	61.40
Interest on obligation	2.70	0.04
Past Service Cost	-	-
Total included in employee benefit expense	72.22	61.44

f) Amount recognised in the statement of Other Comprehensive Income

(₹ in lakh)

Particulars	For the year ended on 31st March 2021	For the year ended on 31st March 2020
Change in Financial Assumptions	7.17	55.77
Change in Demographic Assumptions	-	(0.06)
Experience Variance i.e. Actual Experience vs Assumptions	(28.86)	(20.65)
Actuarial Gain/(Loss) for the year	4.29	3.00
Components of defined benefit cost recognised in OCI	(17.40)	38.05

g) Principal actuarial assumptions at the balance sheet date:

(₹ in lakh)

Particulars		
Actuarial Assumptions	For the year ended on 31st March 2021	For the year ended on 31st March 2020
Discount rate (per annum)	6.75%	6.85%
Salary escalation rate (per annum)	7.00%	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, 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)

Particulars		
Demographic Assumptions	For the year ended on 31st March 2021	For the year ended on 31st March 2020
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 disability) 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 2021	For the year ended on 31st March 2020
Defined Benefit Obligation (base)	823.89	791.30

Particulars	For the year ended on 31st March, 2021		For the year ended on 31st March, 2020	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+1%) (% change compared to base due to sensitivity)	902.41 9.50%	757.40 -8.10%	867.81 9.70%	726.50 -8.20%
Salary Growth Rate (-/+1%) (% change compared to base due to sensitivity)	760.72 -7.70%	897.10 8.90%	729.69 -7.80%	862.69 9.00%
Attrition Rate (-/+ 50% of attrition rates) (% change compared to base due to sensitivity)	824.40 0.10%	823.43 -0.10%	791.22 0.00%	791.35 0.00%
Mortality Rate (-/+ 10% of mortality rates) (% change compared to base due to sensitivity)	823.85 0.00%	823.94 0.00%	791.24 0.00%	791.37 0.00%

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations 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):

Particulars	(₹ in lakh)
Expected Cash Flows over the next (valued on undiscounted basis)	
1 Year	161.21
2 to 5 years	252.26
6 to 10 years	281.83
More than 10 years	1,098.79

68 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: 06.09.2021
UDIN: 21090809AAAACU7093

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

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