

**ANNUAL
REPORT**
2022-23

Ride the *future*



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BOARD OF DIRECTORS

Sh. Onkar Singh Pahwa- Chairman cum Managing Director

Sh. Rishi Pahwa- Jt. Managing Director

Sh. Mandeep Singh Pahwa- Whole-time Director

Sh. Bhupinder Singh Dhiman-Non-Executive Director

Sh. Anil Arora-Independent Director

Sh. Girish Paman Vanvari- Independent Director

Sh. Bhavdeep Sardana- Independent Director

*Sh. Mahesh Kumar Mittal- Independent Director

*Resigned on 14.07.2023 from Directorship

REGISTERED OFFICE

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

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

CIN: U35921PB1951PLC001699

WORKS

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

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

STATUTORY AUDITORS

M/s. Amanpreet & Co.

Chartered Accountants, 167, Model House, Char Khamba Chowk, Model Town, Ludhiana

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
Email : avon@avoncycles.com | CIN: U35921PB1951PLC001699

NOTICE

Shorter notice is hereby given that the 72nd Annual General Meeting of the members of Avon Cycles Limited will be held on Saturday, September 30, 2023 at 2.00 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, 2023 and the Reports of the Directors and the Auditors thereon.
2. To declare a Dividend on Equity Shares for the financial year 2022-23.
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 appoint a Director in place of Sh. Mandeep Singh Pahwa (DIN: 00248245), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

5. **Appointment of Statutory Auditors**

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

“RESOLVED THAT subject to the provisions of section 139 and 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, M/s Amanpreet & Company, Chartered Accountants (Firm Registration No. 022778N), be and are hereby appointed as Statutory Auditors of the Company, to hold the office for a period of four years namely 2023-24, 2024-25, 2025-26 and 2026-27 at such remuneration plus applicable taxes and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation of with Auditors and duly approved by the Board of Directors of the Company.

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

6. **To ratify the remuneration of Sh. Rishi Mohan Bansal, Cost Auditor.**

To ratify the remuneration of Sh. Rishi Mohan Bansal, Cost Accountant (Registration No. 102056) of the Company for the Financial Year 2023-24 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 ₹ 25,000 payable to Sh. Rishi Mohan Bansal, Cost Accountant, appointed by the Board of Directors on 27.09.2023 as Cost Auditors of the Company to conduct the audit of cost records of the Company for the Financial year 2023-24.

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

7. **To consider appointment of Smt. Gurpreet Kaur (DIN: 09356854) as a Non-Executive Director of the Company and, in this regard, pass the following Resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of the Section 161 and other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or enactment thereof for the time being in force Smt. Gurpreet Kaur (DIN: 09356854), who was appointed as an Additional Director by the Board of Directors with effect from 04.02.2023, in terms of Section 161(1) of the Act and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive Director of the Company, liable to retire by rotation.

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

Place: Ludhiana
Dated: 27.09.2023

By order of the Board

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

NOTES

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on poll instead of himself/ herself and the proxy need not be a member of the company. Proxy Form, in order to be effective, must be delivered at the Regd. Office of the Company at least 48 hours before the scheduled time of the meeting. A blank Proxy Form is enclosed.
2. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of total Share Capital of Company carrying voting rights. A Member holding more than ten percent of total Share Capital of Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person.
3. The Company has fixed Thursday, September 29, 2023 as the 'Record Date' for determining entitlement of Members to final dividend for the financial year ended March 31, 2023.
4. A statement pursuant to Section 102(1) of the Companies Act, 2013 (Act) relating to the special businesses to be transacted at the AGM is annexed hereto. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during business hours except on holidays, up to and including the date of the Annual General Meeting, and also at the Meeting.
5. Corporate Members intending to send their authorized representative(s) to attend the Meeting pursuant to Section 113 of the Act are requested to send to the Company, a certified copy of the relevant Board Resolution/ Authority Letter/ Power of Attorney, authorizing their representatives together with the specimen signatures of the representative(s) to attend and vote on their behalf at the Meeting.

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

Item No. 5

Members of the Board were informed that M/s J. Arora & Company vide their letter dated 27.09.2022 had resigned from the position of Statutory Auditors of the Company (resignation from closure of business hours of the Company on 27.09.2022) resulting into casual vacancy in the office of the Statutory Auditors of the Company.

The Board of Directors at its meeting held on 27.09.2022, as per the recommendation of the Audit Committee, and pursuant to the provisions of section 139(8) of the Companies Act, 2013 had appointed M/s H.K. Chitkara and Company, Chartered Accountants (Firm Registration No. 001571N) to hold office for a period of five years namely 2022-23, 2023-24, 2024-25, 2025-26 and 2026-27 subject to the approval by the members of the Company. However, on 03.02.2023 M/s H.K. Chitkara and Company, Statutory Auditors, submitted their resignation and the same was also approved by the Board with effect from 04.02.2023.

Further, on 04.02.2023 Board appointed M/s Amanpreet & Company as its Statutory Auditors by filling casual vacancy and shareholders in their meeting held on 01.03.2023 approved the

appointment of M/s Amanpreet & Company from the conclusion of shareholders meeting held on 01.03.2023 to ensuing Annual General Meeting.

Company had to regularise the appointment of M/s Amanpreet & Company as its Statutory Auditors.

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

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

Item No. 6

To ratify the remuneration of Sh. Rishi Mohan Bansal, Cost Accountant (Registration No. 102056) of the Company for the Financial Year 2023-24.

The Board has appointed Sh. Rishi Mohan Bansal, Cost Accountant (Registration No. 102056) of the Company for the Financial Year 2023-24 to conduct the audit of the cost records of the Company for the Financial Year 2023-24 at a remuneration of ₹ 25000/-

In Accordance with the provisions of the section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Shareholders of the Company. Accordingly, consent of the Shareholders is sought for passing an ordinary resolution as set out at item no. 06 of the notice for ratification of the remuneration payable to Cost Auditors for the financial year 2023-24.

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. 7

It is proposed to appoint Smt. Gurpreet Kaur (DIN: 09356854), as an Non- Executive Director under Sections 161, read with rule 8,9 and 14 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions of the Companies Act, 2013, if any.

Smt. Gurpreet Kaur is having huge experience in the fields of Management.

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

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

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

Place: Ludhiana
Dated: 27.09.2023

By order of the Board

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

Route map of the venue of the Annual General Meeting



AVON CYCLES LIMITED

Regd. Office: G.T. Road, Dhandari Kalan, Ludhiana-141003

Email : avon@avoncycles.com | CIN: U35921PB1951PLC001699

BOARD'S REPORT

To the Members,

Your Directors feel pleasure in submitting their 72nd Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2023.

1. FINANCIAL HIGHLIGHTS

The financial statements of the Company for the year ended 31st March, 2023, had been prepared in accordance with Indian Accounting Standards (Ind AS). The financial performance of your Company for financial year(s) 2022-23 and 2021-22 are as under:

(₹ in Lakh)

PARTICULARS	STANDALONE		CONSOLIDATED	
	F.Y. 2022-23	F.Y. 2021-22	F.Y. 2022-23	F.Y. 2021-22
Revenue from operations and other income	88,937.03	86,928.40	89,224.47	86,907.54
Profit for the year after meeting all expenses but before providing for depreciation & Income Tax	6,631.22	10,948.36	6,568.71	10,701.46
Depreciation for the current year	746.97	2,809.09	1,251.27	2,809.08
Profit after depreciation but before Income Tax	5,884.25	8,139.27	5,317.44	7,892.33
Provision for tax - Current	1,607.00	1,509.00	1,607.00	1,509.00
- Deferred	(2,040.42)	521.23	(2,127.76)	512.80
Profit after tax	6,317.67	6,109.04	5,838.20	5,870.58
Balance b/f from earlier year	58,203.93	55,079.64	57,960.42	55,074.59
Add: Other Comprehensive Income/(Loss)	8.27	(65.66)	8.71	(65.66)
Less: Appropriations				
Dividend	170.66	179.29	170.66	179.29
Dividend Distribution Tax	--	--	--	--
Amount transferred to General Reserve	500.00	2,500.00	500.00	2,500.00
Prior Period Adjustments	--	--	(42.70)	--
Tax adjustments of earlier years	50.24	220.64	49.46	220.64
Balance carried to Balance Sheet	41,095.28	58,203.93	40,589.50	57,960.42

2. STATE OF THE COMPANY'S AFFAIRS

Your Company is leading manufacturer of Bicycles, E-Rikshaws, E-Scooter and their parts, led by strong Management. M/s Avon Newage Cycles Private Limited (Wholly Owned Subsidiary) has also started production of premium bicycles.

On standalone basis, the Company reported Revenue from Operations of ₹ 87,532.49 Lakh for the financial year 2022-23, as compared to ₹ 82,891.52 Lakh in the previous financial year 2021-22, registering a growth of 5.60%. Net profit for the year under review amounted to ₹ 6,317.67 Lakh, as compared to ₹ 6,109.04 Lakh in the previous year, registering a substantive increase of 3.42 % over the previous year.

On consolidated basis, the Company reported revenue from operations of ₹ 87,775.32 Lakh for the financial year 2022-23, as compared to ₹ 82,854.50 lakh in the previous financial year 2021-22, registering a growth of 5.94%. Net profit for the year under review amounted to ₹ 5,838.20 Lakh, as compared to ₹ 5,870.58 Lakh in the previous year, registering a decrease of 0.55% over the previous year.

3. DIVIDEND

Your Directors are pleased to recommend a Dividend of ₹ 20 per share for the year ended 31st March, 2023. The Dividend if approved and declared at the forthcoming Annual General Meeting on 30th September, 2023, would result in total dividend outflow of ₹ 174.10 Lakh.

4. RESERVES

An amount of ₹ 5 crore has been transferred to the General Reserve.

5. CHANGE IN NATURE OF BUSINESS

National Company Law Tribunal, Chandigarh, has passed an order and according to the order, Pahwa Estates and Investments Private Limited is amalgamated with Avon Cycles Limited and Non Core business (Solar/Wind Power and some Investments) of the Avon Cycles Limited is now transferred to Avon Energies and Investments Private Limited.

6. SHARE CAPITAL

During the period under review, NCLT-Chandigarh has passed an Order and according to order Company has to issue shares to the Shareholders of Pahwa Estates and Holdings Private Limited as per exchange ratio decided in valuation report submitted by Sh. Niranjana Kumar, Registered Valuer. Accordingly, 73207 Equity Shares of the Company is issued to the Shareholders of Pahwa Estates and Holdings Private Limited and 56000 shares already held by Pahwa Estates and Holdings Private Limited is cancelled by 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:**

Resignation from Directorship:

During the year under review no Director has resigned.

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.

b) **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 27.09.2022.

c) **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 five meetings of the Board of Directors were held namely on 19.05.2022, 06.08.2022, 27.09.2022, 04.01.2023 and 04.02.2023.

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. Rishi Pahwa- Member
- 3) Sh. Girish Paman Vanvari -Member

Four Audit Committee Meetings were held during the year under review namely on 19.05.2022, 06.08.2022, 27.09.2022, and 04.02.2023 respectively.

The Nomination and Remuneration Committee consisted of following members:

- 1) Sh. Anil Arora-Chairman
- 2) Sh. Bhavdeep Sardana-Member
- 3) Sh. Girish Paman Vanvari-Member

The above composition of the Nomination & Remuneration Committee consists of Independent Directors viz., Sh. Anil Arora, Sh. Bhavdeep Sardana and Sh. Girish Paman Vanvari who form the majority. Company held four meetings of Nomination & Remuneration Committee during year under review namely on 19.05.2022, 06.08.2022, 27.09.2022 and 04.02.2023 respectively.

The Corporate Social Responsibility Committee consisted of the following members:

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

The Committee has been constituted as per law having at least one member as independent director.

Three meeting of CSR Committee were held during the year under review namely on 19.05.2022 and 27.09.2022. 04.02.2023.

12. DIRECTORS' RESPONSIBILITY STATEMENT

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

(a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the Financial Year and of the profit of the Company for that period;

(c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) they have prepared the Annual Accounts on a going concern basis;

(e) they have laid down Internal Financial Controls to be followed by the Company and such Internal Financial Controls are adequate and operating effectively; and

(f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

14. FRAUD REPORTED BY THE AUDITORS

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

15. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

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

16. CONSOLIDATED FINANCIAL STATEMENTS

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

17. DETAILS OF SUBSIDIARIES/ASSOCIATE COMPANIES

M/s Avon Newage Cycles Private Limited is wholly owned subsidiary of the Company. Avon Newage Cycles Private Limited has started export of high end bicycles and this will definitely contribute to the overall performance of the Company. The detail of subsidiary is attached as per 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. Three meetings of CSR Committee were held during the year under review namely on 19.05.2022 and 27.09.2022. 04.02.2023.

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

Your Company had filed scheme of arrangement with NCLT Chandigarh for merger of M/s Pahwa Estates and Investments Private Limited with M/s Avon Cycles Limited and further demerger of the Business of Solar Energies/wind Energy business to M/s Avon Energies and Investments Private Limited.

National Company Law Tribunal (NCLT), Chandigarh Bench, has now passed an order dated 03.07.2023, and approved the Scheme of Arrangement amongst M/s Pahwa Estates and Investments Private Limited, M/s Avon Cycles Limited and M/s Avon Energies and Investments Private Limited.

24. AUDITORS AND AUDITORS' REPORTS:

STATUTORY AUDITORS:

M/s J. Arora & Company vide their letter dated 27.09.2022 have resigned from the position of Statutory Auditors of the Company (resignation from closure of business hours of the Company on 27.09.2022) resulting into casual vacancy in the office of the Statutory Auditors of the Company.

The Board of Directors at its meeting held on 27.09.2022, as per the recommendation of the Audit Committee, and pursuant to the provisions of section 139(8) of the Companies Act, 2013 has appointed M/s H.K. Chitkara and Company, Chartered Accountants (Firm Registration No. 001571N) to hold office for a period of five years namely 2022-23, 2023-24, 2024-25, 2025-26 and 2026-27 subject to the approval by the members at the 71st Annual General Meeting of the Company. However, on 03.02.2023 M/s H.K. Chitkara and Company, Statutory Auditors, submitted their resignation and the same was approved by the Board with effect from 04.02.2023.

Further, on 04.02.2023 Board appointed M/s Amanpreet & Company as its Statutory Auditors by filling casual vacancy and shareholders in their meeting held on 01.03.2023 approved the appointment of M/s Amanpreet & Company from the conclusion of shareholders meeting held on 01.03.2023 to ensuing Annual General Meeting.

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 2022-23, Cost Audit was applicable, as per the provisions of Companies Act, 2013 and Companies (Cost Records and Audit) Rules, 2014. Sh. Rishi Mohan Bansal, Cost Accountant (Registration No. 102056) was appointed as Cost Auditors of the Company for the Financial Year 2022-23 to conduct the audit of the cost records of the Company.

SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s B. K. Gupta & Associates, Practicing Company Secretaries, to undertake the Secretarial Audit of the Company for Financial year 2022-23.

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 have not made any reservation or qualification or adverse remark in their reports. However, the Secretarial Auditors have made an observation in their report that the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act except the appointment of woman director which has been appointed on 04.02.2023.

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 31.03.2023 AND THE DATE OF THIS REPORT

No adverse or unfavourable material changes took place between 31.03.2023 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 Limited from Indusind Bank. The total amount outstanding was ₹ 52.97 Lakh. No Provision has been made in the standalone financial statements as no default has been reported on balance sheet date. Further the Company has also given corporate guarantee to HDFC Bank Ltd. and EXIM Bank Limited on behalf of wholly owned subsidiary i.e. M/s Avon Newage Cycles Private Limited. The guarantee given to the extent of loan extended by these banks. Total outstanding loan as on March 31, 2023 is ₹ 2,652.37 Lakh. 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. GENERAL DISCLOSURES

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

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

34. ACKNOWLEDGEMENTS

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

Date: 27.09.2023
Place: Ludhiana

For and on behalf of the Board of Directors

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 2022-23

(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 2022-23.

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

Sr.No	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts /arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
1	Avon Fitness Machines Pvt. Limited (Sh. Onkar Singh Pahwa, Sh. Mandeep Singh Pahwa and Sh. Rishi Pahwa are common directors)	1. Sale of goods to Avon Fitness Machines Pvt. Limited 2. Property given on rent to Avon Fitness Machines Pvt. Limited 3. Rendering of services to Avon Fitness Machines Pvt. Limited 4. Rendering of services to Avon Fitness Machines Pvt. Limited	1. Ongoing 2. Ongoing 3. Ongoing 4. 11 years Royalty agreement	1. Sale of goods: ₹ 14,672.00. 2. Rent Received ₹ 7,930,383.00. 3. Availment of services: ₹ 93,198. 4. Royalty receipt of ₹ 3,322,705/- for use of brand name 'AVON'. Terms stipulated in agreement dt. 31.05.2014.	19.05.2022	—
2	Avon Energies & Investments Private Limited. Sh. Mandeep Singh Pahwa and Sh. Rishi Pahwa are common Directors)	Property obtained on lease from Avon Energies & Investments Private Limited	15 years	Property obtained on lease. Terms as per agreement dt. 01.02.2013 and 15.09.2014. (Amt. of rent/interest: ₹ (25,48,248).	19.05.2022	—
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 ₹ 388,931.	19.05.2022	—
4	Aditragh Enterprises (Relative's entity)	Purchase and sale of goods from/to NRG Enterprises	Ongoing	1. Purchase of goods of ₹ 197,518,230. 2. Sale of goods of ₹ 646,529.14.	19.05.2022	—
5	NRG Enterprises (Relative's entity)	Purchase and sale of goods from/to NRG Enterprises	Ongoing	1. Purchase of goods of ₹ 196,309,155. 2. Sale of goods of ₹ 636,717.92.	19.05.2022	—

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	Wheel Craft (Relative's entity)	Purchase and sale of goods from/to Wheel Craft	Ongoing	1. Purchase of goods of ₹ 18,357,594. 2. Sale of goods of Rs.121,799.37.	19.05.2022	—
7	Rolex Metals Pvt. Limited	Purchase and sale of goods from/to Wheel Craft	Ongoing	Purchase of goods of Rs.25,586,722.	19.05.2022	—
8	Smt. Pallavi Pahwa (Wife of Director)	Office or place of profit held by Smt. Pallavi Pahwa	Ongoing	Being employee of Company remuneration paid: ₹ 1,108,164.	19.05.2022	—
9	Smt. Jasmine Pahwa (Wife of Director)	Office or place of profit held by Smt. Jasmine Pahwa	Ongoing	Being employee of company remuneration paid: ₹ 1,108,164.	19.05.2022	—
10	Avon Newage Cycles Private Limited (Wholly Owned Subsidiary)	Purchase and sale of goods from/to Newage Cycles Private Limited (Wholly Owned Subsidiary)	Ongoing	1. Purchase of goods of ₹ 176,249,002.07. 2. Sale of goods of ₹ 35,267,170.86.	19.05.2022	—

Date: 27.09.2023

Place: Ludhiana

For and on behalf of the Board of Directors

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 2022-23

Part "A": Subsidiaries

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

Sr. No.:	1
Name of the subsidiary	M/s Avon Newage Cycles Private Limited
The date since when subsidiary was acquired	26.11.2020
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2022 to 31.03.2023 (same as of holding company's reporting period)
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	NA
Share capital (Authorized, Issued, Subscribed and paid up)	Authorised Capital : ₹ 25,00,00,000 Issued Capital : ₹ 18,92,80,000 Subscribed Capital : ₹ 18,92,80,000 Paid Up Capital : ₹ 18,92,80,000
Reserves & surplus	₹ (2,751,592)
Total assets	₹ 846,065,607
Total Liabilities (excluding Share Capital and Reserves & surplus)	₹ 481,707,036
Investments	NIL
Turnover	₹ 234,025,597
Profit before taxation	₹ (56,658,307)
Provision for taxation	₹ (8,733,441)
Profit after taxation	₹ (47,924,866)
Proposed Dividend	NIL
% of shareholding	100%

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

Date: 27.09.2023

Place: Ludhiana

For and on behalf of the Board of Directors

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

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

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

Not Applicable for the financial year under review.

5. (a) Average net profit of the company as per sub-section (5) of section 135 : ₹ 7377.79 Lakh

(b) Two percent of average net profit of the company as per sub-section (5) of section 135: ₹ 147.56 Lakh

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

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

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 147.56 Lakh

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 197.48 Lakh

(b) Amount spent in Administrative Overheads: NIL

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

(d) Total amount spent for the Financial Year [(a)+(b)+(c)] ₹ 197.48 Lakh

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

Total Amount Spent for the Financial Year.	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount	Date of Transfer	Name of fund	Amount	Date of Transfer
197.48 Lakh	2,307,875	28.04.2022	NA	NA	NA

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

Sr. No.	Particular	Amount (₹ in Lakh)
I	Two percent of average net profit of the company as per sub-section (5) of section 135	147.56
II	Total amount spent for the Financial Year	148.07
III	Excess amount spent for the financial year [(ii)-(i)]	0.51
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)]	0.51

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

Sr. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)	Amount spent in the reporting Financial Year	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding financial years	Deficiency if any
					Amount (in ₹)	Date of transfer		
1	2020-21	₹ 50,85,873	₹ 29,88,738	₹ 26,33,199	NA	NA	Rs.3,55,539	NA
2	2021-22	₹ 23,07,875	0	₹ 23,07,875	NA	NA	0	NA

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

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

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

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

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

An amount of ₹ 50.86 lakh was remaining unspent related to ongoing projects of 2020-21 and same was transferred to a separate unspent CSR Account out of which ₹ 20.97 Lakh was spent in the financial year 2021-22, and ₹ 26.33 Lakh is spent in the financial year 2022-23. some of the projects are completed and some are still ongoing and expected to be completed in the coming year.

Further, for the financial year 2021-22, an amount of ₹ 23.08 lakh was remaining unspent related to ongoing projects. This amount has been transferred to a separate unspent CSR Account. During the year entire amount has been spent on ongoing projects.

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

Sd/-
Bhavdeep Sardana
(Chairman CSR Committee)
DIN: 07995587

ANNEXURE-D

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN

A) Conservation of Energy

Steps taken for conservation of energy:

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

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

1. 2 NOS Electrical Stacker purchased.
2. Installed LED Light.-100 nos.

B) Technology Absorption

The efforts made towards technology absorption;

- Debrassing plant # 2 installed
- Chiller plant # 2 installed
- Fume extraction installed at debrassing area
- Rectifier 1600 KVA installed.
- OCB 400 amp replaced with 800 amp ACB panel for light load.
- Ductable AC installed 8.5 ton in conference room

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

- Debrassing plant # 2 installed, which helps in improving productivity
- Chiller plant # 2 installed, it will help in productivity improvement and quality improvement
- Fume extraction installed at de-brassing area for product improvement
- Rectifier 1600 KVA installed for quality improvement
- Technology Imported: No
- Whether the technology been fully absorbed:
The technology imported in earlier years has been fully absorbed.
- If not fully absorbed, areas where absorption has not taken place, and the reasons thereof;
N.A.

C) Foreign exchange earnings and Outgo-

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

(₹ in Lakh)

Particulars	2022-23	2021-22
Income in Foreign Exchange (FOB value of exports)	5109.61	6131.94
CIF value of Imports	1516.24	5527.06
Expenditure in Foreign Exchange (others)	65.56	15.30

Date: 27.09.2023

Place: Ludhiana

For and on behalf of the Board of Directors

Sd/-

Rishi Pahwa
Jt. Managing Director
DIN: 00286399

Sd/-

Mandeep Singh Pahwa
Executive Director
DIN: 00248245

ANNEXURE-E

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

[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 Ltd,
CIN: U35921PB1951PLC001699
Regd. Office: G T Road, Dhandari Kalan,
Ludhiana, Punjab -141003.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2023, complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31st March, 2023 according to the provisions of:-

- (I) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder: Not applicable during the audit period;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): Not Applicable as Company is an Unlisted Public Limited Company;
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 ;
- g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
- l) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

(Vi) We have relied on the representation made by the Company & its Officers for system and mechanism formed by the Company for compliances under other applicable Acts as Environmental Laws & Labor Laws as per list attached herewith.

(Vii) We have also examined compliance with the applicable clauses of the following:-

- a) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India;
- b) The Listing Agreements entered into by the Company with Stock Exchange(s): Not Applicable as Company is an Unlisted Public Company.

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

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act except the appointment of woman director which has been appointed on 04.02.2023.

Adequate notice is given to all directors to schedule the board meetings, agenda and detailed notes of agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

We further report that during the audit period the company has made following decisions which are having major bearing in the Company's affair in pursuance of above referred laws, rules, regulation, guidelines, standards, etc.

Company had already filed a scheme of arrangement amongst Pahwa Estates and Holdings Private Limited ((Petitioner Company No. 1 / Transferor Company), Avon Cycles Limited (Petitioner Company No. 2 / Transferee Company /Demerged Company) and Avon Energies And Investments Private Limited (Petitioner Company No. 3 / Resulting Company) before the Hon'ble NCLT- Chandigarh Bench. Further The NCLT-Chandigarh Bench has approved and passed an order dated 19.07.2023 approving the scheme of arrangement pursuant with effect from 01.04.2022.

Place: Ludhiana
Date: 02.09.2023

For B.K. Gupta & Associates
Company Secretaries

Sd/-
(CS Bhupesh Gupta)
FCS No.:4590
CP. No.:5708
UDIN: F004590E000922760

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

LIST OF LABOUR LAWS AND ENVIRONMENTAL LAWS WHICH HAVE BEEN VERIFIED DURING AUDIT PERIOD

List of Labour Laws

Factories Act, 1948

Industrial Disputes Act, 1947

The Payment of Wages Act, 1936

The Minimum Wages Act, 1948

Employee's State Insurance Act 1948

The Payment of Bonus Act, 1972

Employees' Provident Fund and Miscellaneous Provisions Act, 1952

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Payment of Gratuity Act, 1979

The Maternity Benefit Act, 1961

List of Environmental Laws

Environment (Protection) Act, 1986

Water (Prevention and Control of Pollution) Act, 1974

Air (Prevention and Control of Pollution) Act, 1981

Annexure - A

To

The Members,
Avon Cycles Ltd,
CIN: U35921PB1951PLC001699
Regd. Office: G T Road, Dhandari Kalan,
Ludhiana, Punjab -141003.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. 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 the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Ludhiana
Date: 02.09.2023

For B.K. Gupta & Associates
Company Secretaries

Sd/-
(CS Bhupesh Gupta)
FCS No.:4590
CP. No.:5708

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, 2023, 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, 2023, 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 2023. 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.

Emphasis of the Matter

National Company Law Tribunal-Chandigarh has approved the Scheme of Arrangement amongst M/s Pahwa Estates And Holdings Private Limited (Transferor Company) and M/s Avon Cycles Limited (Transferee Company/Demerged Company And M/s Avon Energies And Investments Private Limited (Resulting Company) And their respective shareholders and creditors, vide its order dated 03.07.2023, detail of which is given below:

- 1) First part of the Scheme-Amalgamation of M/s Pahwa Estates And Holdings Private Limited (Transferor Company) with M/s Avon Cycles Limited (Transferee Company/Demerged Company).
- 2) Second Part of the Scheme-Demerger of Non Core Undertaking of the Company into M/s Avon Energies And Investments Private Limited (Resulting Company).

As per first part of the scheme, M/s Pahwa Estates And Holdings Private Limited has been amalgamated with the Company with appointed date 01.04.2022. The Company has issued 73207 equity shares face value of ₹ 10 each, fully paid up, in lieu of 44100 equity shares face value of ₹ 100 each, fully paid up to the shareholder of the M/s Pahwa Estates And Holdings Private Limited in the ratio of 1.66:1 i.e. for every one Equity Shares of M/s Pahwa Estates And Holdings Private Limited 1.66 Equity Shares of M/s Avon Cycles Limited. Further, as per this scheme, the Company (Avon Cycles Limited) has done the reduction of share capital by cancellation and extinguishment of 56000 equity shares of ₹ 10 each fully paid up aggregating to ₹ 5.60 Lakh.

As per second part of the scheme, Non Core Undertaking of the Company has been demerged into M/s Avon Energies And Investments Private Limited (AEIPL) with appointed date 01.04.2022. The Company has duly given effect of the scheme and accounted for necessary entries in the books of accounts of the Company in accordance with the applicable Indian Accounting Standards (IND-AS) and nothing is left to report as deviation.

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 2023 and are therefore the key audit matters. We describe these matters in our auditor's report as applicable unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
 - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account and with the returns received from branches not visited by us.
 - (d) In our opinion, the aforesaid Ind AS standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - (g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2021, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS standalone financial statements - Refer Note 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.

- iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.
- vi. Audit Trail (edit log) facility is applicable to company w.e.f 01.04.2023 and accordingly reporting under rule 11(g) of companies (Audit & Auditors) rule, 2014 is not applicable for the financial year ending 31.03.2023.

Place: Ludhiana
Date: 27.09.2023

For Amanpreet & Co.
Chartered Accountants
Firm's Registration No: 022778N

Sd/-
Amanpreet Singh
Proprietor
Membership No: 500322

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 2023, we report the following:

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

- (i) (a) (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.
- (a) (ii) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) The Company has a program of verification of property, plant and equipment to cover most of the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. Pursuant to the program, certain property, plant and equipment were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties of land and buildings which are freehold, are held in the name of the Company. In respect of immovable properties that have been taken on lease and disclosed as Right of Use Assets in the Ind AS standalone financial statements, the lease agreements are in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year except for inventories lying with third parties. However, in respect of certain items, the inventories were verified by the management on a visual estimation which has been relied upon by us. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have been confirmed by them as at March 31, 2023 and discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such confirmations. Discrepancies of 10% or more in aggregate for each class of inventory have not been noticed.
- (b) As disclosed in note 61 to the financial statements, the Company has been sanctioned working capital limits in excess of five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly returns/statements

filed by the Company with such banks are in agreement with the books of accounts of the Company.

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

	(₹ in Lakh)
	Loan
Aggregate amount granted / provided during the year	
- Subsidiaries	3,040.00
- Associates	-
- Other Related Parties	590.00
- Other	970.70
Balance outstanding as at balance sheet date in respect of above case	
- Subsidiaries	1,670.00
- Associates	-
- Other Related Parties	1,066.44
- Other	2,866.26

(b) During the year the investments made and the terms and conditions of the grant of all loans to companies are not prejudicial to the Company's interest.

(c) The Company has granted loans during the year to companies where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.

(d) The total amount overdue for more than 90 days is ₹ 1050.00 Lakh. The Company is taking reasonable steps for recovery of principal and interest.

(e) There were no loans which had fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties.

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

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

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Goods and Services tax, duty of Customs, duty of Excise, Value added tax, Cess and other material statutory dues were in arrears as at 31st March 2023, for a period of more than six months from the date they became payable.

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 (₹ lakh)	Amount paid under protest* (₹ 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
Punjab VAT Act 2005	Penalty	4.13366	1.03342	2013-14	Commissioner (Appeal) State GST, Patiala

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) Term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associate. The Company does not have any joint venture.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company. The Company does not have any joint venture.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and

hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by cost auditor, secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year and upto the date of this audit report.
- (xii) The Company is not a Nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the order are not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (COR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) (d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (xviii) There has been resignation of the statutory auditors during the year due to pre-occupation in other assignments, but there are no objections, issues or concerns raised by outgoing auditors which require attention of the incoming auditors.

- (xix) On the basis of the financial ratios disclosed in note 62 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of Section 135 of the Act.
- (b) The amounts remaining unspent under sub-section (5) of section 135 of the Companies Act in respect of ongoing projects, has been transferred to a special account in compliance of provision of sub section (6) of Section 135 of Companies Act.
- (xxi) The requirement to report on clause 3(xxi) of the Order is not applicable to the standalone financial statements of the Company.

Place: Ludhiana
Date: 27.09.2023

For Amanpreet & Co.
Chartered Accountants
Firm's Registration No: 022778N

Sd/-
Amanpreet Singh
Proprietor
Membership No: 500322
UDIN: 23500322BGQFLW7090

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 2023 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 2023, 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.

Place: Ludhiana

Date: 27.09.2023

For Amanpreet & Co.
Chartered Accountants
Firm's Registration No: 022778N

Sd/-
Amanpreet Singh
Proprietor
Membership No: 500322
UDIN: 23500322BGQFLW7090

Avon Cycles Limited
Standalone Balance Sheet as at 31.03.2023

(Amount ₹ in Lakh)

	Note	As at 31.03.2023	As at 31.03.2022	
ASSETS				
Non-Current Assets				
a)	Property Plant & Equipment	2	4,651.24	16,259.07
b)	Right-of-Use Asset	3	357.00	425.04
c)	Investment Properties	2.1	69.31	1,696.05
d)	Capital Work in Progress		927.63	447.04
e)	Other Intangible Assets	2.3	79.01	55.43
f)	Financial Assets:			
	I) Investments	4	4,693.76	11,975.60
	ii) Other Financial Assets	5	4,416.51	6,594.03
g)	Other Non Current Assets	6	3,597.44	4,388.36
	Total Non- Current Assets		<u>18,791.89</u>	<u>41,840.63</u>
Current Assets				
a)	Inventories	7	8,042.70	6,609.47
b)	Financial Assets:			
	I) Investments	8	6,916.75	8,474.26
	ii) Trade Receivables	9	9,551.61	13,963.69
	iii) Cash & Cash Equivalents	10	19,981.51	18,039.37
	iv) Other Balances with Banks	11	4,801.39	1,980.88
	v) Loans & Advances	12	5,987.34	4,415.01
	vi) Other Financial Assets	13	87.38	173.49
c)	Current Tax Assets		1,885.09	1,782.66
d)	Other Current Assets	14	1,630.28	1,448.14
e)	Assets held for Sale	2.2	62.27	62.27
	Total Current Assets		<u>58,946.34</u>	<u>56,949.25</u>
	TOTAL ASSETS		<u>77,738.23</u>	<u>98,789.88</u>
EQUITY AND LIABILITIES				
Equity				
a)	Equity Share Capital	15	87.05	85.33
b)	Other Equity	16	57,475.21	74,089.34
	Total Equity		<u>57,562.26</u>	<u>74,174.67</u>
LIABILITIES				
Non-Current Liabilities				
a)	Financial Liabilities:			
	I) Borrowings	17	1,206.63	3,784.11
	ii) Lease Liability	18	229.56	246.64
	iii) Other Financial Liabilities	19	763.61	783.84
b)	Provisions	20	3,184.00	3,878.60
c)	Deferred Tax Liability (net)		262.39	2,300.03
d)	Other Non- Current Liabilities	21	284.92	247.72
	Total Non- Current Liabilities		<u>5,931.11</u>	<u>11,240.94</u>

Current Liabilities			
a)	Financial Liabilities:		
	l) Borrowings	22	507.80
	ii) Lease Liability	23	39.49
	iii) Trade Payables		
	(a) total outstanding dues of micro and small enterprises	24	3,069.72
	(b) total outstanding dues of trade payable other than micro and small enterprises	24	3,338.60
	iii) Other Financial Liabilities	25	725.70
b)	Provisions	26	3.59
c)	Current Tax Provisions		1,607.00
d)	Other current Liabilities	27	4,952.96
	Total Current Liabilities		14,244.86
	TOTAL EQUITY & LIABILITIES		77,738.23
	Notes on Financial Statements	1 to 63	

In terms of our report attached
For Amanpreet & Co.
Chartered Accountants
Firm Registration No.022778N

For and on behalf of the Board

For and on behalf of the Board

Sd/-
(Amanpreet Singh)
Proprietor
M.No 500322
UDIN: 23500322BGQFLW7090
Place : Ludhiana
Dated: 27.09.2023

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

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

Avon Cycles Limited
Standalone Statement of Profit & Loss Account for the period ended 31.03.2023

(Amount ₹ in Lakh)

Particulars	Note	Year Ended 31.03.2023	Year Ended 31.03.2022
Income			
a) Revenue from Operations	28	87,532.49	82,891.52
b) Other Income	29	1,404.54	4,036.88
Total Income		<u>88,937.03</u>	<u>86,928.40</u>
Expenses			
a) Cost of Materials Consumed	30	53,737.85	48,930.35
b) Purchases of Stock-in-trade	31	5,739.89	4,234.47
c) Change in Inventories of Finished Goods, Stock-in-trade and Work-in-Progress	32	(1,575.59)	4,226.56
d) Employee Benefits Expense	33	5,578.75	5,302.54
e) Finance Costs	34	299.40	549.15
f) Depreciation & Amortisation Expense	2	746.97	2,809.09
g) Other Expenses	35	18,377.44	12,563.14
Total Expenses		<u>82,904.71</u>	<u>78,615.30</u>
Profit/(loss) Before Tax & Exceptional Items		6,032.32	8,313.10
Exceptional Items:			
CSR Expenditure u/s 135 of Companies Act, 2013		148.07	173.83
Profit/(Loss) Before Tax		5,884.25	8,139.27
Tax Expenses/(Credit) (Net)			
Current Tax		1,607.00	1,509.00
Deferred Tax		(2,040.42)	521.23
Profit/(Loss) for the year		<u>6,317.67</u>	<u>6,109.04</u>
Other Comprehensive Income/(Loss):			
Re-measurement of post-employment benefit Obligations		11.05	(93.59)
Income Tax Relating to these items		(2.78)	27.93
Other Comprehensive Income/(Loss), Net of Tax		<u>8.27</u>	<u>(65.66)</u>
Total Comprehensive Income/(Loss)		<u>6,325.94</u>	<u>6,043.38</u>
Earnings/Loss) per equity share of face value of ₹10 each (EPS)			
(i) Basic (in ₹)		731.53	706.09
(ii) Diluted (in ₹)		731.53	706.09
Notes on Financial Statements	1 to 63		

In terms of our report attached

For Amanpreet & Co.
Chartered Accountants
Firm Registration No.022778N

For and on behalf of the Board

For and on behalf of the Board

Sd/-
(Amanpreet Singh)
Proprietor
M.No 500322
UDIN: 23500322BGQFLW7090
Place : Ludhiana
Dated: 27.09.2023

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

For year ended 31st March, 2023	(₹ in Lakh)
Particulars	Amount
Balance as on April 01, 2022	85.33
Proceeds from issue of shares	-
Prior period errors	-
Changes during the year	1.72
Balances as on March 31, 2023	87.05

b) For year ended 31st March, 2022	(₹ in Lakh)
Particulars	Amount
Balance as on April 01, 2021	89.64
Proceeds from issue of shares	-
Prior period errors	-
Changes during the year due to amalgamation of PEHPL	(4.31)
Balances as on March 31, 2022	85.33

c) OTHER EQUITY **(₹ in Lakh)**

Particulars	Retained Earnings	General Reserve	Capital Reserve	Capital Redemption Reserve	Total
Balance as on April 01, 2022	58,203.88	15,881.09	-	4.32	74,089.28
Profit for the year	6,317.69	-	-	-	6,317.69
Other Comprehensive Income/ (Loss) for the year	8.27	-	-	-	8.27
Total Comprehensive Income for the year	<u>6,325.96</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,325.96</u>
Transferred to General Reserve	(500.00)	-	-	-	500.00
Transferred from General Reserve	-	-	-	0.80	0.80
Transfer From Retained Earnings	-	500.00	-	-	500.00
Final Dividend for Financial Year 2021 - 2022 (@ ₹ 20/- per share)	(170.66)	-	-	-	-170.66
Buy Back of shares	-	-	-	-	0.00
Transfer to Capital Redemption Reserve	-	-	-	-	0.00
Expenses on Buy- Back	-	-	-	-	0.00
Transfer to AEIPL as per order of NCLT dated 03.07.2023	(22,713.69)	-	-	-	(22,713.69)
Changes due to Merger of PEHPL & De-merger of Non- Core business to AEIPL	-	(42.76)	36.48	-	-6.28
Tax adjustment of earlier years	(50.24)	-	-	-	-50.24
Balances as on March 31, 2023	<u>41,095.25</u>	<u>16,338.33</u>	<u>36.48</u>	<u>5.12</u>	<u>57,475.17</u>

In terms of our report attached

For Amanpreet & Co.
Chartered Accountants
Firm Registration No.022778N

For and on behalf of the Board

For and on behalf of the Board

Sd/-
(Amanpreet Singh)
Proprietor
M.No 500322
UDIN: 23500322BGQFLW7090
Place : Ludhiana
Dated: 27.09.2023

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

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

Avon Cycles Limited
Standalone Cash Flow Statement For The Period Ended 31.03.2023

(Amount ₹ in Lakh)

	2022 - 2023	2021 - 2022
A. Cash Flow From Operating Activities		
Net profit/(loss) before tax	5,884.26	8,139.27
Adjustments for :		
Interest expenses	245.01	465.12
Depreciation and Amortization on PPE	703.12	2,760.84
Profit/ Loss on Sales/ Fair Valuation of Investment	(688.55)	(2,242.24)
Profit on Sales of Fixed Assets	(50.13)	(135.33)
Interest Received	(510.36)	(732.62)
Dividend Received	-	(20.49)
(Profit)/loss on Share Trading	-	(510.71)
Other Non-Operating Income	(33.23)	(77.84)
Other Comprehensive Income	8.27	(65.66)
Rent	(81.55)	(290.56)
	<u>(407.42)</u>	<u>(849.49)</u>
Cash Flow from Operating activities before changes in following Assets & Liabilities:	5,476.84	7,289.78
Trade Receivables	2,884.86	(663.82)
Inventories	(1,544.99)	4,881.20
Loan & Advances	(2,395.62)	(614.07)
Other Financial Assets	1,552.55	(5,694.42)
Other Assets (excluding Advance Tax)	(208.52)	1,756.42
Trade Payables	(1,188.93)	(4,111.97)
Other Financial Liabilities	(195.72)	(362.93)
Provisions (Excluding Provision of Income Tax)	(49.38)	2.11
Other Liabilities	1,656.17	188.97
Inc/(Dec) in Operating Assets due to De-merger	3,017.95	-
	<u>3,528.38</u>	<u>(4,618.51)</u>
Cash generations from/(used in) operations	9,005.22	2,671.26
Income Tax Paid (Net)	467.58	(2,143.65)
Net Cash from/(used in) operating activities (A)	9,472.80	527.61
B. Cash Flow From Investing Activities		
Purchase of Fixed Assets	(958.13)	(6,434.74)
Purchase/ (Sale) of Investment	307.34	(3,872.70)
Sale of Fixed Assets	83.70	4,695.94
Interest Received	510.36	732.62
Dividend Received	-	20.49
Profit/Loss on Sales of Investment	688.55	2,242.24
Profit/Loss on Share Trading	-	510.71
Other Non-Operating Income	33.23	77.84
Rent Received	81.55	290.56
Inc/(Dec) in Investing Assets due to De-merger	21,483.82	-
	<u>22,230.42</u>	<u>(1,737.04)</u>
Net Cash From/(used in) Investing Activities (B)	22,230.42	(1,737.04)
C. Cash Flow From Financing Activities		
Interest Paid	(245)	(465.12)
Dividend Paid	(171)	(179.29)
Change in Equity due to Amalgamation (Refer Note No.)	(3.56)	-
Payment on Buy-Back of shares/ expenses on buy-back	-	(86)
Proceeds/(Repayments) of/from loan funds	(726)	2,146.50
Inc/(Dec) in Financing Assets due to De-merger	(24,502)	-
	<u>(25,647)</u>	<u>1,415.72</u>
Net Cash From/(used in) from Financing Activities (C)	(25,647)	1,415.72
Net Increase/(Decrease in Cash & Cash Equivalents	6,056	206.29
Cash & Cash Equivalents as on 01/04/2022	20,020.25	19,813.95
Cash outflow as part of De-Merger (Refer Note No.38)	(1,293.58)	-
Cash & Cash Equivalents as on 31/03/2023	24,782.89	20,020.25

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

In terms of our report attached
For Amanpreet & Co.
Chartered Accountants
Firm Registration No.022778N

Sd/-
(Amanpreet Singh)
Proprietor
M.No 500322
UDIN: 23500322BGQFLW7090
Place : Ludhiana
Dated: 27.09.2023

For and on behalf of the Board

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

For and on behalf of the Board

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

Avon Cycles Limited

Notes on Standalone Financial Statements for the period ended March 31, 2023

BACKGROUND

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

1) SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation:

i) Compliance with IndAs:

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

ii) Historical Cost Convention:

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

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

b) Foreign currency translation:

i) Functional and presentation currency:

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

(ii) Transactions and Balances:

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized 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 recognized 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, E-bike, E-Rickshaws and Power. Sales are recognized 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 recognized whenever claimed by the dealer.

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

d) Government Grants:

Grants from the government are recognized 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 recognized 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 realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize 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 realize the asset and settle the liability simultaneously.

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

case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

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

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

1. Whether an entity considers uncertain tax treatments separately.
2. The assumptions an entity makes about the examination of tax treatments by taxation authorities.
3. How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.
4. How an entity considers changes in facts and circumstances. The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. The Company applies significant judgement in identifying uncertainties over income tax treatments.

f) Leases:

As a lessee

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

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the

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

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

As a lessor

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

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

g) Impairment of Assets:

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization 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 recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non- financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

h) Cash and Cash Equivalents

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

l) Inventories:

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

Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs. Costs are assigned to individual items of inventory on the basis of weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. . Net realizable 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 recognized for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognized 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 recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset is recognized 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 recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized 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).

l) 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 company 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 recognized 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 capitalized as part of the software include employee costs and an appropriate portion of relevant overheads.

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

Capitalized development costs are recorded as intangible assets and amortized 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 company 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 recognized 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 recognized 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 amortized 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 along-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 company 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 company pays provident fund contributions to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined

contribution plans and the contributions are recognised as employee benefit expense when they are due.

(iv) Bonus plans

The company recognises a liability and an expense for bonuses. The company 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 company 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 company, 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 company 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 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 1, 2023:

Ind AS 1 -- Presentation of Financial Statements

Ind AS 12 -- Income Taxes

Ind AS 8 -- Accounting Policies, Changes in Accounting Estimates & Errors

The Company is assessing the impact of these changes and will accordingly incorporate the same in the financial statements for the year ending March 31, 2024.

Notes forming part of the Standalone Financial Statements

2. PROPERTY, PLANT & EQUIPMENT AS ON 31.03.2023

(₹ in Lakh)

DESCRIPTION	GROSS BLOCK					DEPRECIATION					NET CARRYING AMOUNT	
	As on 31.03.2022	Additions/Trfd./Adjustment	Transfer due to Demerger	Sale/Trfd./Adjustment	Total as on 31.03.2023	Upto 31.03.2022	For the year	Transfer due to Demerger	Sale/Trfd.	Upto 31.03.2023	As on 31.03.2023	As on 31.03.2022
Own Assets:												
Freehold Land	869.68	-	656.69	-	212.99	-	-	-	-	-	212.99	869.68
Factory Buildings	5,232.09	-	-	0.64	5,231.45	2,105.86	300.39	-	0.55	2,405.70	2,825.75	3,126.23
Other Buildings	143.07	-	-	-	143.07	89.81	3.04	-	-	92.84	50.23	53.26
Plant & Machinery	30,261.79	89.53	26,617.96	19.16	3,714.20	18,588.46	188.24	15,949.51	17.93	2,809.26	904.94	11,673.33
Furniture and Fixtures	344.27	4.74	-	0.04	348.97	284.31	15.55	-	0.03	299.83	49.14	59.96
Office Equipment	336.85	14.12	-	1.28	349.69	270.67	18.69	-	0.34	289.02	60.67	66.18
Computer Equipment	223.00	48.49	-	0.93	270.56	187.14	21.62	-	0.65	208.11	62.45	35.86
Vehicles	741.95	283.82	-	156.12	869.65	367.34	142.32	-	125.09	384.58	485.07	374.61
Total	38,152.70	440.70	27,274.65	178.17	11,140.58	21,893.59	689.85	15,949.51	144.59	6,489.34	4,651.24	16,259.07

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

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

2. PROPERTY, PLANT & EQUIPMENT AS ON 31.03.2022

(₹ in Lakh)

DESCRIPTION	GROSS BLOCK					DEPRECIATION					NET CARRYING AMOUNT	
	As on 31.03.2021	Additions/Trfd./Adjustment	Transfer due to Demerger	Sale/Trfd./Adjustment	Total as on 31.03.2022	Upto 31.03.2021	For the year	Transfer due to Demerger	Sale/Trfd.	Upto 31.03.2022	As on 31.03.2022	As on 31.03.2021
Own Assets:												
Freehold Land	869.68	-	-	-	869.68	-	-	-	-	-	869.68	869.68
Factory Buildings	3,653.97	1,589.87	-	11.75	5,232.09	1,849.50	265.87	-	9.51	2,105.86	3,126.23	1,804.47
Other Buildings	143.07	-	-	-	143.07	86.56	3.24	-	-	89.81	53.27	56.51
Plant & Machinery	27,166.67	3,112.88	-	17.76	30,261.79	16,367.21	2,228.93	-	7.68	18,588.46	11,673.33	10,799.46
Furniture and Fixtures	328.99	15.28	-	-	344.27	264.19	20.12	-	-	284.31	59.96	64.80
Office Equipment	333.37	29.29	-	25.81	336.85	261.42	23.15	-	13.89	270.67	66.18	71.95
Computer Equipment	205.03	19.01	-	1.04	223.00	163.39	24.44	-	0.68	187.14	35.86	41.63
Vehicles	696.14	142.24	-	96.43	741.95	312.37	122.37	-	67.40	367.34	374.61	383.76
Total	33,396.91	4,908.58	-	152.79	38,152.71	19,304.65	2,688.11	-	99.17	21,893.59	16,259.12	14,092.26

2.1 INVESTMENT PROPERTIES AS ON 31.03.2023

(₹ in Lakh)

DESCRIPTION	GROSS BLOCK					DEPRECIATION					NET CARRYING AMOUNT	
	As on 31.03.2022	Additions/Trfd./Adjustment	Transfer due to Demerger	Sale/Trfd./Adjustment	Total as on 31.03.2023	Upto 31.03.2022	For the year	Transfer due to Demerger	Sale/Trfd.	Upto 31.03.2023	As on 31.03.2023	As on 31.03.2022
Freehold Land	779.59	-	710.28	-	69.31	-	-	-	-	-	69.31	779.59
Buildings	1,136.74	-	1,136.74	-	-	220.29	-	220.29	-	-	-	916.45
Total	1,916.33	-	1,847.02	-	69.31	220.29	-	220.29	-	-	69.31	1,696.05

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

2.1 INVESTMENT PROPERTIES AS ON 31.03.2022

(₹ in Lakh)

DESCRIPTION	GROSS BLOCK					DEPRECIATION					NET CARRYING AMOUNT	
	As on 31.03.2021	Additions/Trfd./Adjustment	Transfer due to Demerger	Sale/Trfd./Adjustment	Total as on 31.03.2022	Upto 31.03.2021	For the year	Transfer due to Demerger	Sale/Trfd.	Upto 31.03.2022	As on 31.03.2022	As on 31.03.2021
Freehold Land	1,021.14	-	-	241.55	779.59	-	-	-	-	-	779.59	1,021.14
Buildings	2,684.83	1,065.69	-	2,613.77	1,136.74	756.14	60.38	-	596.23	220.29	916.45	1,928.69
Total	3,705.97	1,065.69	-	2,855.33	1,916.33	756.14	60.38	-	596.23	220.29	1,696.04	2,949.83

2.2 INVESTMENT PROPERTIES HELD FOR SALE AS ON 31.03.2023

(₹ in Lakh)

DESCRIPTION	GROSS BLOCK					DEPRECIATION					NET CARRYING AMOUNT	
	As on 31.03.2022	Additions/Trfd./Adjustment	Transfer due to Demerger	Sale/Trfd./Adjustment	Total as on 31.03.2023	Upto 31.03.2022	For the year	Transfer due to Demerger	Sale/Trfd.	Upto 31.03.2023	As on 31.03.2023	As on 31.03.2022
Freehold Land	55.80	-	-	-	55.80	-	-	-	-	-	55.80	55.80
Building	7.26	-	-	-	7.26	0.79	-	-	-	0.79	6.47	6.47
Total	63.06	-	-	-	63.06	0.79	-	-	-	0.79	62.27	62.27

- Note: 1. The Company intends to sale parcel of freehold land and building. No impairment loss was recognised in classification of land and building as held for sale as at March 31, 2023. The Company has received an advance of ₹ 12 Lakh shown in Other Current Liabilities (Schedule No. 27)
2. All title deeds of Immoveable property are in the name of the Company.

2.2 INVESTMENT PROPERTIES HELD FOR SALE AS ON 31.03.2022

(₹ in Lakh)

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

2.3 INTANGIBLE ASSETS AS ON 31.03.2023

(₹ in Lakh)

DESCRIPTION	GROSS BLOCK					DEPRECIATION					NET CARRYING AMOUNT	
	As on 31.03.2022	Additions/Trfd./Adjustment	Transfer due to Demerger	Sale/Trfd./Adjustment	Total as on 31.03.2023	Upto 31.03.2022	For the year	Transfer due to Demerger	Sale/Trfd.	Upto 31.03.2023	As on 31.03.2023	As on 31.03.2022
Softwares	396.19	35.42	-	-	431.62	353.34	9.71	-	-	363.06	68.56	42.85
Trade marks	28.31	1.42	-	-	29.73	15.72	3.55	-	-	19.28	10.45	12.58
Total	424.50	36.85	-	-	461.35	369.07	13.27	-	-	382.33	79.01	55.43

2.3 INTANGIBLE ASSETS AS ON 31.03.2022

(₹ in Lakh)

DESCRIPTION	GROSS BLOCK					DEPRECIATION					NET CARRYING AMOUNT	
	As on 31.03.2021	Additions/Trfd./Adjustment	Transfer due to Demerger	Sale/Trfd./Adjustment	Total as on 31.03.2022	Upto 31.03.2021	For the year	Transfer due to Demerger	Sale/Trfd.	Upto 31.03.2022	As on 31.03.2022	As on 31.03.2021
Softwares	386.35	9.84	-	-	396.19	345.37	7.97	-	-	353.34	42.85	40.98
Trade marks	27.23	1.07	-	-	28.31	11.35	4.38	-	-	15.72	12.58	15.89
Total	413.58	10.92	-	-	424.50	356.72	12.35	-	-	369.07	55.43	56.87

2.4 CAPITAL - WORK - IN- PROGRESS:

Ageing as on 31st March, 2023

	Amount in Capital WIP for a period of				
	Less Than 1 Year	1-2 years	2-3 years	More than 3 Years	Total
Projects in Progress	521.05	406.57	-	-	927.63
Projects Temporarily Suspended	-	-	-	-	-
Total	521.05	406.57	-	-	927.63

Ageing as on 31st March, 2023

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

2.5 Depreciation & Amortisation Expense:

Particulars	For the year Ended 31.03.2023	For the year Ended 31.03.2022
Depreciation on Property, Plant & Equipment	689.85	2,688.11
Add: Depreciation on Investment Properties	-	60.38
Add: Amortisation on Intangible Assets	13.27	12.35
Add: Depreciation on Right of Use Assets	43.85	48.24
Depreciation charged to Profit & Loss	746.97	2,809.08

3 ROU Asset and Lease Liabilities:

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

Following are the changes in the carrying value of right of use (ROU) assets for the period ended March 31, 2023:

	Land	Building	(₹ in lakh) Total As on 31 st March, 2023
Balance as on April 01, 2022	202.11	222.93	425.04
Adjustments in Opening Balance (Due to De-Merger)	57.53	-	57.53
Addition	-	33.33	33.33
Deletion	-	-	-
Depreciation	1.99	41.85	43.84
Balance as on March 31, 2023	142.59	214.41	357.00

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

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

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

The following is the break up of current and non current Lease Liabilities as on March 31, 2023:

Particulars	(₹ in lakh)	(₹ in lakh)
	As at 31 st March, 2023	As at 31 st March, 2022
Non - Current Lease Liabilities	229.56	246.64
Current Lease Liabilities	39.49	24.18
Total Lease Liabilities	269.05	270.82

Following is movement in Lease Liabilities during year ended March 31, 2023:

Particulars	(₹ in lakh)	(₹ in lakh)
	2022 - 2023	2021 - 2022
Balance in Beginning	270.82	300.54
Adjustments in Opening Balance (Due to De-Merger)	2.20	-
Addition during the year	33.33	0.62
Finance Cost accrued during the period	28.52	28.61
Payment of Lease Liabilities	61.42	58.95
Balance at the End	269.05	270.82

The table below provide details regarding the contractual maturities of lease liabilities as at March 31, 2023 on an undiscounted basis:

Particulars	(₹ in lakh)	(₹ in lakh)
	As at 31 st March, 2023	As at 31 st March, 2022
Less than One Year	64.93	49.91
One to Five Years	276.86	261.88
More than Five years	25.41	80.11
Total	367.20	391.90

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

Particulars	(₹ in lakh)	(₹ in lakh)
	2022 - 2023	2021 - 2022
Depreciation Expense on Right to Use Asset	43.84	48.24
Interest Expense on Lease Liabilities	28.52	28.61
Expense relating to Low Value and Short Term Leases (included in other Expenses)	0.08	0.05
Total Amount recognised in profit and Loss account	72.44	76.90

(₹ in lakh)

4. NON- CURRENT INVESTMENTS	As at		As at	
Non -current investments consist of the following :	31 st March, 2023		31 st March, 2022	
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 ₹10 each	-	100	0.00	
Steel Strips Tubes Ltd. of ₹ 10 each	-	500	0.02	
Indian Acrylic Ltd of ₹ 10 each	-	6,000	0.60	
Super Poly Fabrics Ltd. of ₹ 10 each	-	3,900	0.39	
Munjral Auto Industries Ltd of ₹ 10 each	-	1,000	0.54	
Shivam Autotech Limited of ₹ 10 each	-	1,000	0.18	
TV Today Network Ltd of ₹ 10 each	-	600	2.23	
NDTV Ltd. of ₹ 10 each	-	1,700	3.86	
NTPC Ltd. of ₹ 10 each	-	16,591	22.40	
NHPC Ltd. of ₹ 10 each	-	5,034	1.40	
Punjab National Bank of ₹ 10 each	-	2,355	0.83	
Bank of Baroda of ₹ 10 each	-	1,427	1.59	
Jet Airways (India) Limited of ₹ 10 each	-	355	0.28	
Tech Mahindra Ltd of ₹ 10 each	-	892	13.38	
Reliance Power Ltd of ₹ 10 each	-	1,192	0.16	
Karur Vyasa Bank of ₹ 10 each	-	816	0.45	
Yes Bank Ltd. of ₹ 2 each	-	100,000	12.30	
Shilpa Medicare Ltd. of ₹ 1 each	-	16,201	64.51	
	-	-	<u>125.12</u>	
b) INVESTMENTS UNQUOTED				
(i) Investment in equity shares of Subsidiary Companies:				
Avon Newage Cycles Pvt. Ltd.	18,928,000	4,149.14	18,928,000	4,149.14
Avon Energies & Investments Pvt. Ltd.	-	-	10,000	1.00
		<u>4,149.14</u>		<u>4,150.14</u>
(ii) Investment in equity shares of Associate Companies:				
Avon Infrabiz Pvt. Ltd.	-	-	15,000,100	1,500.01
		-	-	<u>1,500.01</u>
(iii) Investment in other equity/preference shares:				
a) Fully Paid up shares:				
Pahwa Estates & Holdings (Pvt) Ltd of ₹ 100 each	-	-	100	2.76
Nimbua Greenfield (Punjab) Ltd of ₹ 10 each	84,375	135.27	84,375	127.12
Greenpedia Bikeshare Pvt. Ltd. of ₹ 10/- each	-	-	1,580	625.05
		<u>135.27</u>		<u>754.93</u>

(v) Investment in AIF/ Real Estate and Pvt. Equity funds(unquoted)				
ICICI Ventures Pvt. Equity Fund	-		2,560	18.31
Kaizen Domestic Scheme-I	-		100	16.79
Aditya Birla Private Equity Class A Unit	-		200	0.19
Kotak Alternative Opportunity India Fund	-		-	1.26
Kotak India Growth Fund-II	-		200	28.65
Kotak India Venture Fund- I	-		16,000	29.33
Peninsula Brookfield India Real Estate Fund	-		282	21.27
Baring Private Equity India AIF	-		100	437.57
Avendus Absolute Return Fund	-		-	132.68
Edelweiss Crossover Opportunities Fund	-		218,813	69.5
IIFL Special Opportunities Fund Series-7	-		973,276	174.86
Motilal Oswal Focussed Business Advantage Fund	-		1,000,000	164.95
IIFL Select Series - II	-		1,200,000	179.78
Axis Rera Opportunities Fund - AIF series -I	-		78	84.39
Sundaram India Premier Fund	-		29,558	502.31
IIFL India Private Equity Fund - Series	-		921,838	95.12
Mindspace Business Parks - REIT	-		11,800	40.89
ICICI Prudential Emerging Dominance Fund	-		91,652	108.03
Kotak Optimus Aggressive Scheme - Class	-		280	386.6
Motilal Oswal Equity Opp. Fund - Series II	-		736,800	98.03
Edelweiss Crossover Opportunities Fund - Series -III	-		474,637	60.69
White Oak India Equity Fund IV	-		905,219	104.63
Kotak Pre - IPO Opportunities Fund	-		25,980	278.49
India Whizdom Fund - II	-		2,500,000	267.7
Emerging India Credit Opportunities Fund	-		346	346
Baring Private Equity India AIF - II	-		100	19.29
Avendus Enhanced Return Fund II - Class	-		-	256.9
Power Grid Infrastructure Trust AIF	-		11,000	14.73
				<u>3,938.94</u>

(vi) Investment in Mutual Funds (Unquoted)				
HDFC Banking and PSU Debt Fund - Reg Plan - Growth	1,604,353	311.26	1,604,353	299.09
HDFC Banking and PSU Debt Fund - Direct Growth Option	489,881	98.09	489,881	93.86
	-	<u>409.35</u>	-	<u>392.95</u>

INVESTMENTS CARRIED AT AMORTISED COST:

(i) Investment in debentures and bonds (unquoted)				
Bharat Bond FOF - April 2031- Reg Plan - Growth	-	-	9,999,500	<u>1,113.51</u>
				<u>1,113.51</u>

TOTAL NON-CURRENT INVESTMENTS

4,693.76 11,975.60

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

5	OTHER FINANCIAL ASSETS (NON- CURRENT)	(₹ in lakh)	(₹ in lakh)
	Other Financial assets consist of the following :-	As at	As at
		31st March, 2023	31st March, 2022
(i)	Security deposits	67.94	133.02
(ii)	Bank Deposits with more than 12 months maturity	4,348.57	6,461.01
(iii)	Other Financial Assets	-	-
		<u>4,416.51</u>	<u>6,594.03</u>
6	OTHER FINANCIAL ASSETS	(₹ in lakh)	(₹ in lakh)
	Other non current assets consist of the following :-	As at	As at
		31st March, 2023	31st March, 2022
(i)	Advance tax (including refunds receivable)	3,555.62	4,339.04
(ii)	Advances to Related Parties	-	-
(iii)	Other non-current assets	41.82	49.32
		<u>3,597.44</u>	<u>4,388.36</u>
	Other Loans & Advances Consists of:		
-	Deferred Revenue Expenditure	3.46	1.33
-	Prepaid Expenses	16	25.64

7	INVENTORIES	(₹ in lakh)	(₹ in lakh)
	Inventories consist of the following :	As at	As at
		31 st March, 2023	31 st March, 2022
	Raw Materials	195.54	264.12
	Work-in-progress	268.62	325.77
	Finished Goods	6,254.07	5,599.65
	Stores & Spares	258.79	220.82
	Stock in trade	1,065.68	87.35
	Securities Stock	-	111.76
		<u>8,042.70</u>	<u>6,609.47</u>
8	CURRENT INVESTMENTS	(₹ in lakh)	(₹ in lakh)
	Current investments consist of the following :	As at	As at
		31 st March, 2023	31 st March, 2022
	INVESTMENTS CARRIED AT FVTPL		
	i) Investment in shares (quoted)		
	ACC Limited	-	656
	Aavas Financers Ltd.	-	222
	Abbott India Ltd	-	28
	Allcargo Logistics Ltd	-	1,040
	Angel One Ltd	-	363
	Anup Engineering Ltd	-	166
	APL Apollo Tubes Ltd.	-	1,480
	Asian Paints Ltd.	-	532
	Axis Bank Ltd.	-	2,943
	Bajaj Finance Ltd.	-	291
	Bajaj Finserve Ltd	-	53
	Balaji Amines Ltd.	-	82
	Balkrishna Industries Ltd	-	211
	Bank of Baroda	-	5,139
	Bharat forge Ltd.	-	1,668
	Bharti Airtel Ltd	-	4,024
	Bharti Airtel Ltd Partly Paid 1.25 PF	-	226
	Birla Corporation Ltd	-	714
	Birlasoft Ltd.	-	694
	Brigade Enterprises Ltd.	-	4,825
	Camlin Fine Sciences Ltd	-	3,759
	Canfin Homes Ltd.	-	1,212
	Central Depository Services (India) Limited	-	503
	Cerebra Integrated Technologies Ltd	-	12,859
	Cholamandalam Investment & Finance Company Ltd.	-	1,448
	Container Corporation of India Ltd	-	3,029
	Crompton Greaves Consumer Electrical Ltd.	-	888
	Cummins India Ltd.	-	1,230
	DCM Shriram Industries Ltd	-	485
	Deepak Nitrite Ltd.	-	229
	Dr. Reddy's Laboratories Ltd.	-	94
	Divis Laboratories Ltd	-	77

Dr. Lal Path labs Ltd	-	-	225	5.87
Equitas Holdings Ltd.	-	-	3,962	4.22
Federal Bank Ltd	-	-	3,049	2.97
Fortis Healthcare Ltd	-	-	1,900	5.52
Gati Ltd.	-	-	5,180	8.49
Gokaldas Exports Ltd	-	-	1,437	5.81
GM Overseas Ltd	-	-	2,054	13.17
GTPL Hathway Ltd	-	-	49	0.09
Gujarat Pipapav Port Ltd	-	-	5,013	3.83
H G Infra Engineering Ltd	-	-	312	1.74
HCL Technologies Ltd	-	-	157	1.83
HDFC Bank Ltd	-	-	2,147	31.57
HIL Ltd.	-	-	42	1.67
IDFC Bank Ltd.	-	-	4,597	2.84
ICICI Bank Ltd	-	-	6,328	46.21
IIFL Finance Ltd.	-	-	2,541	7.25
Indian Energy Exchange Ltd	-	-	2,814	6.32
Indian Hotels Company Ltd	-	-	1,479	3.53
Indraprastha Gas Ltd	-	-	995	3.71
Info Edge (India) Ltd	-	-	221	9.97
Infosys Ltd	-	-	1,064	20.29
Infosys Technologies Ltd	-	-	1,088	20.75
Inox Leisure Ltd.	-	-	3,225	17.09
Intellect Design Arena Ltd	-	-	1,129	10.7
Ion Exchange India Ltd	-	-	103	1.71
Isgec Heavy Engineering Ltd	-	-	1,091	5.6
Jamna Auto Industries Ltd.	-	-	6,660	6.62
Jindal Stainless Hisar Ltd	-	-	1,091	4.25
Jubilant Foodworks Ltd	-	-	268	7.07
Jubilant Ingrevia Limited	-	-	351	1.58
Jubilant Pharmova Ltd	-	-	373	1.45
K R B L Ltd.	-	-	1,374	2.77
Kopran Ltd	-	-	762	2.14
Kotak Mahindra Bank Ltd	-	-	786	13.79
L & T Technology Services Ltd.	-	-	238	12.15
Larsen & Toubro Ltd.	-	-	947	16.74
Laxmi Organic Industries Limited	-	-	648	2.59
Lumax Auto Technologies Ltd.	-	-	2,550	4.27
Maruti Suzuki India Ltd.	-	-	96	7.26
Mastek Ltd	-	-	108	3.59
Max Financial Services Ltd.	-	-	240	1.81
Mayur Uniquoters Ltd.	-	-	804	2.88
Mphasis Ltd	-	-	113	3.82
Nestle India Ltd	-	-	678	11.83
Nil Kamal Ltd	-	-	43	7.47
Oberoi Realty Ltd	-	-	102	2.07
Oracle Financial Services Software Ltd	-	-	572	5.37

Orient Electric Ltd.	-	-	39	1.4
Phoenix Mills Ltd.	-	-	723	7.95
Pitti Engineering Ltd	-	-	359	1.16
Ploycab India Ltd.	-	-	340	8.04
Prism Johnson Ltd.	-	-	3,965	4.57
Radico Khaitan Ltd.	-	-	328	2.91
Reliance Industries Ltd	-	-	645	16.99
Restaurant Brands Asia Ltd	-	-	6,011	6.05
Rites Ltd	-	-	1,497	3.93
Rupa And Company Ltd	-	-	350	1.53
Sarda Energy And Minerals Ltd	-	-	210	2.38
Saregama India Ltd	-	-	37	1.79
SBI Life Insurance Co. Ltd.	-	-	1,784	20.01
Shilpa Medicare Ltd.	-	-	869	3.46
Shoppers Stop Ltd	-	-	1,097	5.16
Skipper Ltd	-	-	728	0.4
SRF Ltd.	-	-	540	14.47
State Bank of India	-	-	4,168	20.57
Surya Roshni Ltd.	-	-	884	3.65
Steel Exchange India Ltd	-	-	4,617	11.03
Sun Pharmaceuticals Industries Ltd	-	-	1,972	18.04
SVP Global Ventures Ltd	-	-	2,346	1.04
Tanla Platforms Ltd.	-	-	559	8.54
Tata Chemicals Ltd.	-	-	1,072	10.45
Tata Consultancy Services Ltd.	-	-	443	16.57
Tata Elxsi Ltd.	-	-	71	6.28
Tata Motors Ltd -Dvr	-	-	3,328	6.87
Tata Power Co Ltd	-	-	5,804	13.85
Tata Steel Ltd	-	-	1,563	20.43
TCI Express Ltd	-	-	286	4.87
Trent Ltd.	-	-	560	7.15
Triveni Engineering & Industries Ltd	-	-	3,152	9.81
TVS Motor Company Ltd	-	-	1,788	11.19
Ultratech Cement Ltd	-	-	139	9.18
United Breweries Ltd	-	-	647	9.64
UPL Ltd.	-	-	317	2.44
Vadilal Industries Ltd	-	-	62	0.87
Vaibhav Global Ltd.	-	-	855	3.2
Vedanta Ltd	-	-	1,895	7.64
Vishal Fabrics Ltd	-	-	4,547	1.6
VRL Logistics Ltd	-	-	1,833	9.06
Zee Entertainment Enterprises Ltd	-	-	2,552	7.36
ZF Commercial Vehicle Control Systems India Ltd	-	-	77	5.86
Zota Health Care Limited	-	-	1,534	4.57
				<u>999.61</u>

		(₹ in lakh) As at 31st March, 2023		(₹ in lakh) As at 31st March, 2022
ii) Investment in mutual funds (unquoted)				
ICICI Pru Short Term Fund - Direct Plan - Growth	372,070	202.29	372,070	189.92
ICICI Pru Balanced Advantage Fund- Growth	304,101	159.71	304,101	150.68
ICICI Prudential Blue Chip Fund	137,437	92.81	114,805	75.29
ICICI Prudential Focussed Equity Fund - Growth	155,452	78.63	155,452	76.05
ICICI Prudential Short Term - Growth Option	36,572	18.48	36,572	17.48
ICICI Liquid Plan Growth	3,772	12.47	3,772	11.81
ICICI Pru Regular Saving Fund - Direct Plan- Growth	2,617,376	752.6	2,617,376	710.66
ICICI Prudential Short Term - Growth Option	462	0.23	10,707	5.12
ICICI Prudential Equity Savings Fund Cumulative	123,870	22.51	405,915	69.82
ICICI Prudential India Opportunities Fund Growth	256,552	50.03	96,979	17.15
ICICI Prudential MNC Fund Growth	55,203	10.27	55,203	10.28
ICICI Prudential Banking and PSU Debt Fund - Growth	88,665	24.42	88,665	23.17
ICICI Prudential Short Term Fund - Growth	390,798	197.47	390,798	186.75
ICICI Prudential Short Term Fund - Direct plan - Growth	301,553	163.95	301,553	153.93
ICICI Pru Banking & PSU Debt Fund - Direct Plan - Gr	347,908	99.14	347,908	93.66
ICICI Pru Short Term Fund - Direct Plan - Growth	301,623	163.99	301,623	153.96
ICICI Prudential Liquid Fund - Growth	-	-	69,321	217.08
ICICI Prudential Liquid Fund - Direct Plan - Growth	-	-	43,884	138.35
ICICI Prudential Banking and PSU Debt Fund - Growth	579,686	159.69	579,686	151.5
ICICI Prudential Housing Opportunities Fund-Growth	249,988	26.87	-	-
Nippon India Short Term Fund - Growth	1,119,402	496.66	1,119,402	479.06
Nippon India Liquid Fund	-	-	208	0.24
Invesco India Growth India Opp. Fund - Growth (GF-GP)	80,808	40.79	80,808	41.16
UTI Hybrid Eq. Fund - Growth	66,376	170.87	66,376	163.92
UTI Value Opportunities Fund - Reg - Growth	66,398	99.22	66,398	65.62
UTI Long Term Equity Fund- Tax Saving - Regular Plan- Growth	25,900	34.78	25,900	36.45
UTI Money Market Fund - Direct Growth Plan	-	-	9,192	228.95
UTI Flexi Cap Fund Regular Plan	39,151	86.24	25,515	62.5
UTI Liquid Cash Plan - Reg Plan- Gr	-	-	1,116	38.67
UTI Flexi Cap Fund- Regular - Growth	24,515	54	24,515	60.05
UTI Healthcare Fund - Reg Plan- Gr	34,949	50.12	34,949	54.87
UTI Small Cap Fund - Reg Plan - GR	251,079	37.07	251,079	38.19
UTI Equity Fund	5,000	7.28	5,000	8.32
ABSL Frontline Equity Fund - Reg - Growth	26,241	88.74	21,784	73.5
Kotak Money Market Scheme- Growth- Regular	331	12.59	331	11.92
Kotak Equity Fund Growth - Reg Plan	71,434	53.06	71,434	51
Kotak Pioneer Fund Growth (Reg Plan)	1,250,017	217.69	1,250,017	223.87
Kotak Bond Fund (Short Term) - Reg - Growth	276,522	121.99	276,522	117.76
Kotak Liquid Fund - Growth - Direct	-	-	2,119	91.2
Kotak Liquid Fund - Growth - Direct	-	-	228	9.77
Kotak Equity Opportunities Fund - Growth - Reg Plan	52,090	105.9	47,217	92.6
HDFC Mid Term Opportunities Reg Plan - Growth	4,207,736	1,143.66	4,207,736	1,099.61
HDFC Capital Builder Value Fund - Reg- Growth	899	3.9	899	3.88

HDFC Equity Fund - Reg - Growth	4,109	46.08	4,109	41.55
HDFC Small Cap Fund - Reg Plan - Growth	62,868	50.07	62,868	44.64
HDFC Low Duration Fund - Reg Plan - Growth	104,172	51.13	104,172	48.77
Axis Global Innovation Fund of Fund Reg Plan Growth	499,975	46.85	499,975	49.5
Axis Short Term Fund - Regular Growth	2,125,315	552.73	2,125,315	529.82
Axis Liquid Fund - Growth	3	0.08	3	0.07
Axis Banking & PSU Debt Fund - Direct Growth(BD-DG)	4,225	96.69	4,225	92.4
Axis Banking & PSU Debt Fund - Regular Growth(BD-GP)	1,072	23.94	1,072	22.94
Axis Focused 25 Fund - REGULAR GROWTH(AF-GP)	101,047	36.85	101,047	43.56
IDFC Banking & PSU Debt Fund - Reg - Growth	116,158	24.26	116,158	23.25
IDFC Banking & PSU Debt Fund - Direct Plan - Growth	459,382	98.09	459,382	93.71
Sundaram Aggressive Hybrid Fund - Reg - Growth	159,922	177.14	159,922	177.13
Sundaram Short Duration Fund	8,851	3.31	8,851	3.17
Sundaram Balanced Advantage Fund	560,619	144.93	560,619	141.74
Sundaram Focused Fund	69,696	79.09	69,696	81.69
Sundaram Focused Fund	38,272	43.43	38,272	44.86
SBI Blue Chip Fund- Regular- Growth	143,157	88.41	118,670	71.38
SBI Bluechip Fund - DIRECT- Growth	122,918	82.75	122,918	80.03
PGIM India Dynamic Bond Fund - Direct Plan - growth	4,309	105.44	4,309	100.53
Mirae Asset Cash Management Fund - Direct Plan growth	-	-	3,384	76.04
Parag Parikh Liquid Fund Direct Plan Growth	-	-	8,505	101.34
Canara Robeco Gilt Fund - direct Growth	155,149	105.36	155,149	100.76
		<u>6,916.75</u>		<u>7,474.65</u>
TOTAL CURRENT INVESTMENTS		6,916.75		8,474.26

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

9	TRADE RECEIVABLES (Unsecured)		
		(₹ in lakh)	(₹ in lakh)
	Trade receivable consist of the following :-	As at	As at
	Inventories consist of the following :	31st March, 2023	31st March, 2022
a)	Receivable from Related Parties		
	- Unsecured, considered good	37.68	74.36
b)	Receivable from Others		
i)	Unsecured, Considered good	9,073.20	13,804.75
ii)	Receivables which have significant increase in credit risk	762.37	334.88
	Less:		
	Impairment Allowance (Allowance for Doubtful Receivables)	(321.64)	(250.30)
		<u>9,551.61</u>	<u>13,963.69</u>

9.1 Trade Receivables Ageing:

Outstanding for following periods from due date of payment						(₹ in lakh)
Particulars	Less Than 6 Months	6 Months to 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
As at 31st March, 2023:						
(i) Undisputed Trade Receivables - considered good	1964.35	311.74	208.92	195.68	-	2680.69
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	37.83	106.38	71.95	533.00	749.16
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
Total	1964.35	349.57	315.30	267.63	533.00	3429.85

Outstanding for following periods from due date of payment						(₹ in lakh)
Particulars	Less Than 6 Months	6 Months to 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
As at 31st March, 2023:						
(i) Undisputed Trade Receivables - considered good	5072.07	313.88	358.99	168.48	763.09	6676.51
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	97.29	92.02	5.92	4.77	134.89	334.89
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
Total	5169.36	405.90	364.91	173.25	897.98	7011.40

10 CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents consist of the following :-

	(₹ in lakh) As at 31 st March, 2023	(₹ in lakh) As at 31st March, 2022
Cash & Cash equivalents:		
i) Balances with banks		
In current accounts	1,686.35	1,312.21
In cash credit accounts	2,533.64	1,078.51
(ii) Cheques on hand	19.35	159.77
(iii) Cash on hand	3.37	5.08
(iv) Imprest Balances	0.20	2.77
(v) Imprest Balances - Related Parties	-	-
(vi) Highly Liquid Investment with maturity of three months or less	15,738.60	15,481.03
	<u>19,981.51</u>	<u>18,039.37</u>

11 OTHER BALANCES WITH BANKS	(₹ in lakh)	(₹ in lakh)
Other Balances with Banks consist of the following :-	As at	As at
	31st March, 2023	31st March, 2022
Cash & Cash equivalents:		
Other bank balances consists of following:		
- Short - Term Bank Deposits	4,801.39	1,980.88
	<u>4,801.39</u>	<u>1,980.88</u>
12 LOANS AND ADVANCES - CURRENT	(₹ in lakh)	(₹ in lakh)
Short term loans and advances consist of the following :-	As at	As at
	31st March, 2023	31st March, 2022
a) Secured, considered good		
b) Unsecured, considered good		
(i) Loans and Advances to Subsidiaries	1,670.00	488.80
(ii) Loans and Advances to Related Parties	2,736.44	920.19
(iii) Loans and Advances to Employees	140.79	107.73
(iv) Other loans and advances	-	-
a) Unsecured, Considered good	1,440.11	2,898.29
b) Considered Doubtful	5.15	5.15
Less:		
Allowance for Doubtful Loans and Advances	(5.15)	(5.15)
	<u>5,987.34</u>	<u>4,415.01</u>
Other loans and advances considered good includes		
- Interest bearing loans & deposits	3,963.25	2,917.42
- Margin Money	214.78	266.45
13 OTHER FINANCIAL ASSETS - CURRENT	(₹ in lakh)	(₹ in lakh)
Other current assets consist of the following :-	As at	As at
	31st March, 2023	31st March, 2022
a) Interest receivable	11.26	32.06
b) Other Financial Assets	76.12	141.43
	<u>87.38</u>	<u>173.49</u>
Other financial assets includes :		
- Duty Drawback Receivable	11.67	38.21
- VAT Incentive Receivable at Hajipur	6.82	6.82
- Forward contract receivable a/c (net)	4.65	-
- MEIS/ Rodtep Incentive Receivable	38.70	44.00
14 OTHER CURRENT ASSETS	(₹ in lakh)	(₹ in lakh)
Other current assets consist of the following :-	As at	As at
	31st March, 2023	31st March, 2022
(i) Other Current Assets	1,639.12	1,456.98
Less:		
Allowance for Doubtful Other Assets	(8.84)	(8.84)
	<u>1,630.28</u>	<u>1,448.14</u>
Other loans and advances considered good includes:		
GST Refundable	677.37	710.22
Prepaid Expenses	70.96	122.24
Advance to Suppliers including Capital Advances	384.56	308.01

15 EQUITY SHARE CAPITAL	(₹ in lakh)	(₹ in lakh)
Authorised Share Capital :	As at	As at
	31 st March, 2023	31 st March, 2022
10,00,000 Equity Shares (Previous Year 10,00,000) of Rs.10/-each	<u>100.00</u>	<u>100.00</u>
Issued, Subscribed and paid up :	100.00	100.00
870494 Equity shares (Previous Year 853287) of Rs.10/- each fully paid up	87.05	85.33
	<u>87.05</u>	<u>85.33</u>

15.1 Reconciliation of number of shares

Authorised Share Capital :	As at		As at	
	31 st March, 2023		31 st March, 2022	
	No. of shares	Amount	No. of shares	Amount
Equity Shares				
- Opening Balance	853,287	85.33	896,442	89.64
- Changes during the year	17,207	1.72	(43,155)	(4.32)
- Closing Balance	870,494	87.05	853,287	85.33

Note: The Change in equity shares is due to Amalgamation of M/s Pahwa Estates & Holdings Pvt. Ltd. (Kindly refer Note No. 38)

15.2 Terms/ Rights attached to Equity Shares

The Company has one class of equity shares having a par value of ₹ 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.

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

Name of Shareholder	As at		As at	
	31 st March, 2023		31 st March, 2022	
	No. of Shares	%	No. of Shares	%
Onkar Singh Pahwa	-	-	228,593	26.79
Sarabjit Kaur Pahwa	-	-	228,593	26.79
Rishi Pahwa	189,157	21.73%	170,047	19.93
Mandeep Singh Pahwa	190,069	21.83%	170,046	19.93
Onkar Singh Pahwa C/o Onkar Singh Pahwa Family Trust 1	95,713	11.00%	-	-
Onkar Singh Pahwa C/o Onkar Singh Pahwa Family Trust 2	132,880	15.26%	-	-
Sarabjit Kaur Pahwa C/o Sarabjit Kaur Pahwa Family Trust 1	95,713	11.00%	-	-
Sarabjit Kaur Pahwa C/o Sarabjit Kaur Pahwa Family Trust 2	132,880	15.26%	-	-
Pahwa Estates and Holdings Pvt Ltd	-	-	56,000	6.56

15.4

Shareholding of Promoters:

Promoter's Name	No. of shares	change	No. of	% of total	% change
	at the	during the	shares at	shares	during the
	beginning of	year	the end of	during the	year
	the year		the year		
As at 31st March, 2023:					
Sh. Onkar Singh Pahwa	228,593	(204,169)	24424	2.81%	-23.98%
Smt. Sarabjit Kaur Pahwa	228,593	(219,773)	8820	1.01%	-25.78%
Sh. Rishi Pahwa	170,047	19,110	189157	21.73%	1.80%
Sh. Mandeep Singh Pahwa	170,046	20,023	190069	21.83%	1.91%
Pahwa Estates & Holdings Pvt. Ltd.	56,000	(56,000)	-	0.00%	-6.56%
Smt. Pallavi Pahwa	-	830	830.00	0.10%	0.10%
Onkar Singh Pahwa C/o Onkar Singh Pahwa Family Trust 1*	-	95,713	95,713.00	11.00%	11.00%
Onkar Singh Pahwa C/o Onkar Singh Pahwa Family Trust 2*	-	132,880	132,880.00	15.26%	15.26%
Sarabjit Kaur Pahwa C/o Sarabjit Kaur Pahwa Family Trust 1*	-	95,713	95,713.00	11.00%	11.00%
Sarabjit Kaur Pahwa C/o Sarabjit Kaur Pahwa Family Trust 2*	-	132,880	132,880.00	15.26%	15.26%
Total	<u>853,279</u>	<u>17,207</u>	<u>870,486</u>		

*Changes in equity is on account of transfer of shares to different trust for the benefits of relatives of Mr. Onkar Singh Pahwa and Mrs. Sarabjit Kaur Pahwa by way of gift. However, voting rights remain with the transferor.

Sr. no	Promoter's Name	No. of shares at the beginning of the year	change during the year	No. of shares at the end of the year	% of total shares	% change during the year
As at 31st March, 2022:						
1	Sh. Onkar Singh Pahwa	228,593	-	228,593	26.79%	-
2	Smt. Sarabjit Kaur Pahwa	228,593	-	228,593	26.79%	-
3	Sh. Rishi Pahwa	170,047	-	170,047	19.93%	-
4	Sh. Mandeep Singh Pahwa	170,046	-	170,046	19.93%	-
5	Pahwa Estates & Holdings Pvt. Ltd.	56,000	-	56,000	6.56%	-
6	Kaushalya Devi Pahwa Trust	43,155	(43,155.00)	-	0.00%	-5.06%
	Total	<u>896,434</u>	<u>(43,155.00)</u>	<u>853,279</u>		

16 OTHER EQUITY

Other Equity consist of the following:

		As at 31 st March, 2023		As at 31 st March, 2022
General Reserve				
As per last Balance Sheet	15,881.09		13,467.40	
Less:				
Change due to Merger of PEHPL with ACL	(42.76)			
Buy Back of shares	-		(81.99)	
Transfer to Capital Reserve	-		(4.32)	
Add: Transferred from Profit and Loss Account	500.00	16,338.33	2,500.00	15,881.09
Capital Redemption Reserve				
As per last Balance Sheet	4.32		-	
Add:				
Transfer from PEHPL	0.80	5.12	4.32	4.32
Capital Reserve				
As per last Balance Sheet	-		-	
Difference of Book Value of Assets & Liabilities (including reserves) so recorded in the books of ACL due to merger of PEHPL, as reduced by aggregate sum of the share capital issued as consideration after giving into effect of cross holdings.				
	37.48		-	
Cross holding of Shares cancelled due to de-merger with AEIPL	(1.00)	36.48	-	
Retained Earnings				
As per last Balance Sheet	58,203.93		55,079.64	
Add: Profit for the year	6,317.67		6,109.04	
Other Comprehensive Income	8.27		(65.66)	
	<u>64,529.87</u>		<u>61,123.02</u>	
Less : Appropriations				
Transferred to General Reserve	500.00		2,500.00	
Dividend on Equity Shares	170.66		179.29	
Expenses on Buy- Back	-		0.06	
Buy - Back Tax	-		19.10	
Transfer to AEIPL as per order of NCLT dated 03.07.2023	22,713.69			
Period Period Adjustments	-		-	
Tax adjustment of earlier years	50.24	41,095.28	220.64	58,203.93
TOTAL		<u>57,475.21</u>		<u>74,089.34</u>

Notes to Reserves:**a) Capital Redemption Reserve:**

The Indian Company Act, 2013 ("The Companies Act") requires that where a company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve account and details of such transfer shall be disclosed in the balance sheet. The capital redemption reserve account may be applied by the Company, in paying up unissued shares of the company to be issued to shareholders of the company as fully paid bonus shares. Avon Cycles Ltd. established this reserve pursuant to the redemption of equity shares issued in earlier years.

b) Retained Earnings:

Retained earnings are the profits that the Company has earned till date, add/(less) any transfers from/(to) general reserve, securities premium, dividends or other distributions paid to shareholders. Retained earnings includes re-measurement gain/(loss) on defined benefit obligations, net of taxes that will not be reclassified to Profit and Loss.

c) Capital Reserve:

The capital reserve represents the excess of the identifiable assets and liabilities over the consideration paid/ received or vice versa in a common control sale/transfer of business/investment.

17 BORROWINGS**Borrowings consist of the following :**

	(₹ in lakh) As at 31 st March, 2023	(₹ in lakh) As at 31 st March, 2022
Secured - at Amortized Cost		
Term Loans - from Banks	-	2,479.26
Term Loans - from Others	-	-
	-	2,479.26
Unsecured - at Amortized Cost		
Loans & Advances from related parties (Directors)	1,206.63	1,304.85
	1,206.63	1,304.85
TOTAL	1,206.63	3,784.11

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

(₹ in lakh)

Detail of Term Loans is: Name of Facility	Repayment Terms	Security	Amount O/s as at 31.03.2023	Amount O/s as at 31.03.2022
Toyota Financial Services India Ltd.- Car Loan (Toyota Vellfire Hybrid)	36 monthly installments starting from April 2020	Hypothecation of Car Toyota Vellfire Hybrid	-	17.85
Punjab National Bank - Car Loan (Mercedes Benz E220d)	36 monthly installments starting from April 2017	Hypothecation of Car- Mercedes Benz	7.80	24.96
HDFC Bank Term Loan - Solar Plant (20 cr)	25 quarterly installments starting after 3 months from the date of 1st disbursement	Hypothecation of Fixed Assets created out of Term Loan	-	348.10
HDFC Bank Term Loan - Solar Plant (20 cr)	27 quarterly installments starting after 6 months from the date of first disbursement	Hypothecation of Fixed Assets created out of Term Loan	-	1,148.65
HDFC Bank Term Loan - Solar Plant (20 cr)	27 quarterly installments starting after 6 months from the date of first disbursement	Hypothecation of Fixed Assets created out of Term Loan	-	1,584.92

18 NON CURRENT LEASE LIABILITY	(₹ in lakh)	(₹ in lakh)
Non- Current Lease Liabilities consist of the following :	As at	As at
	31st March, 2023	31st March, 2022
Lease Liability	<u>229.56</u>	<u>246.64</u>
	<u>229.56</u>	<u>246.64</u>
19 OTHER FINANCIAL LIABILITIES	(₹ in lakh)	(₹ in lakh)
Other Financial Liabilities consist of the following :	As at	As at
	31st March, 2023	31st March, 2022
Other Financial Liabilities	<u>763.61</u>	<u>783.84</u>
	<u>763.61</u>	<u>783.84</u>
Other Financial Liabilities includes:		
Dealer's Securities	552.81	509.63
Security Deposits	-	31.47
20 LONG TERM PROVISIONS	(₹ in lakh)	(₹ in lakh)
Long Term Provisions consist of the following :	As at	As at
	31st March, 2023	31st March, 2022
Other Provisions	<u>3,184.00</u>	<u>3,878.60</u>
	<u>3,184.00</u>	<u>3,878.60</u>
Other Provisions includes:		
Provision for Income Tax	3,184.00	3,878.60
21 OTHER NON CURRENT LIABILITIES	(₹ in lakh)	(₹ in lakh)
Other long -term liabilities consist of the following :	As at	As at
	31st March, 2023	31st March, 2022
Other Non - Current Liabilities	<u>284.92</u>	<u>247.72</u>
	<u>284.92</u>	<u>247.72</u>
Other Long Term Liabilities includes:		
Provision for Unpaid Earned Leaves	203.51	170.34
22 SHORT TERM BORROWINGS	(₹ in lakh)	(₹ in lakh)
Short -term borrowings consist of the followings	As at	As at
	31st March, 2023	31st March, 2022
Secured loans:		
i) Working Capital limits from Banks	500.00	1,092.76
ii) Current Maturities of Long Term Debt	7.80	645.21
Unsecured Loans:		
Loans repayable on demand from Banks	-	-
Loan from Related Parties	-	-
Other borrowings(from entities other than banks)	-	-
	<u>507.80</u>	<u>1,737.97</u>

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

Detail of Short Term Borrowings is as under:

(₹ in lakh)

Name of Facility	Security	Amt. Guaranteed	
		31.03.2023	31.03.2022
Punjab National Bank Working Capital Limit	Hypothecation of any stock (RM/ WIP/FG) lying in premises or in transit. Hypothecation of entire book debts arising out of genuine business transactions.	500.00	1,056.32
HDFC Bank Ltd. - Working Capital Facility	First Pari-Passu charge on stocks and book- debts with other working capital lenders for total working Capital limits of Company.	-	36.44

23 CURRENT LEASE LIABILITY	(₹ in lakh)	(₹ in lakh)
Current Lease Liabilities consist of the following :	As at	As at
	31st March, 2023	31st March, 2022
Lease Liability	<u>39.49</u>	<u>24.18</u>
	<u>39.49</u>	<u>24.18</u>
24 TRADE PAYABLES:	(₹ in lakh)	(₹ in lakh)
Trade Payables consists of following:	As at	As at
	31st March, 2023	31st March, 2022
a) Trade Payables:		
a) Total Outstanding dues of micro enterprises and small enterprises	3,069.72	4,199.67
b) Total Outstanding dues of other than micro enterprises and small enterprises	3,019.66	3,102.68
b) Due to Related Parties	318.94	351.24
	<u>6,408.32</u>	<u>7,653.59</u>

24.1 Trade Payables Ageing:

(₹ in lakh)

Particulars	Outstanding for following periods from due date of payment				
	Less Than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
As at 31st March, 2023:					
(i) MSME	-	-	-	-	-
(ii) Others	903.07	34.39	24.35	16.55	978.36
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-
Total	903.07	34.39	24.35	16.55	978.36

(₹ in lakh)

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

25 OTHER FINANCIAL LIABILITIES	(₹ in lakh)	(₹ in lakh)
Other current liabilities consist of the following :	As at	As at
	31st March, 2023	31st March, 2022
Other Financial Liabilities:		
i) Due to Related Parties	-	-
ii) Due to Other than Related parties	<u>725.70</u>	<u>937.77</u>
	<u>725.70</u>	<u>937.77</u>
Other Financial Liabilities includes:		
Cheques Issued but not presented	626.26	485.48
Capital Creditors	-	-
Forward Contract Payable (Net)	-	15.16

26 SHORT-TERM PROVISIONS	(₹ in lakh)		(₹ in lakh)
Short -term borrowings consists of the following:	As at		As at
	31st March, 2023		31st March, 2022
Provision for Unspent CSR Liability	<u>3.59</u>		<u>52.97</u>
	<u>3.59</u>		<u>52.97</u>
27 OTHER CURRENT LIABILITIES	(₹ in lakh)		(₹ in lakh)
Other current liabilities consist of the following :	As at		As at
	31st March, 2023		31st March, 2022
Advance received from Customers	225.11		335.59
Due to Related Parties	4,043.64		39.69
Other Payables	<u>684.22</u>		<u>1,083.51</u>
	<u>4,952.96</u>		<u>1,458.79</u>
Other payables includes :			
Statutory liabilities	236.75		688.76
Income Received in Advance	10.19		12.73
Advance from Sale of Property	12.00		12.00
28 REVENUE FROM OPERATIONS	(₹ in lakh)		(₹ in lakh)
Other current liabilities consist of the following :	As at		As at
	2022 - 2023		2021 - 2022
Sale of Products	87,182.33		82,761.12
Other Operating Revenues	<u>350.16</u>		<u>130.40</u>
	<u>87,532.49</u>		<u>82,891.52</u>
28.1 PARTICULARS OF SALE OF PRODUCTS	(₹ in lakh)		(₹ in lakh)
Particulars	2022 - 2023		2021 - 2022
Bicycles & its parts	83,736.05		73,667.30
E-Bikes & its parts	1,154.60		2,366.20
E- Rickshaw & its parts	1,770.38		1,115.37
Power	-		3,945.24
Export Incentives	177.53		222.28
Others	<u>343.77</u>		<u>1,444.73</u>
	<u>87,182.33</u>		<u>82,761.12</u>
29 OTHER INCOME	(₹ in lakh)		(₹ in lakh)
Particulars	2022 - 2023		2021 - 2022
a) Interest Income			
i) On Bank Deposits (at amortized cost)	248.27		418.14
ii) On Loans & Advances (at amortized cost)	216.87		212.24
iii) On Investments (at amortized cost)	-		86.04
iv) Other interest	<u>45.22</u>	<u>510.36</u>	<u>16.20</u>
			732.62
b) Dividend	-		20.49
c) Net gain on Sale/ Fair valuation of Investments			
i) Fair Valuation gain on Investments (net)	403.81		1,100.00
ii) Profit on sale of current investments	284.14		705.64
iii) Profit on sale of non-current investments	<u>0.60</u>	<u>688.55</u>	<u>436.60</u>
			2,242.24
Net Gain on Trading in Securities:			
a) Gain on trading in Securities other than Derivative	-		510.71
b) Gain/(Loss) on trading in Derivative	<u>-</u>	<u>-</u>	<u>7.23</u>
Royalty	33.23		39.57
Other Non Operating Income	<u>172.40</u>		<u>484.02</u>
	<u>1,404.54</u>		<u>4,036.88</u>
Other Non - Operating Income includes:			
- Rent Received	81.55		290.56
- Profit on Sale of property, plant & equipment	50.13		135.33

30 COST OF MATERIALS CONSUMED		(₹ in lakh) 2022 - 2023 % of consumption		(₹ in lakh) 2021 - 2022 % of consumption
Imported	2,306.23	4.29%	5,519.38	11.28%
Indigenous	51,431.62	95.71%	43,410.97	88.72%
TOTAL	<u>53,737.85</u>	<u>100%</u>	<u>48,930.35</u>	<u>100.00</u>
31 PURCHASE OF STOCK - IN - TRADE		(₹ in lakh) 2022 - 2023 % of consumption		(₹ in lakh) 2021 - 2022 % of consumption
Imported	0.86	0.02%	7.68	0.18%
Indigenous	5,739.03	99.98%	4,226.79	99.82%
TOTAL	<u>5,739.89</u>	<u>100.00%</u>	<u>4,234.47</u>	<u>100%</u>
32 CHANGE IN INVENTORIES OF FINISHED GOODS/ STOCK-IN-TRADE/ WORK-IN-PROGRESS		(₹ in lakh) 2022 - 2023		(₹ in lakh) 2022 - 2023
Opening Stock		6,012.78		10,239.34
Less: Closing Stock		<u>(7,588.37)</u>		<u>(6,012.78)</u>
		<u>(1,575.59)</u>		<u>4,226.56</u>
33 EMPLOYEE BENEFITS EXPENSE STOCK-IN-TRADE/ WORK-IN-PROGRESS		(₹ in lakh) 2022 - 2023		(₹ in lakh) 2022 - 2023
Salaries and Wages		5,002.59		4,773.58
Contribution to Provident and other Funds		473.39		430.50
Staff Welfare Expenses		102.77		98.46
TOTAL		<u>5,578.75</u>		<u>5,302.54</u>
34 FINANCE COSTS		(₹ in lakh) 2022 - 2023		(₹ in lakh) 2022 - 2023
Interest Expenses		245.01		465.12
Other borrowing costs		54.39		84.03
		<u>299.40</u>		<u>549.15</u>
35 OTHER EXPENSES		(₹ in lakh) 2022 - 2023		(₹ in lakh) 2022 - 2023
Manufacturing Expenses				
Stores, chemical and packing material	3,900.02		3,704.57	
Processing Charges	220.41		173.59	
Power & Fuel	256.68		266.55	
Carriage Inward	45.09		48.40	
Repairs to Machinery	84.46	4,506.66	681.06	4,874.17
Selling and distribution Expenses				
Clearing & Forwarding Charges	9,839.01		5,416.26	
Commission	962.86		84.79	
Advertisement	1,006.61		516.17	
Other Selling Expenses	215.57	12,024.05	101.04	6,118.26
Establishment Expenses				
Printing & Stationery	21.90		17.13	
Postage, Telegrams & Telephone Expenses	54.42		46.47	
Traveling Expenses	423.18		194.01	
Vehicles Maintenance Expenses	43.46		44.63	
Repairs to Building	86.76		110.78	
Repairs & Renewals	51.45		45.92	
Payments to Auditors	17.85		14.35	
Charity & Donation	160.17		31.92	
Insurance	158.14		176.49	
Rates & Taxes	29.81		32.15	
Legal & Professional Charges	154.73		225.20	
Bad Debts & Advances written off	358.11		237.27	
Miscellaneous Expenses	286.75	1,846.73	394.39	1,570.71
		<u>18,377.44</u>		<u>12,563.14</u>

35.1 PAYMENT TO AUDITOR AS

	(₹ in lakh) 2022 - 2023	(₹ in lakh) 2021 - 2022
i) Audit Fees	2.00	2.00
ii) Tax Audit Fee	3.50	3.00
iii) GST/ VAT Audit Fee	-	-
iv) Certification fees	-	-
iii) Others	12.35	12.35
	<u>17.85</u>	<u>17.35</u>

36 CONTINGENT LIABILITIES:

	(₹ in lakh) 2022 - 2023	(₹ in lakh) 2021 - 2022
a) Guarantees given by Bank	5814.62	6582.35
b) Proposed Dividend	174.09	170.65

- c) i) 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 ₹ 52.97 Lakh. No Provision has been made in the Standalone financial statements as no default has been reported on balance sheet date.
- ii) The Company has also given Corporate guarantees to HDFC Bank Ltd. and EXIM Bank Ltd. on behalf of wholly owned subsidiary i.e. M/s Avon Newage Cycles Pvt. The guarantee given to the extent of loan extended by these banks. Total outstanding loan as on March 31, 2023 is ₹ 2652.37 Lakh.
- d) Disputed excise and service tax demand amounting to ₹ 36.68 lakh (pre year 36.68 lakh) and penalty of ₹ 36.68 lakh (Previous year 36.87 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 ₹ 0.48 in case of excise, ₹ 2.17 Lac in case of Service Tax and ₹ 1.67 Lakh in case of custom. Disputed Basic Custom Duty amounting to ₹ 22.39 Lac (Previous Year - 22.39) for financial year 2018-19. Company has deposited disputed Punjab VAT for ₹ 1.03 Lakh in case of disputed VAT liability of ₹ 4.13 Lakh. 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 ₹ 6.58 Lac are outstanding for Assessment Year 2016-17 and ₹ 29.55 for Assessment Year 2018-19.
- g) Levy of Entry Tax by West Bengal High Court is subjudice before West Bengal High Court. West Bengal High Court has given stay on deposit of Entry Tax to company. The amount of entry tax is ₹ 51.33 Lac for FY 2017-18, ₹ 121.56 Lac for FY 2016-17 & ₹ 172.50 Lac for FY 2015-16.

37 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.

38 SCHEME OF ARRANGEMENT

National Company Law Tribunal-Chandigarh has approved the Scheme of Arrangement amongst M/s Pahwa Estates And Holdings Private Limited (Transferor Company) and M/s Avon Cycles Limited (Transferee Company/Demerged Company And M/s Avon Energies And Investments Private Limited (Resulting Company) And their respective shareholders and creditors, vide its order dated 03.07.2023, detail of which is given below:

- 1) First part of the Scheme-Amalgamation of M/s Pahwa Estates And Holdings Private Limited (Transferor Company) with M/s Avon Cycles Limited (Transferee Company/ Demerged Company)
- 2) Second Part of the Scheme-Demerger of Non Core Undertaking of the Company into M/s Avon Energies And Investments Private Limited (Resulting Company)

As per first part of the scheme, M/s Pahwa Estates And Holdings Private Limited has been amalgamated with the Company with appointed date 01.04.2022. The Company has issued 73207 equity shares face value of ₹ 10 each, fully paid up, in lieu of 44100 equity shares face value of ₹ 100 each, fully paid up to the shareholder of the M/s Pahwa Estates And Holdings Private Limited in the ratio of 1.66:1 i.e. for every one Equity Shares of M/s Pahwa Estates And Holdings Private Limited 1.66 Equity Shares of M/s Avon Cycles Limited. Further, as per this scheme, the Company (Avon Cycles Limited) has done the reduction of share capital by cancellation and extinguishment of 56000 equity shares of ₹ 10 each fully paid up aggregating to ₹ 5.60 Lakh.

As per second part of the scheme, Non Core Undertaking of the Company has been demerged into M/s Avon Energies And Investments Private Limited (AEIPL) with appointed date 01.04.2022. The Company has duly given effect of the scheme and accounted for necessary entries in the books of accounts of the Company in accordance with the applicable Indian Accounting Standards (IND-AS) and nothing is left to report as deviation.

39 DIVIDENDS

Dividends paid during the year ended March 31, 2023 include an amount of ₹ 20 per equity share towards final dividend for the year ended March 31, 2022. 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, 2023, the income available for distribution were ₹ 6312.62 Lakh. Dividend, if approved by shareholders at Annual General Meeting, the dividend would result in a cash outflow of ₹ 174.09 Lac.

40 SEGMENTAL INFORMATION

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

41 TAX BALANCES:

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

Deferred Tax Liabilities (Net):	Opening Balance	Recognized in Profit or Loss	Recognized in OCI	Closing Balance
Deferred Tax Assets:				
Expenses deductible in Future Years	158.71	(23.25)		135.46
Provision for Doubtful Debts/ Advances	66.52	17.95		84.47
Losses allowable in future years	191.10	44.16		235.26
ROU Assets	-	70.28		70.28
Others	23.55	(23.55)	-	-
	<u>439.88</u>	<u>85.59</u>	-	<u>525.47</u>
Deferred Tax Liabilities:				
Property, Plant & Equipment, and Intangible Assets	1,994.21	(1,938.03)		56.18
Investment in Bonds, Mutual Funds and equity instruments	706.89	21.52		728.41
ROU Assets	38.81	(38.81)		-
Others	-	0.48	2.78	3.26
	<u>2,739.91</u>	<u>(1,954.84)</u>	<u>2.78</u>	<u>787.85</u>
Net Deferred Tax Liability	<u>(2,300.03)</u>	<u>2,040.43</u>	<u>(2.78)</u>	<u>(262.38)</u>

41.2 Income Tax Recognized in Profit or Loss:

Particulars	(₹ in lakh) For Year Ended 31 st March, 2023	(₹ in lakh) For Year Ended 31 st March, 2022
Current Tax		
In respect of current year	1,607.00	1,509.00
Deferred Tax		
In respect of Current Year	(2,040.42)	521.23
Total Income Tax Expense Recognized	<u>(433.42)</u>	<u>2,030.23</u>

41.3 Income Tax recognized in Other Comprehensive Income

Particulars	(₹ in lakh) For Year Ended 31 st March, 2023	(₹ in lakh) For Year Ended 31 st March, 2022
Arising on Remeasurement of Defined benefit Obligation	<u>(2.78)</u>	<u>27.93</u>
	<u>(2.78)</u>	<u>27.93</u>

42 EARNINGS PER EQUITY SHARES

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

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

Particulars	(₹ in lakh) For Year Ended 31 st March, 2023	(₹ in lakh) For Year Ended 31 st March, 2022
Profit/ (Loss) after Tax	6,317.69	6,109.03
Less: Adjustment of Income Tax Earlier Years	50.24	220.64
Profit after adjustment of Income Tax Earlier Years (A)	<u>6,367.92</u>	<u>6,329.68</u>
Weighted average number of equity shares (B)	870,494.00	896,442.00
Earning per share : Basic/Diluted (A/B)'	731.53	706.09

43 Interest includes ₹ 127.53 Lac for F/Y 2022-2023 and ₹ 161.54 lakh for F/Y 2021-2022 paid to Directors.

- 44 Charity & Donation includes ₹ 155 lakh contributed to political parties during Financial year 2022-23, ₹ 26.50 Lakh during Financial Year 2021-22, detail of which is as below:

Party Name	(₹ in lakh)	(₹ in lakh)
	31 st March, 2023	31 st March, 2022
Bhartiya Janta Party	15.00	14.00
Electoral Bonds	140.00	-
Shiromani Akali Dal	-	5.00
All India Congress Committee	-	5.00
Aam Aadmi Party	-	2.50
	<u>155.00</u>	<u>26.50</u>

- 45 Interest received of ₹ 500.25 lakh (Previous Year ₹ 732.61 lakh) includes Tax deducted at source of ₹ 61.80 Lakh (Previous Year ₹ 59.91 lakh).
- 46 Expenditure on insurance includes ₹ 13.61 Lakh (Previous year ₹ 19.20 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.
- 47 Sales-tax assessments have been completed up to the accounting year ended 31st March 2016.
- 48 Income -tax assessments of the Company have been completed upto the accounting year ended 31.03.2021 relevant to the assessment year 2021-22.
- 49 In accordance with section 135 of Companies Act, 2013, the company is covered by the provision of said section:

Particulars	(₹ in lakh)	(₹ in lakh)
	2022-2023	2021 - 2022
i) The amount required to be spent under CSR Obligation	147.56	172.81
ii) The amount of expenditure incurred during the year	148.07	124.99
iii) Shortfall at the end of the year	-0.51	23.08
iv) Total of Previous Years Shortfall	3.54	29.88
v) Movement of Provision for unspent CSR:		
Opening	52.97	50.86
Provision created during the year	-	23.08
Spent during the year	49.43	20.97
Closing	<u>3.54</u>	<u>52.97</u>
vi) Detail of nature of CSR Expenditure incurred during the year:		
Particulars	(₹ in lakh)	(₹ in lakh)
	2022-2023	2021 - 2022
a) Animal Welfare	4.59	10.09
b) Welfare of Armed Forces	-	7.19
c) Education	12.06	36.27
d) Environment	15.13	29.39
e) Health	58.82	64.19
f) Hunger	3.83	0.42
g) Sports	0.64	3.20
h) Art & Culture	53.00	-
TOTAL	<u>148.07</u>	<u>150.75</u>

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

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

52 Micro, Small and Medium Enterprises

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

(₹ in lakh)

PARTICULARS	2022-2023	2021-2022
A) (i) Principal amount remaining unpaid at the end of accounting year (ii) Interest due on above	(43.69) 21.86	4,186.25 -
B) The amount of interest paid by the Company in terms of section 16 of the MSMED, along with amount of payment made to the suppliers beyond the appointed date during the accounting year.	13.41	1.58
C) The amount of interest accrued and remaining unpaid at the end of the financial year.	21.86	13.41
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	21.86	13.41
E) The amount of further interest remaining due and payable in succeeding years, until such interest is actually paid.	-	-

- 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.

53 Government Grants:	(₹ in lakh) 2022-2023	(₹ in lakh) 2021 - 2022
At the Beginning	6.82	12.31
Provided during the year	-	-
Received/ Adjusted during the year	-	5.49
At the End of the year	6.82	6.82

54 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.

55 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) 31 st March, 2023	(₹ in lakh) 31 st March, 2022
Variable Rate Borrowings	500.00	4,174.42
Fixed Rate Borrowings	1,214.43	1,347.66

Interest Rate Sensitivity

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

	Effect on Profit Before Tax (₹ in lakh) 31 st March, 2023	(₹ in lakh) 31 st March, 2022
Increase by 50 Basis Points	2.50	20.87
Decrease by 50 Basis Points	(2.50)	(20.87)

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) 31 st March, 2023	(USD in lakh) 31 st March, 2022
Trade Receivables	2.14	-
EEFC Balance	-	-
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) 31 st March 2023		(₹ in lakh) 31 st March 2022
	5% Increase	5% Increase	5% Increase	5% Increase
USD				
Increase/ (Decrease) in Profit or Loss	8.12	(8.12)	-	-

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) 31 st March, 2023	(USD in lakh) 31 st March, 2022
Forward Contracts against Exports	11.00	30.00
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 Categorization	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 recognized in statement of profit and loss.

Cash & cash equivalents and bank deposits

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

Trade receivables

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

Other financial assets measured at amortised cost

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

I) Trade Receivables

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

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

Trade Receivables	(₹ in lakh) 31 st March, 2023	(₹ in lakh) 31 st March, 2022
Not Due	6,443.40	7,202.59
Up to Six Months Past Due	1,964.35	5,169.36
6 Months to 1 Year Past Due	349.57	405.90
More Than 1 Year Past Due	1,115.93	1,436.13
	<u>9,873.25</u>	<u>14,213.98</u>
Provision for Doubtful Debts		
Provision for Doubtful Debts	(321.64)	(250.30)
Total	<u>9,551.60</u>	<u>13,963.68</u>

	(₹ in lakh) 31 st March 2023	(₹ in lakh) 31 st March 2022
Reconciliation of Provision for Doubtful Debts		
Balance at the Beginning of the Year	250.30	253.36
Add: Provision made during the year	132.81	-
Less: Transfer due to De-Merger	61.47	-
Less: Provision Written Back during the Year	-	3.06
Balance at the end of the Year	<u>321.64</u>	<u>250.30</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:

Floating rate

(a) Expiring within one year (Bank overdraft and other facilities)	(₹ in lakh) 31 st March 2023	(₹ in lakh) 31 st March 2022
Secured		
- Working Capital Limits	500.00	1,092.76
(b) Expiring beyond one year (Bank loans)		
Secured		
- Term loan from banks	-	2,479.26

ii) Maturity Patterns of borrowings

	Less than 1Year	1 to 2 years	2 to 5 years	(₹ in lakh) More than 5 yrs
Year ended 31st March, 2023				
Contractual Maturities of borrowings	507.80	1,206.63	-	-
Contractual Maturities of trade payables	6,408.32	-	-	-
Contractual Maturities of other financial liabilities	765.19	47.68	110.87	834.63
Total	<u>7,681.31</u>	<u>1,254.30</u>	<u>110.87</u>	<u>834.63</u>
Year ended 31st March, 2022				
Contractual Maturities of borrowings	1,737.97	1,922.45	1,861.66	-
Contractual Maturities of trade payables	7,653.58	-	-	-
Contractual Maturities of other financial liabilities	961.95	28.79	105.03	896.66
Total	<u>10,353.50</u>	<u>1,951.23</u>	<u>1,966.70</u>	<u>896.66</u>

56 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 maximize 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 company 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) 31 st March, 2023	(₹ in lakh) 31 st March, 2022
Borrowings	1,714.43	5,522.08
Trade Payables	6,408.32	7,653.58
Less: Cash & Cash Equivalents	(19,981.50)	(18,039.37)
Net Debt	(11,858.75)	(4,863.71)
Equity	57,562.22	74,174.61
Capital & Net Debt	45,703.47	69,310.90
Gearing Ratio	-25.95%	-7.02%

In order to achieve this overall objective, the company'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.

57 Expenditure Incurred on Research & Development

Particulars	(₹ in lakh) 2022-2023	(₹ in lakh) 2021 - 2022
- Capital Expenditure	2.17	8.65
- Revenue Expenditure	152.82	106.90
	154.99	115.54

58 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 2023	31st March 2022
Gratuity Plan	1,006.58	966.77

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 31 st March 2023	For the year ended on 31 st March 2022
Present value obligation as at the start of the year	966.77	823.90
Interest costs	69.56	55.57
Current Service costs	94.92	75.87
Benefits paid	(111.42)	(84.64)
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in financial assumptions	(24.00)	117.94
- experience Variance	10.76	(21.86)
Present value obligation as at the end of the year	1,006.58	966.77

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

	(₹ in lakh)	(₹ in lakh)
Change in fair value of plan assets	For the year ended on 31st March 2023	For the year ended on 31st March 2022
Fair value of plan assets as at the start of the year	890.42	830.20
Return on plan assets	64.06	56.00
Actuarial gains/ (losses)	(2.19)	2.49
Contributions by employer	84.30	86.38
Benefits paid	(111.42)	(84.64)
Fair value of plan assets as at the end of the year	925.17	890.42

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

	(₹ in lakh)	(₹ in lakh)
Particulars	For the year ended on 31st March 2023	For the year ended on 31st March 2022
Present value obligation as at the end of the year	1,006.58	966.77
Fair value of plan assets as at the end of the year	925.17	890.42
Net asset/(obligation) recognized in balance sheet	(81.42)	(76.35)

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

	(₹ in lakh)	(₹ in lakh)
Particulars	For the year ended on 31st March 2023	For the year ended on 31st March 2022
Amount recognized in the statement of profit and loss		
Current service cost	94.92	75.87
Interest on obligation	5.49	(0.43)
Total included in employee benefit expense	100.42	75.44

f) Amount recognized in the statement of Other Comprehensive Income

	(₹ in lakh)	(₹ in lakh)
Particulars	For the year ended on 31st March 2023	For the year ended on 31st March 2022
Change in Financial Assumptions	(24.00)	117.94
Change in Demographic Assumptions		-
Experience Variance i.e. Actual Experience vs Assumptions	10.76	(21.86)
Actuarial Gain/(Loss) for the year	2.19	(2.49)
Components of defined benefit cost recognized in OCI	(11.05)	93.59

g) Principal actuarial assumptions at the balance sheet date:

Particulars	(₹ in lakh)	(₹ in lakh)
	For the year ended on 31 st March 2023	For the year ended on 31 st March 2022
Actuarial Assumptions		
Discount rate (per annum)	7.45%	7.25%
Salary escalation rate (per annum)	9.00%	9.00%

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	(₹ in lakh)	(₹ in lakh)
	For the year ended on 31 st March 2023	For the year ended on 31 st March 2022
Demographic Assumptions		
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:

Particulars	(₹ in lakh)	(₹ in lakh)
	For the year ended on 31 st March 2023	For the year ended on 31 st March 2022
Defined Benefit Obligation (base)	1,006.58	966.77

ii) Particulars

Particulars	For the year ended on 31 st March, 2023		For the year ended on 31 st March, 2022	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+1%) (% change compared to base due to sensitivity)	1,108.91 10.20%	920.53 -8.50%	1,070.68 10.70%	879.74 -9.00%
Salary Growth Rate (-/+1%) (% change compared to base due to sensitivity)	923.26 -8.30%	1,102.98 9.60%	883.71 -8.60%	1,063.39 10.00%
Attrition Rate (-/+ 50% of attrition rates) (% change compared to base due to sensitivity)	1,015.85 0.90%	998.34 -0.80%	976.75 1.00%	957.97 -0.90%
Mortality Rate (-/+ 10% of mortality rates) (% change compared to base due to sensitivity)	1,006.82 0.00%	1,006.34 0.00%	967.02 0.00%	966.52 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	190.10
2 to 5 years	294.02
6 to 10 years	338.57
More than 10 years	1,755.21

59 EMPLOYEE BENEFITS - EARNED LEAVE PLAN

Assets and Liability (Balance Sheet Position)

Particulars	As on 31.03.2022	As on 31.03.2023
Present Value of obligation	170.34	259.40
Fair Value of Plan Assets	-	-
Surplus/(Deficit)	(170.34)	(259.40)
Effects of Asset Celling,if any	-	-
Net Asset/(Liability)	(170.34)	(259.40)

Bifurcation of Present Value of obligation at the end of the year as per revised schedule III of the Companies Act 2013

Particulars	As on 31.03.2022	As on 31.03.2023
Current Liability(Short Term)	17.09	55.89
Non-Current Liability(Long Term)	153.24	203.50
Present Value of obligation as at the end	170.34	259.40

Expenses Recognized in income Statement

Particulars	For the Period ending	
	31.03.2022	31.03.2023
Present value of obligation as at the beginning	113.63	170.34
Present value of obligation as at the end	170.34	259.40
Benefit Payment	30.35	29.15
Actual return on plan assets	-	-
Transfer in/(out)	-	-
Expenses Recognized in income statement	87.06	118.22

Financial Assumptions

The Principal financial assumptions used in valuation are shown in the below table :

Particulars	As on 31.03.2022	As on 31.03.2023
Discount rate (per annum)	7.25%	9.45%
Salary Growth rate(per annum)	9.00%	9.00%

The Discount Rate indicated above reflects the esteemed timing and currency of benefit Payments. it is based on the yields/rate 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 the 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.

Demographic Assumptions

Particulars	As on 31.03.2022	As on 31.03.2023
Mortality Rate	100%	100%
Normal retirement age	58 Years	58 Years
Attrition/withdrawal rate (Per annum)		
Upto 30 Years	3.00%	3.00%
31 - 44 Years	2.00%	2.00%
Above 44 Years	1.00%	1.00%
Rate of Leave Availment (per annum)	0.00%	0.00%
Rate of Leave Encashment during employment (per annum)	0.00%	0.00%

Attrition rate indicated above represents the 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, past experience etc.

Sensitivity Analysis

Significant actuarial assumptions for the determination of the leave liability 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 reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below

Particulars	31.03.2022	31.03.2023
Present Value of obligation (Base)	170.34	259

Particulars	For the year ended on 31 st March, 2022		For the year ended on 31 st March, 2023	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+1%) (% change compared to base due to sensitivity)	195.77 14.90%	149.71 -12.10%	289.03 11.40%	234.57 -9.60%
Salary Growth Rate (-/+1%) (% change compared to base due to sensitivity)	149.84 -12.00%	195.07 14.50%	234.68 -9.50%	288.28 11.10%
Attrition Rate (-/+ 50% of attrition rates) (% change compared to base due to sensitivity)	173.74 2.00%	167.41 -1.70%	262.05 1.00%	257.07 -0.90%
Mortality Rate (-/+ 10% of mortality rates) (% change compared to base due to sensitivity)	170.43 0.10%	170.25 -0.10%	259.49 0.00%	259.31 0.00%

Please note that the sensitivity analysis presented above may not be representative of the actual Change in the present value of obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There is no change in the method of valuation for the prior period. For change in assumptions please refer to section 4 above, where assumptions for prior period, if applicable, are given.

Maturity Profile of Defined Benefit Obligation

Weighted average duration (based on discounted cashflows)	11 Years
Expected cash flows over the next (Valued on undiscounted basis)	Indian Rupees(INR)
1 year	55.89
2 to 5 years	41.23
6 to 10 years	53.17
More than 10 years	568.69

60 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

Avon Energies & Investments Pvt. Ltd.

Avon Fitness Machines Pvt. Ltd.

Hans Raj Pahwa & Bros.

5 Key Management personnel

Sh. Onkar Singh Pahwa

Sh. Rishi Pahwa

Sh. Mandeep Singh Pahwa

Sh. Girish Paman Vanvari

Sh. Anil Arora

Sh. Manish Kumar Mittal

Sh. Bhavdeep Sardana

6 Other Related Parties

Smt. Sarabjit Kaur Pahwa

Smt. Pallavi Pahwa

Smt. Jasmine Pahwa

Aditragh Enterprises

NRG Enterprises

Rolex Metals Pvt. Ltd.

Wheel Crafts

b) Related Party Transactions :

(₹ in lakh)

Transactions	Subsidiaries		Associates / Joint Ventures		Entities with Control or Joint Control by KMP		Key Management Personnel		Other Related Parties	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Rent Paid	-	-	-	-	-	-	-	-	-	-
Remuneration Paid	-	-	-	-	-	-	1,716.03	1,765.88	174.89	39.76
Interest Paid	-	-	-	-	25.48	27.28	74.08	161.55	53.45	-
Interest Received	60.91	11.27	57.16	22.44	0.14	22.05	-	-	-	-
Rent Received	-	-	-	-	79.30	74.20	-	-	-	-
Service Charges Received	-	-	-	-	0.93	0.07	-	-	-	-
Dividend Paid	-	-	-	-	11.20	11.20	113.74	159.46	45.72	-
Royalty	-	-	-	-	33.23	39.57	-	-	-	-
Food Bill	-	-	-	-	3.89	3.61	-	-	-	-
Purchase	1,778.53	39.33	-	0.47	-	-	-	-	4,377.72	3,339.90
Sale	358.85	80.46	-	1.91	0.15	0.37	-	-	14.03	37.58
Sale/ Trf. of Fixed Assets	-	2,014.79	-	339.00	-	-	-	-	-	-
Sitting Fees	-	-	-	-	-	-	1.30	0.70	-	-
Re-imbusement of expenses	60.82	31.47	42.05	37.96	288.71	288.71	-	-	-	-
Loan Given	3,040.00	2,051.00	515.00	500.00	-	400.00	-	-	-	-
Loan Received Back	1,855.00	1,566.00	-	-	400.00	-	-	-	-	-
Legal & Professional Charges	-	-	-	-	-	-	-	-	-	-
Payment of Misc. Charges	-	-	-	-	-	-	-	-	-	-
Purchase of Shares	-	947.40	-	-	-	-	-	-	-	-
Debit balances outstanding as at the closing	1,670.00	520.58	1,066.44	520.22	35.90	442.98	-	-	-	-
Credit balances as at the closing	1.90	-	-	-	0.04	-	44.05	33.84	314.33	357.08

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 31 st March 2023			₹ in lakh 31 st March 2022		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Assets						
Investments	11,610.51	-	-	19,336.27	-	1,113.51
Trade Receivables	-	-	9,551.60	-	-	13,963.69
Other Financial Assets	-	-	10,491.24	-	-	11,182.53
Cash & Cash Equivalents	15,738.60	-	4,242.91	15,481.03	-	2,558.34
Other Bank Balances	-	-	4,801.39	-	-	1,980.88
Total	27,349.11	-	29,087.14	34,817.30	-	30,798.95
Financial Liabilities						
Borrowings	-	-	1,714.43	-	-	5,522.08
Trade Payables	-	-	6,408.32	-	-	7,653.58
Other Financial Liabilities	-	-	1,758.36	-	-	1,992.43
Total	-	-	9,881.11	-	-	15,168.09

(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 31 st March 2023			₹ in lakh 31 st March 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investments	7,326.10	-	4,284.41	8,992.25	-	10,344.01
Cash & Cash Equivalents	15,738.60	-	-	15,481.03	-	-
Total	23,064.69	-	4,284.41	24,473.28	-	10,344.01

Financial assets and liabilities measured at amortized cost for which fair values are disclosed	₹ in lakh 31 st March 2023			₹ in lakh 31 st March 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investments	-	-	-	-	1,113.51	-
Trade Receivables	-	-	9,551.60	-	-	13,963.69
Other Financial Assets	-	-	10,491.24	-	-	11,182.53
Cash & Cash Equivalents	-	-	4,242.91	-	-	2,558.34
Other Bank Balances	-	-	4,801.39	-	-	1,980.88
Total	-	-	29,087.14	-	1,113.51	29,685.44
Financial Liabilities						
Borrowings	-	-	1,714.43	-	-	5,522.08
Trade Payables	-	-	6,408.32	-	-	7,653.58
Other Financial Liabilities	-	-	1,758.36	-	-	1,992.43
Total	-	-	9,881.11	-	-	15,168.09

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 maximize 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 amortized cost

Particulars	₹ in lakh 31 st March 2023		₹ in lakh 31 st March 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Investments	-	-	1,113.51	1,075.81
Margin Money	214.78	214.78	266.45	266.45
Employee Loans	140.79	140.79	107.73	107.73
Other Financial Assets	-	-	-	-
Total	355.57	355.57	1,487.69	1,449.99
Financial Liabilities				
Security Deposits	-	-	31.47	31.47
Total	-	-	31.47	31.47

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 Other Statutory Information:

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

Type of Borrower	As at 31.03.2023		As at 31.03.2022	
	Amount Outstanding (₹ in lakh)	%age to Total Loans & Advances	Amount Outstanding (₹ in lakh)	%age to Total Loans & Advances
a) To Subsidiaries	1670.00	30.19%	488.80	12.30%
b) To Associates	1066.44	19.28%	520.19	13.09%
c) To other Related Parties	0.00	0.00%	400.00	10.07%

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

Sr No.	Name of Financial Institution	Amount	Reason
1	Industrial Finance Corporation of India	270.00	It is historic in nature and it involves practical challenge in obtaining NOC from them despite repayment of the loan. Charge will be satisfied as and when it receives NOC from the charge holder.
2	HDFC Bank Ltd.		In pursuance of NCLT order (refer note no. 34), loans, liabilities relating to the de-merged company have been transferred to resulting company, but however, satisfaction of charges is pending.

xi) Ratios

Sr. No.	Ratio	Numerator	Denominator	Current year	Previous year	Variation
1	Current ratio (in times)	Total current assets	Total current liabilities	4.14	4.26	-2.82%
2	Debt-Equity ratio (in times)	Debt consists of borrowings and lease liabilities.	Total equity	0.03	0.08	-55.88%
3	Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments	6.92	6.87	0.74%
4	Return on equity ratio (in %)	Profit for the year less Preference dividend (if any)	Average total equity	9.59%	8.56%	12.11%
5	Inventory Turnover Ratio	Sales	Average Inventory	11.99	9.60	24.89%
6	Trade receivables turnover ratio (in times)	Sales	Average trade receivables	7.41	6.07	22.13%
7	Trade payables turnover ratio (in times)	Cost of Material Consumed + Purchase of Stock - in - trade + Change in Inventories of Raw Material & Stores	Average trade payables	9.01	5.86	53.87%
8	Net capital turnover ratio (in times)	Sales	Average working capital (i.e. Total current assets less Total current liabilities)	1.98	1.86	5.92%
9	Net profit ratio (in %)	Profit for the year	Sales	7.25%	7.38%	-1.83%
10	Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Net worth + Lease liabilities + Deferred tax liabilities + Total Debt	10.34%	10.56%	-2.10%
11	Return on investment (in%)	Income generated from invested funds	Average invested funds in treasury investments	2.47%	8.22%	-69.98%

Reasons for variation in excess of 25%:

1. Debt Equity Ratio: decreased mainly due to transfer of Term Borrowings in pursuance of scheme of arrangement approved by NCLT order dated 03.07.2023.
 2. Trade Payable Turnover Ratio: Increase mainly due to decrease in holding period of payables and improved liquidity position of the Company.
 3. Return on Investment: Reduced due to transfer of Non-Core business in pursuance of scheme of arrangement approved by NCLT order dated 03.07.2023.
- xii) The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries), or,(b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- xiii) The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries), or,
 - (b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
63. The figures have been rounded off to the nearest rupee lakh up to two decimal point.

As per our report of even date
For Amanpreet & Co.
Chartered Accountants
Firm Registration No.022778N

For and on behalf of the Board

For and on behalf of the Board

Sd/-
(Amanpreet Singh)
Proprietor
M.No 500322
UDIN: 23500322BGQFLW7090
Place : Ludhiana
Dated: 27.09.2023

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

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

Independent Auditors' Report

To The Members of Avon Cycles Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying Consolidated financial statements of M/s. Avon Cycles Limited (hereinafter referred to as “the Holding Company”) and its subsidiaries (Holding Company and its subsidiaries together referred to as “the Group”) which comprise the Consolidated Balance Sheet as at 31st March, 2023, 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, 2023, 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 2023. 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 consider 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.

Emphasis of the Matter

National Company Law Tribunal-Chandigarh has approved the Scheme of Arrangement amongst M/s Pahwa Estates And Holdings Private Limited (Transferor Company) and M/s Avon Cycles Limited (Transferee Company/Demerged Company And M/s Avon Energies And Investments Private Limited (Resulting Company) And their respective shareholders and creditors, vide its order dated 03.07.2023, detail of which is given below:

- 1) First part of the Scheme-Amalgamation of M/s Pahwa Estates And Holdings Private Limited (Transferor Company) with M/s Avon Cycles Limited (Transferee Company/Demerged Company).
- 2) Second Part of the Scheme-Demerger of Non Core Undertaking of the Company into M/s Avon Energies And Investments Private Limited (Resulting Company).

As per first part of the scheme, M/s Pahwa Estates And Holdings Private Limited has been amalgamated with the Company with appointed date 01.04.2022. The Company has issued 73207 equity shares face value of ₹ 10 each, fully paid up, in lieu of 44100 equity shares face value of ₹ 100 each, fully paid up to the shareholder of the M/s Pahwa Estates And Holdings Private Limited in the ratio of 1.66:1 i.e. for every one Equity Shares of M/s Pahwa Estates And Holdings Private Limited 1.66 Equity Shares of M/s Avon Cycles Limited. Further, as per this scheme, the Company (Avon Cycles Limited) has done the reduction of share capital by cancellation and extinguishment of 56000 equity shares of ₹ 10 each fully paid up aggregating to ₹ 5.60 Lakh.

As per second part of the scheme, Non Core Undertaking of the Company has been demerged into M/s Avon Energies And Investments Private Limited (AEIPL) with appointed date 01.04.2022. The Company has duly given effect of the scheme and accounted for necessary entries in the books of accounts of the Company in accordance with the applicable Indian Accounting Standards (IND-AS) and nothing is left to report as deviation.

Opinion

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

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

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

financial statements of which we are the independent auditors. For other entities included in consolidated financial statements, which have been audited by other auditors, such auditors remain responsible for the direction, supervision and performance of audits carried on by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of section titled 'Other Matters' in this audit report. We believe that the audit evidence obtained by us along with consideration of audit reports of other auditors referred to in sub-paragraph (a) of other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated financial statements for the year ended 31st March 2023. 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 subsidiary company whose financial statements/ financial information reflect total assets (before consolidation adjustments) of ₹ 8460.64 Lakh as at 31st March 2023, total revenues (before consolidation adjustments) of ₹ 2356.46 Lakh and total net loss after tax (before consolidation adjustments) of ₹ 479.26, Other Comprehensive Income (before consolidation adjustments) of ₹ 0.44 Lakh and net cash inflow (before consolidation adjustments) amounting to ₹ 14.15 Lakh for the year ended as on that date, as considered in consolidated financial statements, whose reports have been furnished to us by the management. 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 subsidiary 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 2023 taken on record by the Board of Directors of Holding Company and reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group's companies incorporated in India is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to Consolidated financial statements of the Holding Company and its Subsidiary Companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
2. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2021, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Group has disclosed the impact of pending litigations on its financial position in its Ind AS Consolidated financial statements - Refer Note 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.
 - iv. a) The management of holding company and as per reports of the statutory auditors of its subsidiary company and associate company incorporated in India has represented that,

to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- b) The management of holding company and as per reports of the statutory auditors of its subsidiary company incorporated in India has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

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

Place: Ludhiana
Date: 27.09.2023

For Amanpreet & Co.
Chartered Accountants
Firm's Registration No: 022778N

Sd/-
Amanpreet Singh
Proprietor
Membership No: 500322

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 2023 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 2023, 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 2023, 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.

Place: Ludhiana
Date: 27.09.2023

For Amanpreet & Co.
Chartered Accountants
Firm's Registration No: 022778N
Sd/-
Amanpreet Singh
Proprietor
Membership No: 500322

Avon Cycles Limited
Consolidated Balance Sheet as at 31.03.2023

(Amount ₹ in Lakh)

	Note	As at 31.03.2023	As at 31.03.2022	
ASSETS				
Non-Current Assets				
a)	Property Plant & Equipment	2	10,090.77	16,932.25
b)	Right-of-Use Asset	3	357.00	425.04
c)	Investment Properties	2.1	69.32	3,710.84
d)	Capital Work in Progress		1,157.61	3,168.52
e)	Other Intangible Assets	2.3	88.92	55.42
f)	Financial Assets:			
	I) Investments	4	544.62	7,652.18
	ii) Other Financial Assets	5	4,530.16	6,710.21
g)	Other Non Current Assets	6	3,630.13	4,522.70
	Total Non- Current Assets		<u>20,468.53</u>	<u>43,177.16</u>
Current Assets				
a)	Inventories	7	9,580.22	7,135.42
b)	Financial Assets:			
	I) Investments	8	6,916.75	8,474.26
	ii) Trade Receivables	9	9,719.27	13,974.36
	iii) Cash & Cash Equivalents	10	20,072.10	18,116.80
	iv) Other Balances with Banks	11	4,801.39	1,980.88
	v) Loans & Advances	12	4,347.41	4,165.43
	vi) Other Financial Assets	13	104.42	180.83
c)	Current Tax Assets		1,900.98	1,783.43
d)	Other Current Assets	14	2,101.16	1,766.89
e)	Assets held for Sale	2.2	62.27	62.27
	Total Current Assets		<u>59,605.97</u>	<u>57,640.57</u>
	Total Assets		<u>80,074.50</u>	<u>100,817.73</u>
EQUITY AND LIABILITIES				
Equity				
a)	Equity Share Capital	15	87.05	85.33
b)	Other Equity	16	56,969.43	73,845.83
	Total Equity		<u>57,056.48</u>	<u>73,931.16</u>
LIABILITIES				
Non-Current Liabilities				
a)	Financial Liabilities:			
	I) Borrowings	17	3,431.45	5,715.05
	ii) Lease Liability	18	229.56	246.64
	iii) Other Financial Liabilities	19	617.71	565.94
b)	Provisions	20	3,184.00	3,878.60
c)	Deferred Tax Liability (net)		166.62	2,291.60
d)	Other Non- Current Liabilities	21	292.73	247.72
	Total Non- Current Liabilities		<u>7,922.07</u>	<u>12,945.55</u>

Current Liabilities			
a)	Financial Liabilities:		
	I) Borrowings	22	930.81
	ii) Lease Liability	23	39.49
	iii) Trade Payables		
	(a) total outstanding dues of micro and small enterprises	24	3,210.56
	(b) total outstanding dues of trade payable other than micro and small enterprises	24	3,513.01
	iii) Other Financial Liabilities	25	769.63
b)	Provisions	26	3.59
c)	Current Tax Provisions		1,607.00
D)	Other current Liabilities	27	5,021.86
	Total Current Liabilities		<u>15,095.95</u>
	TOTAL EQUITY & LIABILITIES		<u>80,074.50</u>
	Notes on Financial Statements	1 to 65	

In terms of our report attached

For Amanpreet & Co.

For and on behalf of the Board

For and on behalf of the Board

Chartered Accountants

Firm Registration No.022778N

Sd/-

(Amanpreet Singh)

Proprietor

M.No 500322

UDIN: 23500322BGQFMI1595

Place : Ludhiana

Dated: 27.09.2023

Sd/-

(Rishi Pahwa)

Joint Managing Director

DIN: 00286399

Sd/-

(Mandeep Singh Pahwa)

Director

DIN: 00248245

Avon Cycles Limited
Consolidated Statement of Profit & Loss Account for the period ended 31.03.2023

(Amount ₹ in Lakh)

Particulars	Note	Year Ended 31.03.2023	Year Ended 31.03.2022
Income			
a) Revenue from Operations	28	87,775.32	82,854.50
b) Other Income	29	1,449.15	4,053.04
Total Income		<u>89,224.47</u>	<u>86,907.54</u>
Expenses			
a) Cost of Materials Consumed	30	52,722.57	48,891.02
b) Purchases of Stock-in-trade	31	6,287.22	4,742.96
c) Change in Inventories of Finished Goods, Stock-in-trade and Work-in-Progress	32	(1,566.00)	3,712.86
d) Employee Benefits Expense	33	5,843.82	5,333.26
e) Finance Costs	34	492.65	549.15
f) Depreciation & Amortization Expense	2.5	1,251.27	2,809.08
g) Other Expenses	35	18,727.43	12,634.73
Total Expenses		<u>83,758.96</u>	<u>78,673.06</u>
Profit/(loss) Before Tax & Exceptional Items		5,465.51	8,234.48
Share of Profit/(Loss) of Associates & Joint Ventures		-	(168.27)
Profit Before Tax & Exceptional Items		5,465.51	8,066.21
Exceptional Items:			
CSR Expenditure u/s 135 of Companies Act, 2013		148.07	173.83
Profit/(Loss) Before Tax		5,317.44	7,892.38
Tax Expenses/(Credit) (Net)			
Current Tax		1,607.00	1,509.00
Deferred Tax		(2,127.76)	512.80
Profit/(Loss) for the year		<u>5,838.20</u>	<u>5,870.58</u>
Other Comprehensive Income/(Loss):			
Return on plan assets, excluding amount recognised in net interest expense		0.44	-
Re-measurement of post-employment benefit Obligations		11.05	(93.59)
Income Tax Relating to these items		(2.78)	27.93
Other Comprehensive Income/(Loss), Net of Tax		<u>8.71</u>	<u>(65.66)</u>
Total Comprehensive Income/(Loss)		<u>5,846.91</u>	<u>5,804.92</u>
Net Profit Attributable to:			
a) Owners to Company		5,838.20	5,870.58
b) Non - Controlling Interest		-	-
Other Comprehensive Income Attributable to:			
a) Owners to Company		8.71	(65.66)
b) Non - Controlling Interest		-	-
Total Comprehensive Income Attributable to:			
a) Owners to Company		5,846.91	5,804.92
b) Non - Controlling Interest		-	-
Earnings/Loss per equity share of face value of ₹ 10 each (EPS)			
(I) Basic (in ₹)		676.36	679.48
(ii) Diluted (in ₹)		676.36	679.48

Notes on Financial Statements

1 to 65

In terms of our report attached
For Amanpreet & Co.
Chartered Accountants
Firm Registration No.022778N

For and on behalf of the Board

For and on behalf of the Board

Sd/-
(Amanpreet Singh)
Proprietor
M.No 500322
UDIN: 23500322BGQFMI1595
Place : Ludhiana
Dated: 27.09.2023

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

Particulars	Amount
For year ended 31st March, 2023	(₹ in Lakh)
Balance as on April 01, 2022	85.33
Proceeds from Issue of Shares	-
Prior Period Errors	-
Changes during the year	1.72
Balances as on March 31, 2023	87.05

b) For year ended 31st March, 2022

Particulars	Amount
For year ended 31st March, 2022	(₹ in Lakh)
Balance as on April 01, 2021	89.65
Proceeds from Issue of Shares	-
Prior Period Errors	-
Changes during the year due to amalgamation of PEHPL	(4.32)
Balances as on March 31, 2022	85.33

c) OTHER EQUITY

(₹ in Lakh)

Particulars	Retained Earnings	General Reserve	Capital Reserve	Capital Redemption Reserve	Total
Balance as on April 01, 2022	57,960.38	15,881.09	-	4.32	73,845.78
Profit for the year	5,838.23	-	-	-	5,838.23
Other Comprehensive Income/ (Loss) for the year	8.71	-	-	-	8.71
Total Comprehensive Income for the year	<u>5,846.94</u>	-	-	-	<u>5,846.94</u>
Transferred to General Reserve	(500.00)	-	-	-	-500.00
Transferred from General Reserve	-	-	-	0.80	0.80
Transfer From Retained Earnings	-	500.00	-	-	500.00
Final Dividend for Financial Year 2021 - 2022 (@ ₹ 20/- per share)	(170.66)	-	-	-	-170.66
Buy Back of shares	-	-	-	-	0.00
Transfer to Capital Redemption Reserve	-	-	-	-	0.00
Prior Period Adjustments	42.70	-	-	-	42.70
Transfer to AEIPL as per order of NCLT dated 03.07.2023	(22,540.41)	-	-	-	-22,540.41
Changes due to Merger of PEHPL & De-merger of Non- Core business to AEIPL	-	(42.76)	36.48	-	-6.28
Tax adjustment of earlier years	(49.46)	-	-	-	-49.46
Balances as on March 31, 2023	<u>40,589.49</u>	<u>16,338.33</u>	<u>36.48</u>	<u>5.12</u>	<u>79,509.83</u>

In terms of our report attached

For Amanpreet & Co.

For and on behalf of the Board

For and on behalf of the Board

Chartered Accountants

Firm Registration No.022778N

Sd/-

(Amanpreet Singh)

Proprietor

M.No 500322

UDIN: 23500322BGQFMI1595

Place : Ludhiana

Dated: 27.09.2023

Sd/-

(Rishi Pahwa)

Joint Managing Director

DIN: 00286399

Sd/-

(Mandeep Singh Pahwa)

Director

DIN: 00248245

Avon Cycles Limited
Consolidated cash flow statement for the period ended 31.03.2023
(Amount ₹ in Lakh)

	2022 - 2023	2021 - 2022
A. Cash Flow From Operating Activities		
Net profit/(loss) before tax	5,317.47	7,892.34
Adjustments for :		
Interest expenses	434.42	465.12
Depreciation and Amortization on PPE	1,207.41	2,760.84
Profit/ Loss on Sales/ Fair Valuation of Investment	(688.55)	(2,242.24)
Profit on Sales of Fixed Assets	(50.13)	(135.33)
Interest Received	(467.82)	(732.41)
Dividend Received	-	(20.49)
(Profit)/loss on Share Trading	-	(510.71)
Other Non-Operating Income	(33.23)	(77.84)
Other Comprehensive Income	8.71	(65.66)
Rent	(81.55)	(290.56)
	<u>371.97</u>	<u>(849.28)</u>
Cash Flow from Operating activities before changes in following Assets & Liabilities:	5,689.44	7,043.07
Trade Receivables	2,727.88	(674.50)
Inventories	(2,556.57)	4,355.26
Loan & Advances	(1,005.26)	(364.49)
Other Financial Assets	1,545.40	(5,817.94)
Other Assets (excluding Advance Tax)	(258.22)	1,384.02
Trade Payables	(1,120.91)	(3,862.62)
Other Financial Liabilities	(140.73)	(577.03)
Provisions (Excluding Provision of Income Tax)	(49.38)	2.11
Other Liabilities	1,625.46	-
Inc/(Dec) in Operating Assets due to De-merger	3,017.95	200.28
	<u>3,785.63</u>	<u>(5,354.91)</u>
Cash generations from/(used in) operations	9,475.07	1,688.15
Income Taxes Paid (Net)	539.80	(2,135.99)
Net Cash from/(used in) operating activities (A)	10,014.87	(447.84)
B. Cash Flow From Investing Activities		
Purchase of Fixed Assets	(6,629.62)	(9,161.90)
Purchase/ (Sale) of Investment	133.05	(500.69)
Sale of Fixed Assets	4,980.84	2,668.90
Interest Received	467.82	732.41
Dividend Received	-	20.49
Profit/Loss on Sales of Investment	688.55	2,242.24
Profit/Loss on Share Trading	-	510.71
Other Non-Operating Income	33.23	77.84
Rent Received	81.55	-
Inc/(Dec) in Investing Assets due to De-merger	21,483.82	290.56
	<u>21,239.24</u>	<u>(3,119.44)</u>
Net Cash From/(used in) Investing Activities (B)	21,239.24	(3,119.44)
C. Cash Flow From Financing Activities		
Interest Paid	(434)	(465.12)
Dividend Paid	(171)	(179.29)
Change in Equity due to Amalgamation (Refer Note No.)	(3.56)	-
Payment on Buy-Back of shares/ expenses on buy-back	-	(86.37)
Proceeds/(Repayments) of/from loan funds	(248)	-
Inc/(Dec) in Financing Assets due to De-merger	(24,328)	4,315.93
	<u>(25,185)</u>	<u>3,585.15</u>
Net Cash From/(used in) from Financing Activities (C)	(25,185)	3,585.15
Net Increase/(Decrease in Cash & Cash Equivalents	6,069	17.87
Cash & Cash Equivalents as on 01/04/2022	20,097.68	20,079.80
Cash outflow as part of De-Merger (Refer Note No.38)	(1,293.58)	-
Cash & Cash Equivalents as on 31/03/2023	24,873.48	20,097.68

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

In terms of our report attached
For Amanpreet & Co.
Chartered Accountants
Firm Registration No.022778N

Sd/-
(Amanpreet Singh)
Proprietor
M.No 500322
UDIN: 23500322BGQFMI1595
Place : Ludhiana
Dated: 27.09.2023

For and on behalf of the Board

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

For and on behalf of the Board

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

Avon Cycles Limited

Notes on Consolidated Financial Statements for the period ended March 31, 2023

BACKGROUND

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

1) SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation:

i) Compliance with IndAs:

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

ii) Historical Cost Convention:

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

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

b) Foreign currency translation:

i) Functional and presentation currency:

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

(ii) Transactions and Balances:

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized 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 recognized 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, Ebike, E-Rickshaws and Power. Sales are recognized 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 recognized whenever claimed by the dealer.

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

d) Government Grants:

Grants from the government are recognized 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 recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income. Government grants relating to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss over the expected lives of the related assets and presented within other income.

e) Income Tax:

i) Current Tax:

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

ii) Deferred Tax:

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

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax is recognised in the Statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In that case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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

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

1. Whether an entity considers uncertain tax treatments separately.
2. The assumptions an entity makes about the examination of tax treatments by taxation authorities.
3. How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.
4. How an entity considers changes in facts and circumstances.

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

f) Leases:

As a lessee

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

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. They are subsequently measured at cost less

accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

As a lessor

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

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

g) Impairment of Assets:

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

h) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term,

highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

l) Inventories:

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

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

j) Non-current assets held for sale:

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

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

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

k) Property, Plant and Equipment:

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

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

Depreciation methods, estimated useful lives and residual value:

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

The estimated useful lives are as follows:

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

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

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

l) Investment Properties:

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

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

m) Intangible Assets:

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

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

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

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

Capitalized development costs are recorded as intangible assets and amortized 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 amortized 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 capitalized 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 along-term loan arrangement on or before the end of the reporting period with settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the Consolidated financial statements for issue, not to demand payment as a consequence of the breach.

p) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized 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 capitalization. Other borrowing costs are expensed in the period in which they are incurred.

q) Provisions and Contingent Liabilities:

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

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

r) Employee benefits

(i) Short-term obligations

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

(ii) Other long-term employee benefit obligations

The liabilities, if any, which needs to be settled after 12 months from the end of the period in which the employees render the related services are 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 out flows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

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

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

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

Defined contribution plans

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

(iv) Bonus plans

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

s) Financial Assets:

(I) Classification:

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

a) Those to be measured subsequently at fair value (either through other comprehensive income or through Statement of profit and loss), and

b) Those measured at amortized 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 amortized cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

iv) Derecognition of Financial Asset:

A Financial Asset is derecognised only when:

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

v) Income Recognition:

Interest Income: Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

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

t) Impairment of Non Financial Assets:

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

u) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet

where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counter party.

v) Derivatives that are not designated as hedges:

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

w) Estimates & Judgements:

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

- i) Estimation of current tax expense and payable.
- ii) Designation of financial assets /liabilities through FVTPL.
- iii) Estimation of defined benefit obligation.
- iv) Recognition of deferred tax assets for carried forward tax losses. Estimates and judgements are continually evaluated. They are based on historical experience and other factors, , including expectations of future events that may have a financial impact on Group and that are believed to be reasonable under the circumstances.

x) Applicability of New and Revised Ind As:

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into amendments in the following existing accounting standards which are applicable to Group from April 1, 2023:

- i) Ind AS 1 -- Presentation of Financial Statements
- ii) Ind AS 12 -- Income Taxes
- iii) Ind AS 8 -- Accounting Policies, Changes in Accounting Estimates & Errors

The Group is assessing the impact of these changes and will accordingly incorporate the same in the financial statements for the year ending March 31, 2024.

Notes forming part of the Financial Statements

2. PROPERTY, PLANT & EQUIPMENT AS ON 31.03.2023

(₹ in Lakh)

DESCRIPTION	GROSS BLOCK					DEPRECIATION					NET CARRYING AMOUNT	
	As on 31.03.2022	Additions/Trfd./Adjustment	Transfer due to Demerger	Sale/Trfd./Adjustment	Total as on 31.03.2023	Upto 31.03.2022	For the year	Transfer due to Demerger	Sale/Trfd.	Upto 31.03.2023	As on 31.03.2023	As on 31.03.2022
Own Assets:												
Freehold Land	1,530.57	241.61	656.69	-	1,115.49	-	-	-	-	-	1,115.49	1,530.57
Factory Buildings	5,232.09	1,955.55	-	0.64	7,187.00	2,105.86	469.41	-	0.55	2,574.72	4,612.28	3,126.23
Other Buildings	143.07	896.84	-	-	1,039.91	89.80	55.49	-	-	145.29	894.62	53.27
Plant & Machinery	30,261.79	1,920.68	26,617.96	25.66	5,538.85	18,588.46	431.30	15,949.51	18.40	3,051.85	2,487.00	11,673.33
Furniture and Fixtures	344.27	268.30	-	0.04	612.53	284.31	32.44	-	0.03	316.72	295.81	59.96
Office Equipment	362.59	74.72	-	13.18	424.13	284.52	28.20	-	0.34	312.38	111.75	78.07
Computer Equipment	224.04	71.33	-	1.28	294.09	187.83	29.62	-	0.65	216.80	77.29	36.21
Vehicles	741.95	298.33	-	156.12	884.16	367.34	145.38	-	125.09	387.63	496.53	374.61
Total	38,840.37	5,727.36	27,274.65	196.92	17,096.16	21,908.12	1,191.84	15,949.51	145.06	7,005.39	10,090.77	16,932.25

- Note: 1. Freehold Land includes Land of value ₹ 6.40 Lac and Factory Building includes Factory Building of value ₹ 2923.29 Lac hypothecated to Banks on Pari - Passu Charge Basis.
2. All title deeds of Immoveable property are in the name of the Company.

2. PROPERTY, PLANT & EQUIPMENT AS ON 31.03.2022

(₹ in Lakh)

DESCRIPTION	GROSS BLOCK					DEPRECIATION					NET CARRYING AMOUNT	
	As on 31.03.2021	Additions/Trfd./Adjustment	Transfer due to Demerger	Sale/Trfd./Adjustment	Total as on 31.03.2022	Upto 31.03.2021	For the year	Transfer due to Demerger	Sale/Trfd.	Upto 31.03.2022	As on 31.03.2022	As on 31.03.2021
Own Assets:												
Freehold Land	1,524.89	5.68	-	-	1,530.57	-	-	-	-	-	1,530.57	1,524.89
Factory Buildings	3,653.97	1,589.87	-	11.75	5,232.09	1,849.50	265.87	-	9.51	2,105.86	3,126.23	1,804.47
Other Buildings	143.07	-	-	-	143.07	86.56	3.24	-	-	89.80	53.27	56.51
Plant & Machinery	27,166.67	3,112.88	-	17.76	30,261.79	16,367.21	2,228.93	-	7.68	18,588.46	11,673.33	10,799.46
Furniture and Fixtures	328.99	15.28	-	-	344.27	264.19	20.12	-	-	284.31	59.96	64.80
Office Equipment	333.37	29.29	-	0.07	362.59	261.42	23.15	-	0.05	284.52	78.07	71.95
Computer Equipment	205.03	19.01	-	-	224.04	163.39	24.44	-	-	187.83	36.21	41.64
Vehicles	696.14	142.24	-	96.43	741.95	312.37	122.37	-	67.40	367.34	374.61	383.77
Total	34,052.13	4,914.25	-	126.01	38,840.37	19,304.64	2,688.12	-	84.64	21,908.12	16,932.25	14,747.49

2.1 INVESTMENT PROPERTIES AS ON 31.03.2023

(₹ in Lakh)

DESCRIPTION	GROSS BLOCK					DEPRECIATION					NET CARRYING AMOUNT	
	As on 31.03.2022	Additions/Trfd./Adjustment	Transfer due to Demerger	Sale/Trfd./Adjustment	Total as on 31.03.2023	Upto 31.03.2022	For the year	Transfer due to Demerger	Sale/Trfd.	Upto 31.03.2023	As on 31.03.2023	As on 31.03.2022
Freehold Land	1,021.14	-	710.28	241.55	69.31	-	-	-	-	-	69.31	1,021.14
Buildings	3,289.95	-	1,136.74	2,153.20	0.01	600.25	-	220.29	379.96	-	0.01	2,689.70
Total	4,311.09	-	1,847.02	2,394.75	69.32	600.25	-	220.29	379.96	-	69.32	3,710.84

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

2.1 INVESTMENT PROPERTIES AS ON 31.03.2022

(₹ in Lakh)

DESCRIPTION	GROSS BLOCK					DEPRECIATION					NET CARRYING AMOUNT	
	As on 31.03.2021	Additions/Trfd./Adjustment	Transfer due to Demerger	Sale/Trfd./Adjustment	Total as on 31.03.2022	Upto 31.03.2021	For the year	Transfer due to Demerger	Sale/Trfd.	Upto 31.03.2022	As on 31.03.2022	As on 31.03.2021
Freehold Land	1,021.14	-	-	-	1,021.14	-	-	-	-	-	1,021.14	1,021.14
Buildings	2,684.83	1,065.69	-	460.57	3,289.95	756.14	60.38	-	216.27	600.25	2,689.70	1,928.69
Total	3,705.97	1,065.69	-	460.57	4,311.09	756.14	60.38	-	216.27	600.25	3,710.84	2,949.83

2.2 INVESTMENT PROPERTIES HELD FOR SALE AS ON 31.03.2023

(₹ in Lakh)

DESCRIPTION	GROSS BLOCK					DEPRECIATION					NET CARRYING AMOUNT	
	As on 31.03.2022	Additions/Trfd./Adjustment	Transfer due to Demerger	Sale/Trfd./Adjustment	Total as on 31.03.2023	Upto 31.03.2022	For the year	Transfer due to Demerger	Sale/Trfd.	Upto 31.03.2023	As on 31.03.2023	As on 31.03.2022
Freehold Land	55.80	-	-	-	55.80	-	-	-	-	-	55.80	55.80
Building	7.26	-	-	-	7.26	0.79	-	-	-	0.79	6.47	6.47
Total	63.06	-	-	-	63.06	0.79	-	-	-	0.79	62.27	62.27

Note: 1. The Company intends to sale parcel of freehold land and building. No impairment loss was recognised in classification of land and building as held for sale as at March 31, 2023. The Company has received an advance of ₹ 12 Lakh shown in Other Current Liabilities (Schedule No. 27)

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

2.2 INVESTMENT PROPERTIES HELD FOR SALE AS ON 31.03.2022

(₹ in Lakh)

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

2.3 INTANGIBLE ASSETS AS ON 31.03.2023

(₹ in Lakh)

DESCRIPTION	GROSS BLOCK					DEPRECIATION					NET CARRYING AMOUNT	
	As on 31.03.2022	Additions/Trfd./Adjustment	Transfer due to Demerger	Sale/Trfd./Adjustment	Total as on 31.03.2023	Upto 31.03.2022	For the year	Transfer due to Demerger	Sale/Trfd.	Upto 31.03.2023	As on 31.03.2023	As on 31.03.2022
Softwares	396.19	47.66	-	-	443.85	353.34	12.03	-	-	365.37	78.48	42.85
Trade marks	28.30	1.42	-	-	29.72	15.73	3.55	-	-	19.28	10.44	12.57
Total	424.49	49.08	-	-	473.57	369.07	15.58	-	-	384.65	88.92	55.42

2.3 INTANGIBLE ASSETS AS ON 31.03.2022

(₹ in Lakh)

DESCRIPTION	GROSS BLOCK					DEPRECIATION					NET CARRYING AMOUNT	
	As on 31.03.2021	Additions/Trfd./Adjustment	Transfer due to Demerger	Sale/Trfd./Adjustment	Total as on 31.03.2022	Upto 31.03.2021	For the year	Transfer due to Demerger	Sale/Trfd.	Upto 31.03.2022	As on 31.03.2022	As on 31.03.2021
Softwares	386.35	9.84	-	-	396.19	345.37	7.97	-	-	353.34	42.85	40.98
Trade marks	27.23	1.07	-	-	28.30	11.35	4.38	-	-	15.73	12.57	15.88
Total	413.58	10.91	-	-	424.49	356.72	12.35	-	-	369.07	55.42	56.86

2.4 CAPITAL - WORK - IN- PROGRESS:

Ageing as on 31st March, 2023

	Amount in Capital WIP for a period of				
	Less Than 1 Year	1-2 years	2-3 years	More than 3 Years	Total
Projects in Progress	521.05	406.57	-	-	927.63
Projects Temporarily Suspended	-	-	-	-	-
Total	521.05	406.57	-	-	927.63

Ageing as on 31st March, 2023

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

2.5 Depreciation & Amortisation Expense:

Particulars	For the year Ended 31.03.2023	For the year Ended 31.03.2022
Depreciation on Property, Plant & Equipment	1,191.84	2,688.11
Add: Depreciation on Investment Properties	-	60.38
Add: Amortisation on Intangible Assets	15.58	12.35
Add: Depreciation on Right of Use Assets	43.85	48.24
Deprecation charged to Profit & Loss	1,251.27	2,809.08

3 ROU Asset and Lease Liabilities:

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

Following are the changes in the carrying value of right of use (ROU) assets for the period ended March 31, 2023:

₹ in lakh)

	Land	Building	Total as at 31 st March, 2023
Balance as on April 01, 2022	202.11	222.93	425.04
Adjustments in Opening Balance (Due to De-Merger)	57.53	-	57.53
Addition	-	33.33	33.33
Deletion	-	-	-
Depreciation	1.99	41.85	43.84
Balance as on March 31, 2023	142.59	214.41	357.00

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

₹ in lakh)

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

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

The following is the break up of current and non current Lease Liabilities as on March 31, 2023:

Particulars	(₹ in lakh)	(₹ in lakh)
	As at 31 st March, 2023	As at 31 st March, 2022
Non - Current Lease Liabilities	229.56	246.64
Current Lease Liabilities	39.49	24.18
Total Lease Liabilities	269.05	270.82

Following is movement in Lease Liabilities during year ended March 31, 2023:

Particulars	(₹ in lakh)	(₹ in lakh)
	2022 - 2023	2021 - 2022
Balance in Beginning	270.82	300.54
Adjustments in Opening Balance (Due to De-Merger)	2.20	-
Addition during the year	33.33	0.62
Finance Cost accrued during the period	28.52	28.61
Payment of Lease Liabilities	61.42	58.95
Balance at the End	269.05	270.82

The table below provide details regarding the contractual maturities of lease liabilities as at March 31, 2023 on an undiscounted basis:

Particulars	(₹ in lakh)	(₹ in lakh)
	As at 31 st March, 2023	As at 31 st March, 2022
Less than One Year	64.93	49.91
One to Five Years	276.86	261.88
More than Five years	25.41	80.11
Total	367.20	391.90

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

Particulars	(₹ in lakh)	(₹ in lakh)
	2022 - 2023	2021 - 2022
Depreciation Expense on Right to Use Asset	43.84	48.24
Interest Expense on Lease Liabilities	28.52	28.61
Expense relating to Low Value and Short Term Leases (included in other Expenses)	7,699.00	0.05
Total Amount recognised in profit and Loss account	7,771.36	76.90

(₹ in lakh)

4. NON- CURRENT INVESTMENTS	As at		As at	
Non -current investments consist of the following :	31 st March, 2023		31 st March, 2022	
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	-	0.00
Steel Strips Tubes Ltd. of Rs.10 each	-	500	-	0.02
Indian Acrylic Ltd of Rs.10 each	-	6,000	-	0.60
Super Poly Fabrics Ltd. of Rs.10 each	-	3,900	-	0.39
Munjal Auto Industries Ltd of Rs.10 each	-	1,000	-	0.54
Shivam Autotech Limited of Rs.10 each	-	1,000	-	0.18
TV Today Network Ltd of Rs.10 each	-	600	-	2.23
NDTV Ltd. of Rs.10 each	-	1,700	-	3.86
NTPC Ltd. of Rs.10 each	-	16,591	-	22.40
NHPC Ltd. of Rs.10 each	-	5,034	-	1.40
Punjab National Bank of Rs.10 each	-	2,355	-	0.83
Bank of Baroda of Rs.10 each	-	1,427	-	1.59
Jet Airways (India) Limited of Rs.10 each	-	355	-	0.28
Tech Mahindra Ltd of Rs.10 each	-	892	-	13.38
Reliance Power Ltd of Rs.10 each	-	1,192	-	0.16
Karur Vyasa Bank of Rs.10 each	-	816	-	0.45
Yes Bank Ltd. of ₹ 2 each	-	100,000	-	12.30
Shilpa Medicare Ltd. of ₹ 1 each	-	16,201	-	64.51
	-	<u>16,201</u>	-	<u>64.51</u>
	-	-	-	<u>125.12</u>
b) INVESTMENTS UNQUOTED				
(i) Investment in equity shares of Associate Companies:				
Avon Infrabiz Pvt. Ltd.	-	-	15,000,100	<u>1,326.73</u>
				<u>1,326.73</u>
(ii) Investment in other equity/preference shares:				
(iii) a) Fully Paid up shares:				
Pahwa Estates & Holdings (Pvt) Ltd of Rs.100 each	-	-	100	2.76
Nimbua Greenfield (Punjab) Ltd of Rs.10 each	84,375	135.27	84,375	127.12
Greenpedia Bikeshare Pvt. Ltd. of ₹ 10/- each	-	-	1,580	625.05
		<u>135.27</u>		<u>754.93</u>

(iv)	Investment in AIF/ Real Estate and Pvt. Equity funds(unquoted)				
	ICICI Ventures Pvt. Equity Fund	-	2,560	18.31	
	Kaizen Domestic Scheme-I	-	100	16.79	
	Aditya Birla Private Equity Class A Unit	-	200	0.19	
	Kotak Alternative Opportunity India Fund	-	-	1.26	
	Kotak India Growth Fund-II	-	200	28.65	
	Kotak India Venture Fund- I	-	16,000	29.33	
	Peninsula Brookfield India Real Estate Fund	-	282	21.27	
	Baring Private Equity India AIF	-	100	437.57	
	Avendus Absolute Return Fund	-	-	132.68	
	Edelweiss Crossover Opportunities Fund	-	218,813	69.5	
	IIFL Special Opportunities Fund Series-7	-	973,276	174.86	
	Motilal Oswal Focussed Business Advantage Fund	-	1,000,000	164.95	
	IIFL Select Series - II	-	1,200,000	179.78	
	Axis Rera Opportunities Fund - AIF series -I	-	78	84.39	
	Sundaram India Premier Fund	-	29,558	502.31	
	IIFL India Private Equity Fund - Series	-	921,838	95.12	
	Mindspace Business Parks - REIT	-	11,800	40.89	
	ICICI Prudential Emerging Dominance Fund	-	91,652	108.03	
	Kotak Optimus Aggressive Scheme - Class	-	280	386.6	
	Motilal Oswal Equity Opp. Fund - Series II	-	736,800	98.03	
	Edelweiss Crossover Opportunities Fund - Series -III	-	474,637	60.69	
	White Oak India Equity Fund IV	-	905,219	104.63	
	Kotak Pre - IPO Opportunities Fund	-	25,980	278.49	
	India Whizdom Fund - II	-	2,500,000	267.7	
	Emerging India Credit Opportunities Fund	-	346	346	
	Baring Private Equity India AIF - II	-	100	19.29	
	Avendus Enhanced Return Fund II - Class	-	-	256.9	
	Power Grid Infrastructure Trust AIF	-	11,000	14.73	
		-	-	3,938.94	
(v)	Investment in Mutual Funds (Unquoted)				
	HDFC Banking and PSU Debt Fund - Reg Plan - Growth	1,604,353	311.26	1,604,353	299.09
	HDFC Banking and PSU Debt Fund - Direct Growth Option	489,881	98.09	489,881	93.86
		-	409.35	-	392.95
	INVESTMENTS CARRIED AT AMORTISED COST:				
(I)	Investment in debentures and bonds (unquoted)				
	Bharat Bond FOF - April 2031- Reg Plan - Growth	-	-	9,999,500	1,113.51
					1,113.51
	TOTAL NON-CURRENT INVESTMENTS		544.62		7,652.18
	Note: The Market Value of Quoted Investments is equal to the carrying value.				
5	OTHER FINANCIAL ASSETS (NON- CURRENT)		(₹ in lakh)		(₹ in lakh)
	Other Financial assets consist of the following :-		As at		As at
			31 st March, 2023		31 st March, 2022
(I)	Security deposits		156.13		224.20
(ii)	Bank Deposits with more than 12 months maturity		4,374.03		6,486.01
(iii)	Other Financial Assets		-		-
			4,530.16		6,710.21
6	OTHER FINANCIAL ASSETS		(₹ in lakh)		(₹ in lakh)
	Other non current assets consist of the following :-		As at		As at
			31 st March, 2023		31 st March, 2022
(I)	Advance tax (including refunds receivable)		3,556.39		4,339.04
(ii)	Advances to Related Parties		-		-
(iii)	Other non-current assets		73.74		183.66
			3,630.13		4,522.70
	Other Loans & Advances Consists of:				
-	Deferred Revenue Expenditure		3.46		1.33
-	Prepaid Expenses		17.10		25.64
-	Preliminary expenses		0.16		-
-	Pre Operative expenses		29.84		-

7	INVENTORIES	(₹ in lakh)	(₹ in lakh)
	Inventories consist of the following :	As at	As at
		31st March, 2023	31st March, 2022
	Raw Materials	750.24	264.12
	Work-in-progress	306.39	325.77
	Finished Goods	6,720.41	6,113.37
	Stores & Spares	307.40	233.05
	Packing Material	14.40	-
	Stock in trade	1,481.38	87.35
	Securities Stock	-	111.76
		<u>9,580.22</u>	<u>7,135.42</u>

8	CURRENT INVESTMENTS	(₹ in lakh)	(₹ in lakh)
	Current investments consist of the following :	As at	As at
		31st March, 2023	31st March, 2022
	INVESTMENTS CARRIED AT FVTPL		
	i) Investment in shares (quoted)		
	ACC Limited	-	656
	Aavas Financers Ltd.	-	222
	Abbott India Ltd	-	28
	Allcargo Logistics Ltd	-	1,040
	Angel One Ltd	-	363
	Anup Engineering Ltd	-	166
	APL Apollo Tubes Ltd.	-	1,480
	Asian Paints Ltd.	-	532
	Axis Bank Ltd.	-	2,943
	Bajaj Finance Ltd.	-	291
	Bajaj Finserve Ltd	-	53
	Balaji Amines Ltd.	-	82
	Balkrishna Industries Ltd	-	211
	Bank of Baroda	-	5,139
	Bharat forge Ltd.	-	1,668
	Bharti Airtel Ltd	-	4,024
	Bharti Airtel Ltd Partly Paid 1.25 PF	-	226
	Birla Corporation Ltd	-	714
	Birlasoft Ltd.	-	694
	Brigade Enterprises Ltd.	-	4,825
	Camlin Fine Sciences Ltd	-	3,759
	Canfin Homes Ltd.	-	1,212
	Central Depository Services (India) Limited	-	503
	Cerebra Integrated Technologies Ltd	-	12,859
	Cholamandalam Investment & Finance Company Ltd.	-	1,448
	Container Corporation of India Ltd	-	3,029
	Crompton Greaves Consumer Electrical Ltd.	-	888
	Cummins India Ltd.	-	1,230
	DCM Shriram Industries Ltd	-	485

Deepak Nitrite Ltd.	-	-	229	5.14
Dr. Reddy's Laboratories Ltd.	-	-	94	4.04
Divis Laboratories Ltd	-	-	77	3.39
Dr. Lal Pathlabs Ltd	-	-	225	5.87
Equitas Holdings Ltd.	-	-	3,962	4.22
Federal Bank Ltd	-	-	3,049	2.97
Fortis Healthcare Ltd	-	-	1,900	5.52
Gati Ltd.	-	-	5,180	8.49
Gokaldas Exports Ltd	-	-	1,437	5.81
GM Overseas Ltd	-	-	2,054	13.17
GTPL Hathway Ltd	-	-	49	0.09
Gujarat Pipapav Port Ltd	-	-	5,013	3.83
H G Infra Engineering Ltd	-	-	312	1.74
HCL Technologies Ltd	-	-	157	1.83
HDFC Bank Ltd	-	-	2,147	31.57
HIL Ltd.	-	-	42	1.67
IDFC Bank Ltd.	-	-	4,597	2.84
ICICI Bank Ltd	-	-	6,328	46.21
IIFL Finance Ltd.	-	-	2,541	7.25
Indian Energy Exchange Ltd	-	-	2,814	6.32
Indian Hotels Company Ltd	-	-	1,479	3.53
Indraprastha Gas Ltd	-	-	995	3.71
Info Edge (India) Ltd	-	-	221	9.97
Infosys Ltd	-	-	1,064	20.29
Infosys Technologies Ltd	-	-	1,088	20.75
Inox Leisure Ltd.	-	-	3,225	17.09
Intellect Design Arena Ltd	-	-	1,129	10.70
Ion Exchange India Ltd	-	-	103	1.71
Isgec Heavy Engineering Ltd	-	-	1,091	5.60
Jamna Auto Industries Ltd.	-	-	6,660	6.62
Jindal Stainless Hisar Ltd	-	-	1,091	4.25
Jubilant Foodworks Ltd	-	-	268	7.07
Jubilant Ingrevia Limited	-	-	351	1.58
Jubilant Pharmova Ltd	-	-	373	1.45
K R B L Ltd.	-	-	1,374	2.77
Kopran Ltd	-	-	762	2.14
Kotak Mahindra Bank Ltd	-	-	786	13.79
L & T Technology Services Ltd.	-	-	238	12.15
Larsen & Toubro Ltd.	-	-	947	16.74
Laxmi Organic Industries Limited	-	-	648	2.59
Lumax Auto Technologies Ltd.	-	-	2,550	4.27
Maruti Suzuki India Ltd.	-	-	96	7.26
Mastek Ltd	-	-	108	3.59
Max Financial Services Ltd.	-	-	240	1.81
Mayur Uniquoters Ltd.	-	-	804	2.88
Mphasis Ltd	-	-	113	3.82

Nestle India Ltd	-	-	678	11.83
Nilkamal Ltd	-	-	43	7.47
Oberoi Realty Ltd	-	-	102	2.07
Oracle Financial Services Software Ltd	-	-	572	5.37
Orient Electric Ltd.	-	-	39	1.40
Phoenix Mills Ltd.	-	-	723	7.95
Pitti Engineering Ltd	-	-	359	1.16
Ploycab India Ltd.	-	-	340	8.04
Prism Johnson Ltd.	-	-	3,965	4.57
Radico Khaitan Ltd.	-	-	328	2.91
Reliance Industries Ltd	-	-	645	16.99
Restaurant Brands Asia Ltd	-	-	6,011	6.05
Rites Ltd	-	-	1,497	3.93
Rupa And Company Ltd	-	-	350	1.53
Sarda Energy And Minerals Ltd	-	-	210	2.38
Saregama India Ltd	-	-	37	1.79
SBI Life Insurance Co. Ltd.	-	-	1,784	20.01
Shilpa Medicare Ltd.	-	-	869	3.46
Shoppers Stop Ltd	-	-	1,097	5.16
Skipper Ltd	-	-	728	0.40
SRF Ltd.	-	-	540	14.47
State Bank of India	-	-	4,168	20.57
Surya Roshni Ltd.	-	-	884	3.65
Steel Exchange India Ltd	-	-	4,617	11.03
Sun Pharmaceuticals Industries Ltd	-	-	1,972	18.04
SVP Global Ventures Ltd	-	-	2,346	1.04
Tanla Platforms Ltd.	-	-	559	8.54
Tata Chemicals Ltd.	-	-	1,072	10.45
Tata Consultancy Services Ltd.	-	-	443	16.57
Tata Elxsi Ltd.	-	-	71	6.28
Tata Motors Ltd -Dvr	-	-	3,328	6.87
Tata Power Co Ltd	-	-	5,804	13.85
Tata Steel Ltd	-	-	1,563	20.43
TCI Express Ltd	-	-	286	4.87
Trent Ltd.	-	-	560	7.15
Triveni Engineering & Industries Ltd	-	-	3,152	9.81
TVS Motor Company Ltd	-	-	1,788	11.19
Ultratech Cement Ltd	-	-	139	9.18
United Breweries Ltd	-	-	647	9.64
UPL Ltd.	-	-	317	2.44
Vadilal Industries Ltd	-	-	62	0.87
Vaibhav Global Ltd.	-	-	855	3.20
Vedanta Ltd	-	-	1,895	7.64
Vishal Fabrics Ltd	-	-	4,547	1.60
VRL Logistics Ltd	-	-	1,833	9.06
Zee Entertainment Enterprises Ltd	-	-	2,552	7.36
ZF Commercial Vehicle Control Systems India Ltd	-	-	77	5.86
Zota Health Care Limited	-	-	1,534	4.57

999.61

		(₹ in lakh) As at 31st March, 2023		(₹ in lakh) As at 31st March, 2022
ii) Investment in mutual funds (unquoted)				
ICICI Pru Short Term Fund - Direct Plan - Growth	372,070	202.29	372,070	189.92
ICICI Pru Balanced Advantage Fund- Growth	304,101	159.71	304,101	150.68
ICICI Prudential Blue Chip Fund	137,437	92.81	114,805	75.29
ICICI Prudential Focussed Equity Fund - Growth	155,452	78.63	155,452	76.05
ICICI Prudential Short Term - Growth Option	36,572	18.48	36,572	17.48
ICICI Liquid Plan Growth	3,772	12.47	3,772	11.81
ICICI Pru Regular Saving Fund - Direct Plan- Growth	2,617,376	752.6	2,617,376	710.66
ICICI Prudential Short Term - Growth Option	462	0.23	10,707	5.12
ICICI Prudential Equity Savings Fund Cumulative	123,870	22.51	405,915	69.82
ICICI Prudential India Opportunities Fund Growth	256,552	50.03	96,979	17.15
ICICI Prudential MNC Fund Growth	55,203	10.27	55,203	10.28
ICICI Prudential Banking and PSU Debt Fund - Growth	88,665	24.42	88,665	23.17
ICICI Prudential Short Term Fund - Growth	390,798	197.47	390,798	186.75
ICICI Prudential Short Term Fund - Direct plan - Growth	301,553	163.95	301,553	153.93
ICICI Pru Banking & PSU Debt Fund - Direct Plan - Gr	347,908	99.14	347,908	93.66
ICICI Pru Short Term Fund - Direct Plan - Growth	301,623	163.99	301,623	153.96
ICICI Prudential Liquid Fund - Growth	-	-	69,321	217.08
ICICI Prudential Liquid Fund - Direct Plan - Growth	-	-	43,884	138.35
ICICI Prudential Banking and PSU Debt Fund - Growth	579,686	159.69	579,686	151.5
ICICI Prudential Housing Opportunities Fund-Growth	249,988	26.87	-	-
Nippon India Short Term Fund - Growth	1,119,402	496.66	1,119,402	479.06
Nippon India Liquid Fund	-	-	208	0.24
Invesco India Growth India Opp. Fund - Growth (GF-GP)	80,808	40.79	80,808	41.16
UTI Hybrid Eq. Fund - Growth	66,376	170.87	66,376	163.92
UTI Value Opportunities Fund - Reg - Growth	66,398	99.22	66,398	65.62
UTI Long Term Equity Fund- Tax Saving - Regular Plan- Growth	25,900	34.78	25,900	36.45
UTI Money Market Fund - Direct Growth Plan	-	-	9,192	228.95
UTI Flexi Cap Fund Regular Plan	39,151	86.24	25,515	62.5
UTI Liquid Cash Plan - Reg Plan- Gr	-	-	1,116	38.67
UTI Flexi Cap Fund- Regular - Growth	24,515	54	24,515	60.05
UTI Healthcare Fund - Reg Plan- Gr	34,949	50.12	34,949	54.87
UTI Small Cap Fund - Reg Plan - GR	251,079	37.07	251,079	38.19
UTI Equity Fund	5,000	7.28	5,000	8.32
ABSL Frontline Equity Fund - Reg - Growth	26,241	88.74	21,784	73.5
Kotak Money Market Scheme- Growth- Regular	331	12.59	331	11.92
Kotak Equity Fund Growth - Reg Plan	71,434	53.06	71,434	51
Kotak Pioneer Fund Growth (Reg Plan)	1,250,017	217.69	1,250,017	223.87
Kotak Bond Fund (Short Term) - Reg - Growth	276,522	121.99	276,522	117.76
Kotak Liquid Fund - Growth - Direct	-	-	2,119	91.2
Kotak Liquid Fund - Growth - Direct	-	-	228	9.77
Kotak Equity Opportunities Fund - Growth - Reg Plan	52,090	105.9	47,217	92.6
HDFC Mid Term Opportunities Reg Plan - Growth	4,207,736	1,143.66	4,207,736	1,099.61
HDFC Capital Builder Value Fund - Reg- Growth	899	3.9	899	3.88

HDFC Equity Fund - Reg - Growth	4,109	46.08	4,109	41.55
HDFC Small Cap Fund - Reg Plan - Growth	62,868	50.07	62,868	44.64
HDFC Low Duration Fund - Reg Plan - Growth	104,172	51.13	104,172	48.77
Axis Global Innovation Fund of Fund Reg Plan Growth	499,975	46.85	499,975	49.5
Axis Short Term Fund - Regular Growth	2,125,315	552.73	2,125,315	529.82
Axis Liquid Fund - Growth	3	0.08	3	0.07
Axis Banking & PSU Debt Fund - Direct Growth(BD-DG)	4,225	96.69	4,225	92.4
Axis Banking & PSU Debt Fund - Regular Growth(BD-GP)	1,072	23.94	1,072	22.94
Axis Focused 25 Fund - REGULAR GROWTH(AF-GP)	101,047	36.85	101,047	43.56
IDFC Banking & PSU Debt Fund - Reg - Growth	116,158	24.26	116,158	23.25
IDFC Banking & PSU Debt Fund - Direct Plan - Growth	459,382	98.09	459,382	93.71
Sundaram Aggressive Hybrid Fund - Reg - Growth	159,922	177.14	159,922	177.13
Sundaram Short Duration Fund	8,851	3.31	8,851	3.17
Sundaram Balanced Advantage Fund	560,619	144.93	560,619	141.74
Sundaram Focused Fund	69,696	79.09	69,696	81.69
Sundaram Focused Fund	38,272	43.43	38,272	44.86
SBI Blue Chip Fund- Regular- Growth	143,157	88.41	118,670	71.38
SBI Bluechip Fund - DIRECT- Growth	122,918	82.75	122,918	80.03
PGIM India Dynamic Bond Fund - Direct Plan - growth	4,309	105.44	4,309	100.53
Mirae Asset Cash Management Fund - Direct Plan growth	-	-	3,384	76.04
Parag Parikh Liquid Fund Direct Plan Growth	-	-	8,505	101.34
Canara Robeco Gilt Fund - direct Growth	155,149	105.36	155,149	100.76
		<u>6,916.75</u>		<u>7,474.65</u>
TOTAL CURRENT INVESTMENTS		6,916.75		8,474.26

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

9	TRADE RECEIVABLES (Unsecured)	(₹ in lakh)	
		As at 31st March, 2023	As at 31st March, 2022
	Trade receivable consist of the following :-		
	Inventories consist of the following :		
a)	Receivable from Related Parties - Unsecured, considered good	37.68	43.01
b)	Receivable from Others		
i)	Unsecured, Considered good	9,240.86	13,846.77
ii)	Receivables which have significant increase in credit risk	762.37	334.88
	Less:		
	Impairment Allowance (Allowance for Doubtful Receivables)	(321.64)	(250.30)
		<u>9,719.27</u>	<u>13,974.36</u>

9.1 Trade Receivables Ageing:

(₹ in lakh)

Particulars	Outstanding for following periods from due date of paymentt					
	Less Than 6 Months	6 Months to 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
As at 31st March, 2023:						
(I) Undisputed Trade Receivables - considered good	2000.12	330.72	210.25	195.68	-	2736.77
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	37.83	106.38	71.95	533.00	749.16
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
Total	2000.12	368.55	316.63	267.63	533.00	3485.93

(₹ in lakh)

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

10 CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents consist of the following :-

(₹ in lakh)

 As at
31st March, 2023

(₹ in lakh)

 As at
31st March, 2022

Cash & Cash equivalents:

i) Balances with banks

In current accounts

1,731.33

1,388.57

In cash credit accounts

2,533.64

1,078.51

-

(ii) Cheques on hand

64.35

159.77

(iii) Cash on hand

3.89

5.94

(iv) Imprest Balances

0.29

2.98

(v) Imprest Balances - Related Parties

-

-

(vi) Highly Liquid Investment with maturity of three months or less

15,738.60

15,481.03

20,072.10

18,116.80

11 OTHER BALANCES WITH BANKS	(₹ in lakh)	(₹ in lakh)
Other Balances with Banks consist of the following :-	As at	As at
	31st March, 2023	31st March, 2022
Cash & Cash equivalents:		
Other bank balances consists of following:		
- Short - Term Bank Deposits	4,801.39	1,980.88
	<u>4,801.39</u>	<u>1,980.88</u>
12 LOANS AND ADVANCES - CURRENT	(₹ in lakh)	(₹ in lakh)
Short term loans and advances consist of the following :-	As at	As at
	31st March, 2023	31st March, 2022
a) Secured, considered good	-	-
b) Unsecured, considered good		
(i) Loans and Advances to Subsidiaries	-	-
(ii) Loans and Advances to Related Parties	2,736.44	920.19
(iii) Loans and Advances to Employees	141.51	107.73
(iv) Other loans and advances	-	-
a) Unsecured, Considered good	1,469.46	3,137.51
b) Considered Doubtful	5.15	5.15
Less:		
Allowance for Doubtful Loans and Advances	(5.15)	(5.15)
	<u>4,347.41</u>	<u>4,165.43</u>
Other loans and advances considered good includes		
- Interest bearing loans & deposits	3,963.25	2,917.42
- Margin Money	214.78	266.45
- Advance to suppliers	29.35	-
13 OTHER FINANCIAL ASSETS - CURRENT	(₹ in lakh)	(₹ in lakh)
Other current assets consist of the following :-	As at	As at
	31st March, 2023	31st March, 2022
a) Interest receivable	17.12	34.46
b) Other Financial Assets	87.30	146.37
	<u>104.42</u>	<u>180.83</u>
Other financial assets includes :		
- Duty Drawback Receivable	11.67	38.21
- VAT Incentive Receivable at Hajipur	6.82	6.82
- Forward contract receivable a/c (net)	4.65	-
- MEIS/ Rodtep Incentive Receivable	44.88	44.00
14 OTHER CURRENT ASSETS	(₹ in lakh)	(₹ in lakh)
Other current assets consist of the following :-	As at	As at
	31st March, 2023	31st March, 2022
(i) Other Current Assets	2,110.00	1,775.73 Less:
Allowance for Doubtful Other Assets	(8.84)	(8.84)
	<u>2,101.16</u>	<u>1,766.89</u>
Other loans and advances considered good includes:		
GST Refundable	677.37	710.22
Prepaid Expenses	70.96	122.24
Advance to Suppliers including Capital Advances	384.56	308.01

15 EQUITY SHARE CAPITAL Authorised Share Capital :	(₹ in lakh)	(₹ in lakh)
	As at 31 st March, 2023	As at 31 st March, 2022
10,00,000 Equity Shares (Previous Year 10,00,000) of Rs.10/-each	<u>100.00</u>	<u>100.00</u>
Issued, Subscribed and paid up :	100.00	100.00
870494 Equity shares (Previous Year 853287) of Rs.10/- each fully paid up	<u>87.05</u>	<u>85.33</u>
	<u>87.05</u>	<u>85.33</u>

15.1 Reconciliation of number of shares

Authorised Share Capital :	As at 31 st March, 2023		As at 31 st March, 2022	
	No. of shares	Amount	No. of shares	Amount
Equity Shares				
- Opening Balance	853,287	85.33	896,442	89.64
- Changes during the year	17,207	1.72	(43,155)	(4.32)
- Closing Balance	870,494	87.05	853,287	85.33

Note: The Change in equity shares is due to Amalgamation of M/s Pahwa Estates & Holdings Pvt. Ltd. (Kindly refer Note No. 38)

15.2 Terms/ Rights attached to Equity Shares

The Group has one class of equity shares having a par value of ₹ 10 each. Each shareholder is eligible for one vote pershare 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.

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

Name of Shareholder	As at 31 st March, 2023		As at 31 st March, 2022	
	No. of Shares	%	No. of Shares	%
Onkar Singh Pahwa	-	-	228,593	26.79
Sarabjit Kaur Pahwa	-	-	228,593	26.79
Rishi Pahwa	189,157	21.73%	170,047	19.93
Mandeep Singh Pahwa	190,069	21.83%	170,046	19.93
Onkar Singh Pahwa C/o Onkar Singh Pahwa Family Trust 1	95,713	11.00%	-	-
Onkar Singh Pahwa C/o Onkar Singh Pahwa Family Trust 2	132,880	15.26%	-	-
Sarabjit Kaur Pahwa C/o Sarabjit Kaur Pahwa Family Trust 1	95,713	11.00%	-	-
Sarabjit Kaur Pahwa C/o Sarabjit Kaur Pahwa Family Trust 2	132,880	15.26%	-	-
Pahwa Estates and Holdings Pvt Ltd	-	-	56,000	6.56

15.4 Shareholding of Promoters:

Sr. Promoter's Name no	No. of shares at the beginning of the year	change during the year	No. of shares at the end of the year	% of total shares	% change during the year
As at 31st March, 2023:					
Sh. Onkar Singh Pahwa	228,593	(204,169)	24424	2.81%	-23.98%
Smt. Sarabjit Kaur Pahwa	228,593	(219,773)	8820	1.01%	-25.78%
Sh. Rishi Pahwa	170,047	19,110	189157	21.73%	1.80%
Sh. Mandeep Singh Pahwa	170,046	20,023	190069	21.83%	1.91%
Pahwa Estates & Holdings Pvt. Ltd.	56,000	(56,000)	-	0.00%	-6.56%
Smt. Pallavi Pahwa	-	830	830	0.10%	0.10%
Onkar Singh Pahwa C/o Onkar Singh Pahwa Family Trust 1*	-	95,713	95,713	11.00%	11.00%
Onkar Singh Pahwa C/o Onkar Singh Pahwa Family Trust 2*	-	132,880	132,880	15.26%	15.26%
Sarabjit Kaur Pahwa C/o Sarabjit Kaur Pahwa Family Trust 1*	-	95,713	95,713	11.00%	11.00%
Sarabjit Kaur Pahwa C/o Sarabjit Kaur Pahwa Family Trust 2*	-	132,880	132,880	15.26%	15.26%
Total	<u>853,279</u>	<u>17,207</u>	<u>870,486</u>		

* Changes in equity is on account of transfer of shares to different trust for the benefits of relatives of Mr. Onkar Singh Pahwa and Mrs. Sarabjit Kaur Pahwa by way of gift. However, voting rights remain with the transferor.

Sr. no	Promoter's Name	No. of shares at the beginning of the year	change during the year	No. of shares at the end of the year	% of total shares	% change during the year
As at 31st March, 2022:						
1	Sh. Onkar Singh Pahwa	228,593	-	228,593	26.79%	-
2	Smt. Sarabjit Kaur Pahwa	228,593	-	228,593	26.79%	-
3	Sh. Rishi Pahwa	170,047	-	170,047	19.93%	-
4	Sh. Mandeep Singh Pahwa	170,046	-	170,046	19.93%	-
5	Pahwa Estates & Holdings Pvt. Ltd.	56,000	-	56,000	6.56%	-
6	Kaushalya Devi Pahwa Trust	43,155	(43,155.00)	-	0.00%	-5.06%
	Total	<u>896,434</u>	<u>(43,155.00)</u>	<u>853,279</u>		

16 OTHER EQUITY

Other Equity consist of the following:

		As at 31 st March, 2023	As at 31 st March, 2022
General Reserve			
As per last Balance Sheet	15,881.09		13,467.40
Less:			
Change due to Merger of PEHPL with ACL	(42.76)		
Buy Back of shares	-		(81.99)
Transfer to Capital Reserve	-		(4.32)
Add: Transferred from Profit and Loss Account	500.00	16,338.33	2,500.00
			15,881.09
Capital Redemption Reserve			
As per last Balance Sheet	4.32		-
Add:			
Transfer from PEHPL	0.80	5.12	4.32
			4.32
Capital Reserve			
As per last Balance Sheet	-		-
Difference of Book Value of Assets & Liabilities (including reserves) so recorded in the books of ACL due to merger of PEHPL, as reduced by aggregate sum of the share capital issued as consideration after giving into effect of cross holdings.	37.48		-
Cross holding of Shares cancelled due to de-merger with AEIPL	(1.00)	36.48	-
			-
Retained Earnings			
Retained Earnings			
As per last Balance Sheet	57,960.42		55,074.59
Add: Profit for the year	5,838.20		5,870.58
Other Comprehensive Income	8.71		(65.66)
	<u>63,807.33</u>		<u>60,879.51</u>
Less : Appropriations			
Transferred to General Reserve	500.00		2,500.00
Dividend on Equity Shares	170.66		179.29
Expenses on Buy- Back	-		0.06
Buy - Back Tax	-		19.10
Transfer to AEIPL as per order of NCLT dated 03.07.2023	22,540.41		-
Prior Period Adjustments	(42.70)		-
Tax adjustment of earlier years	49.46	40,589.50	220.64
	<u>49.46</u>	<u>40,589.50</u>	<u>220.64</u>
TOTAL		<u>56,969.43</u>	<u>73,845.83</u>

Notes to Reserves:**a) Capital Redemption Reserve:**

The Indian Company Act, 2013 ("The Companies Act") requires that where a company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve account and details of such transfer shall be disclosed in the balance sheet. The capital redemption reserve account may be applied by the Group, in paying up unissued shares of the Group to be issued to shareholders of the Group as fully paid bonus shares. Avon Cycles Ltd. established this reserve pursuant to the redemption of equity shares issued in earlier years.

b) Retained Earnings:

Retained earnings are the profits that the Group has earned till date, add/(less) any transfers from/(to) general reserve, securities premium, dividends or other distributions paid to shareholders. Retained earnings includes re-measurement gain/(loss) on defined benefit obligations, net of taxes that will not be reclassified to Profit and Loss.

c) Capital Reserve:

The capital reserve represents the excess of the identifiable assets and liabilities over the consideration paid/ received or vice versa in a common control sale/transfer of business/investment.

17 BORROWINGS**Borrowings consist of the following :**

	(₹ in lakh) As at 31 st March, 2023	(₹ in lakh) As at 31 st March, 2022
Secured - at Amortized Cost		
Term Loans - from Banks	2,224.82	4,410.20
Term Loans - from Others	-	-
	<u>2,224.82</u>	<u>4,410.20</u>
Unsecured - at Amortized Cost		
Loans & Advances from related parties	1,206.63	1,304.85
	<u>1,206.63</u>	<u>1,304.85</u>
TOTAL	<u>3,431.45</u>	<u>5,715.05</u>

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

(₹ in lakh)

Detail of Term Loans is: Name of Facility	Security	Amount O/s as at 31.03.2023	Amount O/s as at 31.03.2022
Toyota Financial Services India Ltd.- Car Loan (Toyota Vellfire Hybrid)	Hypothecation of Car Toyota Vellfire Hybrid	-	17.85
Punjab National Bank - Car Loan (Mercedes Benz E220d)	Hypothecation of Car-Mercedes Benz	7.80	24.96
HDFC Bank Term Loan - Solar Plant (20 cr)	Hypothecation of Fixed Assets created out of Term Loan	-	348.10
HDFC Bank Term Loan - Solar Plant (20 cr)	Hypothecation of Fixed Assets created out of Term Loan	-	1,148.65
HDFC Bank Term Loan - Solar Plant (20 cr)	Hypothecation of Fixed Assets created out of Term Loan	-	1,584.92
EXIM Bank-Term Loan (10 Crores)	Hypothecation of Fixed Assets created out of Term Loan		1,000.00
HDFC Bank-Term Loan-I (1169.43 Lakh)	Hypothecation of Fixed Assets created out of Term Loan		1,169.43
EXIM Bank-Term Loan (15 Crores)	Hypothecation of Fixed Assets created out of Term Loan	1,047.19	1,000
HDFC Bank-Term Loan-I (14.69 Crores)	Hypothecation of Fixed Assets created out of Term Loan	1,177.63	1,169

18 NON CURRENT LEASE LIABILITY	(₹ in lakh)	(₹ in lakh)
Non- Current Lease Liabilities consist of the following :	As at	As at
	31st March, 2023	31st March, 2022
Lease Liability	<u>229.56</u>	<u>246.64</u>
	<u>229.56</u>	<u>246.64</u>
19 OTHER FINANCIAL LIABILITIES	(₹ in lakh)	(₹ in lakh)
Other Financial Liabilities consist of the following :	As at	As at
	31st March, 2023	31st March, 2022
Other Financial Liabilities	<u>617.71</u>	<u>565.94</u>
	<u>617.71</u>	<u>565.94</u>
Other Financial Liabilities includes:		
Dealer's Securities	552.81	509.63
Security Deposits	34.06	31.47
20 LONG TERM PROVISIONS	(₹ in lakh)	(₹ in lakh)
Long Term Provisions consist of the following :	As at	As at
	31st March, 2023	31st March, 2022
Other Provisions	<u>3,184.00</u>	<u>3,878.60</u>
	<u>3,184.00</u>	<u>3,878.60</u>
Other Provisions includes:		
Provision for Income Tax	3,184.00	3,878.60
21 OTHER NON CURRENT LIABILITIES	(₹ in lakh)	(₹ in lakh)
Other long -term liabilities consist of the following :	As at	As at
	31st March, 2023	31st March, 2022
Other Non - Current Liabilities	<u>292.73</u>	<u>247.72</u>
	<u>292.73</u>	<u>247.72</u>
Other Long Term Liabilities includes:		
Provision for Unpaid Earned Leaves	203.51	170.34
22 SHORT TERM BORROWINGS	(₹ in lakh)	(₹ in lakh)
Short -term borrowings consist of the followings	As at	As at
	31st March, 2023	31st March, 2022
Secured loans:		
i) Working Capital limits from Banks	500.00	1,092.76
ii) Current Maturities of Long Term Debt	430.81	883.71
Unsecured Loans:		
Loans repayable on demand from Banks	-	-
Loan from Related Parties	-	-
Other borrowings(from entities other than banks)	-	-
	<u>930.81</u>	<u>1,976.47</u>

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

Detail of Short Term Borrowings is as under:

(₹ in lakh)

Name of Facility	Security	Amt. Guaranteed	
		31.03.2023	31.03.2022
Punjab National Bank Working Capital Limit	Hypothecation of any stock (RM/WIP/FG) lying in premises or in transit. Hypothecation of entire book debts arising out of genuine business transactions.	500.00	1,056.32
HDFC Bank Ltd. - Working Capital Facility	First Pari-Passu charge on stocks and book- debts with other working capital lenders for total working Capital limits of Company.	-	36.44

23 CURRENT LEASE LIABILITY	(₹ in lakh)	(₹ in lakh)
Current Lease Liabilities consist of the following :	As at	As at
	31st March, 2023	31st March, 2022
Lease Liability	<u>39.49</u>	<u>24.18</u>
	<u>39.49</u>	<u>24.18</u>
24 TRADE PAYABLES:	(₹ in lakh)	(₹ in lakh)
Trade Payables consists of following:	As at	As at
	31st March, 2023	31st March, 2022
a) Trade Payables:		
a) Total Outstanding dues of micro enterprises and small enterprises	3,210.56	4,216.65
b) Total Outstanding dues of other than micro enterprises and small enterprises	3,195.97	3,332.93
b) Due to Related Parties	317.04	351.24
	<u>6,723.57</u>	<u>7,900.82</u>

24.1 Trade Payables Ageing:

(₹ in lakh)

Particulars	Outstanding for following periods from due date of payment				
	Less Than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
As at 31st March, 2023:					
(i) MSME	-	-	-	-	-
(ii) Others	977.32	34.47	24.35	16.55	1052.69
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-
Total	977.32	34.47	24.35	16.55	1052.69

(₹ in lakh)

Particulars	Outstanding for following periods from due date of payment				
	Less Than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
As at 31st March, 2022:					
(i) MSME	-	-	-	-	-
(ii) Others	798.29	37.77	25.70	10.69	872.45
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-
Total	798.29	37.77	25.70	10.69	872.45

25 OTHER FINANCIAL LIABILITIES	(₹ in lakh)	(₹ in lakh)
Other current liabilities consist of the following :	As at	As at
	31st March, 2023	31st March, 2022
Other Financial Liabilities:		
i) Due to Related Parties	-	-
ii) Due to Other than Related parties	<u>769.63</u>	<u>998.70</u>
	<u>769.63</u>	<u>998.70</u>
Other Financial Liabilities includes:		
Cheques Issued but not presented	695.64	540.86
Capital Creditors	-	-
Forward Contract Payable (Net)	-	15.16

26 SHORT-TERM PROVISIONS	(₹ in lakh)	(₹ in lakh)
Short -term borrowings consists of the following:	As at	As at
	31st March, 2023	31st March, 2022
Provision for Unspent CSR Liability	<u>3.59</u>	<u>52.97</u>
	<u>3.59</u>	<u>52.97</u>
27 OTHER CURRENT LIABILITIES	(₹ in lakh)	(₹ in lakh)
Other current liabilities consist of the following :	As at	As at
	31st March, 2023	31st March, 2022
Advance received from Customers	229.44	335.59
Due to Related Parties	4,043.64	39.69
Other Payables	748.78	1,103.10
	<u>5,021.86</u>	<u>1,478.88</u>
Other payables includes :		
Statutory liabilities	239.67	692.46
Income Received in Advance	10.19	13.23
Advance from Sale of Property	12.00	12.00
28 REVENUE FROM OPERATIONS	(₹ in lakh)	(₹ in lakh)
Other current liabilities consist of the following :	As at	As at
	2022 - 2023	2021 - 2022
Sale of Products	87,408.95	82,714.03
Other Operating Revenues	366.37	140.47
	<u>87,775.32</u>	<u>82,854.50</u>
28.1 PARTICULARS OF SALE OF PRODUCTS	(₹ in lakh)	(₹ in lakh)
Particulars	2022 - 2023	2021 - 2022
Bicycles & its parts	83,992.10	73,660.84
E-Bikes & its parts	1,154.60	2,365.70
E- Rickshaw & its parts	1,768.42	1,115.37
Power	-	3,945.24
Export Incentives	186.52	222.28
Others	307.31	1,404.60
	<u>87,408.95</u>	<u>82,714.03</u>
29 OTHER INCOME	(₹ in lakh)	(₹ in lakh)
Particulars	2022 - 2023	2021 - 2022
a) Interest Income		
i) On Bank Deposits (at amortized cost)	254.51	418.14
ii) On Loans & Advances (at amortized cost)	147.08	200.97
iii) On Investments (at amortized cost)	-	86.04
iv) Other interest	<u>66.23</u>	<u>27.26</u>
	467.82	732.41
b) Dividend	-	20.49
c) Net gain on Sale/ Fair valuation of Investments		
i) Fair Valuation gain on Investments (net)	403.81	1,100.00
ii) Profit on sale of current investments	284.14	<u>705.64</u>
iii) Profit on sale of non-current investments	<u>0.60</u>	436.60
	688.55	2,242.24
Net Gain on Trading in Securities:		
a) Gain on trading in Securities other than Derivative	-	510.71
b) Gain/(Loss) on trading in Derivative	-	<u>7.23</u>
	-	517.94
Royalty	33.23	39.57
Other Non Operating Income	259.55	500.39
	<u>1,449.15</u>	<u>4,053.04</u>
Other Non - Operating Income includes:		
- Rent Received	189.10	290.56
- Profit on Sale of property, plant & equipment	50.13	134.99

30 COST OF MATERIALS CONSUMED		(₹ in lakh) 2022 - 2023 % of consumption		(₹ in lakh) 2021 - 2022 % of consumption
Imported	3,084.37	5.85%	5,519.38	5.81%
Indigenous	49,638.20	94.15%	43,371.64	94.19%
TOTAL	<u>52,722.57</u>	<u>100%</u>	<u>48,891.02</u>	<u>100.00</u>
31 PURCHASE OF STOCK - IN - TRADE		(₹ in lakh) 2022 - 2023 % of consumption		(₹ in lakh) 2021 - 2022 % of consumption
Imported	0.86	0.01%	383.52	8.09%
Indigenous	6,286.36	99.99%	4,359.44	91.91%
TOTAL	<u>5,739.89</u>	<u>100.00%</u>	<u>4,742.96</u>	<u>100%</u>
32 CHANGE IN INVENTORIES OF FINISHED GOODS/ STOCK-IN-TRADE/ WORK-IN-PROGRESS		(₹ in lakh) 2022 - 2023		(₹ in lakh) 2021 - 2022
Opening Stock		6,526.48		10,239.34
Less: Closing Stock		<u>(8,092.48)</u>		<u>(6,526.48)</u>
		<u>(1,566.00)</u>		<u>3,712.86</u>
33 EMPLOYEE BENEFITS EXPENSE		(₹ in lakh) 2022 - 2023		(₹ in lakh) 2021 - 2022
Salaries and Wages		5,262.08		4,804.30
Contribution to Provident and other Funds		473.39		430.50
Staff Welfare Expenses		108.35		98.46
TOTAL		<u>5,843.82</u>		<u>5,333.26</u>
34 FINANCE COSTS		(₹ in lakh) 2022 - 2023		(₹ in lakh) 2021 - 2022
Interest Expenses		434.42		465.12
Other borrowing costs		58.23		84.03
		<u>492.65</u>		<u>549.15</u>
35 OTHER EXPENSES		(₹ in lakh) 2022 - 2023		(₹ in lakh) 2021 - 2022
Manufacturing Expenses				
Stores, chemical and packing material	4,074.22		3,716.38	
Processing Charges	229.66		173.59	
Power & Fuel	273.79		268.91	
Carriage Inward	63.14		68.56	
Repairs to Machinery	89.00	4,729.81	681.06	4,908.50
Selling and distribution Expenses				
Clearing & Forwarding Charges	9,860.42		5,416.26	
Commission	962.86		84.79	
Advertisement	1,037.72		522.12	
Other Selling Expenses	227.71	12,088.71	104.32	6,127.49
Establishment Expenses				
Printing & Stationery	23.40		17.77	
Postage, Telegrams & Telephone Expenses	57.56		46.52	
Traveling Expenses	423.47		194.01	
Vehicles Maintenance Expenses	43.46		44.63	
Repairs to Building	83.93		110.78	
Repairs & Renewals	67.67		46.24	
Payments to Auditors	17.95		14.45	
Charity & Donation	160.17		31.92	
Insurance	171.18		177.81	
Rates & Taxes	35.27		38.37	
Legal & Professional Charges	160.40		225.20	
Bad Debts & Advances written off	358.11		237.27	
Miscellaneous Expenses	306.34	1,908.91	413.77	1,598.74
		<u>18,727.43</u>		<u>12,634.73</u>

35.1 PAYMENT TO AUDITOR AS

	(₹ in lakh) 2022 - 2023	(₹ in lakh) 2021 - 2022
i) Audit Fees	2.10	2.00
ii) Tax Audit Fee	3.50	3.00
iii) GST/ VAT Audit Fee	-	-
iv) Certification fees	-	-
iii) Others	12.35	10.50
	<u>17.95</u>	<u>15.50</u>

36 CONTINGENT LIABILITIES:

	(₹ in lakh) 2022 - 2023	(₹ in lakh) 2021 - 2022
a) Guarantees given by Bank	6090.39	7446.38
b) Proposed Dividend	174.09	170.65

- c) I) 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 ₹ 52.97 Lakh. No Provision has been made in the Consolidated financial statements as no default has been reported on balance sheet date.
- d) Disputed excise and service tax demand amounting to ₹ 36.68 lakh (pre year 36.68 lakh) and penalty of ₹ 36.68 lakh (Previous year 36.87 lakh) pertain to financial year from 2006-07 up to 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 ₹ 0.48 in case of excise, ₹ 2.17 Lac in case of Service Tax and ₹ 1.67 Lakh in case of custom. Disputed Basic Custom Duty amounting to ₹ 22.39 Lac (Previous Year - 22.39) for financial year 2018-19. Group has deposited disputed Punjab VAT for ₹ 1.03 Lakh in case of disputed VAT liability of ₹ 4.13 Lakh. 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 ₹ 6.58 Lac are outstanding for Assessment Year 2016-17 and ₹ 29.55 for Assessment Year 2018-19.
- g) Levy of Entry Tax by West Bengal High Court is subjudice before West Bengal High Court. West Bengal High Court has given stay on deposit of Entry Tax to Group. The amount of entry tax is ₹ 51.33 Lac for FY 2017-18, ₹ 121.56 Lac for FY 2016-17 & ₹ 172.50 Lac for FY 2015-16.
- 37** 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.

38 SCHEME OF ARRANGEMENT

National Company Law Tribunal-Chandigarh has approved the Scheme of Arrangement amongst M/s Pahwa Estates And Holdings Private Limited (Transferor Company) and M/s Avon Cycles Limited (Transferee Company/Demerged Company And M/s Avon Energies And Investments Private Limited (Resulting Company) And their respective shareholders and creditors, vide its order dated 03.07.2023, detail of which is given below:

- 1) First part of the Scheme-Amalgamation of M/s Pahwa Estates And Holdings Private Limited (Transferor Company) with M/s Avon Cycles Limited (Transferee Company/Demerged Company)
- 2) Second Part of the Scheme-Demerger of Non Core Undertaking of the Company into M/s Avon Energies And Investments Private Limited (Resulting Company)

As per first part of the scheme, M/s Pahwa Estates And Holdings Private Limited has been amalgamated with the Company with appointed date 01.04.2022. The Company has issued 73207 equity shares face value of ₹ 10 each, fully paid up, in lieu of 44100 equity shares face value of ₹ 100 each, fully paid up to the shareholder of the M/s Pahwa Estates And Holdings Private Limited in the ratio of 1.66:1 i.e. for every one Equity Shares of M/s Pahwa Estates And Holdings Private Limited 1.66 Equity Shares of M/s Avon Cycles Limited. Further, as per this scheme, the Company (Avon Cycles Limited) has done the reduction of share capital by cancellation and extinguishment of 56000 equity shares of ₹ 10 each fully paid up aggregating to ₹ 5.60 Lakh. As per second part of the scheme, Non Core Undertaking of the Company has been demerged into M/s Avon Energies And Investments Private Limited (AEIPL) with appointed date 01.04.2022. The Company has duly given effect of the scheme and accounted for necessary entries in the books of accounts of the Company in accordance with the applicable Indian Accounting Standards (IND-AS) and nothing is left to report as deviation.

39 DIVIDENDS

Dividends paid during the year ended March 31, 2023 include an amount of ₹ 20 per equity share towards final dividend for the year ended March 31, 2022. 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, 2023, the income available for distribution were ₹ 5838.20 Lakh. Dividend, if approved by shareholders at Annual General Meeting, the dividend would result in a cash outflow of ₹ 174.09 Lac.

40 TAX BALANCES:**40.1 The following is analysis of deferred tax assets/(liabilities) presented in Balance Sheet:**

Deferred Tax Liabilities (Net):	Opening Balance	Recognized in Profit or Loss	Recognized in OCI	Closing Balance
Deferred Tax Assets:				
Expenses deductible in Future Years	158.71	(21.31)		137.40
Provision for Doubtful Debts/ Advances	66.52	17.95		84.47
Losses allowable in future years	199.53	148.28		347.81
ROU Assets	-	70.28		70.28
Others	23.55	(23.55)	-	-
	<u>448.31</u>	<u>191.65</u>	-	<u>639.96</u>
Deferred Tax Liabilities:				
Property, Plant & Equipment, and Intangible Assets	1,994.21	(1,919.30)		74.91
Investment in Bonds, Mutual Funds and equity instruments	706.89	21.52		728.41
ROU Assets	38.81	(38.81)		-
Others	-	0.48	2.78	3.26
	<u>2,739.91</u>	<u>(1,936.11)</u>	<u>2.78</u>	<u>806.58</u>
Net Deferred Tax Liability	<u>(2,291.60)</u>	<u>2,127.76</u>	<u>(2.78)</u>	<u>(166.62)</u>

40.2 Income Tax Recognized in Profit or Loss:

Particulars	(₹ in lakh) For Year Ended 31 st March, 2023	(₹ in lakh) For Year Ended 31 st March, 2022
Current Tax		
In respect of current year	1,607.00	1,509.00
Deferred Tax		
In respect of Current Year	(2,127.76)	512.80
Total Income Tax Expense Recognized	<u>(520.76)</u>	<u>2,021.80</u>

40.3 Income Tax recognized in Other Comprehensive Income

Particulars	(₹ in lakh) For Year Ended 31 st March, 2023	(₹ in lakh) For Year Ended 31 st March, 2022
Arising on Remeasurement of Defined benefit Obligation	(2.78)	27.93
	<u>(2.78)</u>	<u>27.93</u>

41 EARNINGS PER EQUITY SHARES

Basic/Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the 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) For Year Ended 31 st March, 2023	(₹ in lakh) For Year Ended 31 st March, 2022
Profit/ (Loss) after Tax	5,838.23	5,870.54
Less: Adjustment of Income Tax Earlier Years	49.46	220.64
Profit after adjustment of Income Tax Earlier Years (A)	5,887.70	6,091.19
Weighted average number of equity shares (B)	<u>870,494.00</u>	<u>896,442.00</u>
Earning per share : Basic/Diluted (A/B)₹	<u>676.36</u>	<u>679.48</u>

42 Interest includes ₹ 127.53 Lac for F/Y 2022-2023 and ₹ 161.54 lakh for F/Y 2021-2022 paid to Directors.

- 43 Charity & Donation includes ₹ 155 lakh contributed to political parties during Financial year 2022-23, ₹ 26.50 Lakh during Financial Year 2021-22, detail of which is as below:

Party Name	(₹ in lakh)	(₹ in lakh)
	31 st March, 2023	31 st March, 2022
Bhartiya Janta Party	15.00	14.00
Electoral Bonds	140.00	-
Shiromani Akali Dal	-	5.00
All India Congress Committee	-	5.00
Aam Aadmi Party	-	2.50
	<u>155.00</u>	<u>26.50</u>

- 44 Interest received of ₹ 467.82 lakh (Previous Year ₹ 732.61 lakh) includes Tax deducted at source of ₹ 61.80 Lakh (Previous Year ₹ 59.91 lakh).
- 45 Expenditure on insurance includes ₹ 13.61 Lakh (Previous year ₹ 19.20 lakh) being premiums paid under Keyman Insurance schemes to cover risks on life of Key Management personnel. Benefits to the Group under the said scheme depend on various factors including resignation/survival of the said personnel or premature surrender of the policy. Such benefits will be accounted for in the year, in which they become due.
- 46 Sales-tax assessments have been completed up to to the accounting year ended 31st March 2016.
- 47 Income -tax assessments of the Group have been completed up to the accounting year ended 31.03.2021 relevant to the assessment year 2021-22.
- 48 In accordance with section 135 of Companies Act, 2013, the company is covered by the provision of said section:

Particulars	(₹ in lakh)	(₹ in lakh)
	2022-2023	2021 - 2022
i) The amount required to be spent under CSR Obligation	147.56	172.81
ii) The amount of expenditure incurred during the year	148.07	124.99
iii) Shortfall at the end of the year	-0.51	23.08
iv) Total of Previous Years Shortfall	3.54	29.88
v) Movement of Provision for unspent CSR:		
Opening	52.97	50.86
Provision created during the year	-	23.08
Spent during the year	49.43	20.97
Closing	<u>3.54</u>	<u>52.97</u>
vi) Detail of nature of CSR Expenditure incurred during the year:		
Particulars	(₹ in lakh)	(₹ in lakh)
	2022-2023	2021 - 2022
a) Animal Welfare	4.59	10.09
b) Welfare of Armed Forces	-	7.19
c) Education	12.06	36.27
d) Environment	15.13	29.39
e) Health	58.82	64.19
f) Hunger	3.83	0.42
g) Sports	0.64	3.20
h) Art & Culture	53.00	-
TOTAL	<u>148.07</u>	<u>150.75</u>

- 49 In the opinion of the Directors, current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the value at which they are stated in the Balance Sheet.
- 50 Previous years's figures have been regrouped/ recasted/ rearranged/ reclassified where necessary to make them comparable.
- 51 **Micro, Small and Medium Enterprises**
- a) **Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

(₹ in lakh)

	PARTICULARS	2022-2023	2021-2022
A)	(i) Principal amount remaining unpaid at the end of accounting year (ii) Interest due on above	3,165.77 22.92	4,186.25 -
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.	13.41	1.58
C)	The amount of interest accrued and remaining unpaid at the end of the financial year.	22.92	13.41
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	21.86	13.41
E)	The amount of further interest remaining due and payable in succeeding years, until such interest is actually paid.	1.06	-

- 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.

52 Government Grants:	(₹ in lakh) 2022-2023	(₹ in lakh) 2021 - 2022
At the Beginning	6.82	12.31
Provided during the year	-	-
Received/ Adjusted during the year	-	5.49
At the End of the year	6.82	6.82

53 Significant Accounting Judgements, estimates and assumptions:

The preparation of the Group's Consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the 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 significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the Consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Defined Benefit Plans (gratuity benefits)

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

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

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

Fair Value Measurement of Financial Instruments

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

factors could affect the reported fair value of financial instruments.

Impairment of Non- Financial Assets

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

54 Financial risk management objective and policies

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

a) Market Risk

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

l) 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) 31 st March, 2023	(₹ in lakh) 31 st March, 2022
Variable Rate Borrowings	4,817.84	4,174.42
Fixed Rate Borrowings	1,214.43	1,347.66

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:

	Effect on Profit Before Tax	
	(₹ in lakh) 31 st March, 2023	(₹ in lakh) 31 st March, 2022
Increase by 50 Basis Points	24.09	20.87
Decrease by 50 Basis Points	(24.09)	(20.87)

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 Group is exposed to foreign exchange risk. The Group's exposure in foreign currency is in loans, trade receivables and advances and trade payables.

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

Particulars	(USD in lakh) 31 st March, 2023	(USD in lakh) 31 st March, 2022
Trade Receivables	2.14	-
EEFC Balance	-	-
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) 31 st March 2023		(₹ in lakh) 31 st March 2022	
	5% Increase	5% Increase	5% Increase	5% Increase
USD				
Increase/ (Decrease) in Profit or Loss	8.12	(8.12)	-	-

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) 31 st March, 2023	(USD in lakh) 31 st March, 2022
Forward Contracts against Exports	11.00	30.00
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 amortized cost

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

I) Trade Receivables

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

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

Trade Receivables	(₹ in lakh)	(₹ in lakh)
	31st March, 2023	31 st March, 2022
Not Due	6,554.98	7,202.59
Up to Six Months Past Due	2,000.12	5,169.36
6 Months to 1 Year Past Due	368.54	405.90
More Than 1 Year Past Due	1,117.26	1,436.13
	<u>10,040.90</u>	<u>14,213.98</u>
Provision for Doubtful Debts		
Provision for Doubtful Debts	(321.64)	(250.30)
Total	<u>9,719.26</u>	<u>13,963.68</u>
	(₹ in lakh)	(₹ in lakh)
	31st March 2023	31 st March 2022
Reconciliation of Provision for Doubtful Debts		
Balance at the Beginning of the Year	250.30	253.36
Add: Provision made during the year	132.81	-
Less: Transfer due to De-Merger	61.47	-
Less: Provision Written Back during the Year	-	3.06
Balance at the end of the Year	<u>321.64</u>	<u>250.30</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:

Floating rate	(₹ in lakh)	(₹ in lakh)
(a) Expiring within one year (Bank overdraft and other facilities)	31st March, 2023	31 st March, 2022
Secured		
- Working Capital Limits	500.00	1,092.76
(b) Expiring beyond one year (Bank loans)		
Secured		
-Term loan from banks	2,224.82	2,479.26

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, 2023				
Contractual Maturities of borrowings	930.81	1,629.64	1,269.04	532.77
Contractual Maturities of trade payables	6,723.57	-	-	-
Contractual Maturities of other financial liabilities	809.12	47.68	110.87	688.73
Total	<u>8,463.50</u>	<u>1,677.31</u>	<u>1,379.91</u>	<u>1,221.50</u>
Year ended 31st March, 2022				
Contractual Maturities of borrowings	1,976.46	2,232.36	3,101.33	381.37
Contractual Maturities of trade payables	7,900.82	-	-	-
Contractual Maturities of other financial liabilities	799.87	28.79	105.03	901.66
Total	<u>10,677.15</u>	<u>2,261.15</u>	<u>3,206.36</u>	<u>1,283.03</u>

55 Capital Management

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximize 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) 31 st March, 2023	(₹ in lakh) 31 st March, 2021
Borrowings	4,362.27	7,691.52
Trade Payables	6,723.57	7,900.82
Less: Cash & Cash Equivalents	<u>(20,072.09)</u>	<u>(18,116.79)</u>
Net Debt	(8,986.25)	(2,524.46)
Equity	<u>57,056.47</u>	<u>73,931.11</u>
Capital & Net Debt	48,070.21	71,406.65
Gearing Ratio	-18.69%	-3.54%

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 2023.

56 Expenditure Incurred on Research & Development

Particulars	(₹ in lakh) 2022-2023	(₹ in lakh) 2021-2022
- Capital Expenditure	2.17	8.65
- Revenue Expenditure	152.82	106.90
	154.99	115.54

57 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	31 st March 2023	31 st March 2022
Gratuity Plan	1,014.81	966.77

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

	(₹ in lakh) For the year ended on 31 st March 2023	(₹ in lakh) For the year ended on 31 st March 2022
Changes in Defined Benefit Obligation		
Present value obligation as at the start of the year	966.77	823.90
Interest costs	69.56	55.57
Current Service costs	103.16	75.87
Benefits paid	<u>(111.42)</u>	<u>(84.64)</u>
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in financial assumptions	(24.00)	117.94
- experience Variance	10.76	(21.86)
Present value obligation as at the end of the year	1,014.82	966.77

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

	(₹ in lakh) For the year ended on 31 st March 2023	(₹ in lakh) For the year ended on 31 st March 2022
Change in fair value of plan assets		
Fair value of plan assets as at the start of the year	890.42	830.20
Return on plan assets	64.50	56.00
Actuarial gains/ (losses)	(2.19)	2.49
Contributions by employer	92.92	86.38
Benefits paid	(111.42)	(84.64)
Fair value of plan assets as at the end of the year	934.23	890.42

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

Particulars	(₹ in lakh) For the year ended on 31 st March 2023	(₹ in lakh) For the year ended on 31 st March 2022
Present value obligation as at the end of the year	1,014.81	966.77
Fair value of plan assets as at the end of the year	934.23	890.42
Net asset/(obligation) recognized in balance sheet	(80.59)	(76.35)

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

Particulars	(₹ in lakh) For the year ended on 31 st March 2023	(₹ in lakh) For the year ended on 31 st March 2022
Amount recognized in the statement of profit and loss		
Current service cost	103.15	75.87
Interest on obligation	5.49	(0.43)
Total included in employee benefit expense	108.65	75.44

f) Amount recognised in the statement of Other Comprehensive Income

Particulars	(₹ in lakh) For the year ended on 31 st March 2023	(₹ in lakh) For the year ended on 31 st March 2022
Change in Financial Assumptions	(24.00)	117.94
Change in Demographic Assumptions	-	-
Experience Variance i.e. Actual Experience vs Assumptions	10.76	(21.86)
Actuarial Gain/(Loss) for the year	2.19	(2.49)
Return on Planned Assets, excluding amount recognised in net interest expense	(0.44)	-
Components of defined benefit cost recognised in OCI	(11.49)	93.59

g) Principal actuarial assumptions at the balance sheet date:

Particulars	(₹ in lakh)	(₹ in lakh)
	For the year ended on 31 st March 2023	For the year ended on 31 st March 2022
Actuarial Assumptions		
Discount rate (per annum)	7.45%	7.25%
Salary escalation rate (per annum)	9.00%	9.00%

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:

Particulars	(₹ in lakh)	(₹ in lakh)
	For the year ended on 31 st March 2023	For the year ended on 31 st March 2022
Demographic Assumptions		
Mortality Rate (% of IALM 2012-14)	100.00%	100.00%
Normal Retirement Age	58 Years	58 Years
Attrition/ Withdrawal rate, based on age: (per annum)		
Upto 30 Years	3.00%	3.00%
31 to 44 Years	2.00%	2.00%
Above 44 Years	1.00%	1.00%

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

i) Sensitivity Analysis:

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

Particulars	(₹ in lakh)	(₹ in lakh)
	For the year ended on 31 st March 2023	For the year ended on 31 st March 2022
Defined Benefit Obligation (base)	1,014.81	966.77

ii) Particulars

	For the year ended on 31 st March, 2023		For the year ended on 31 st March, 2022	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+1%) (% change compared to base due to sensitivity)	2,029.44 11.25%	929.78 -9.50%	1,070.68 10.70%	879.74 -9.00%
Salary Growth Rate (-/+1%) (% change compared to base due to sensitivity)	2,026.23 -9.30%	1,110.36 10.75%	883.71 -8.60%	1,063.39 10.00%
Attrition Rate (-/+ 50% of attrition rates) (% change compared to base due to sensitivity)	2,014.19 18.90%	1,009.61 -12.30%	976.75 1.00%	957.97 -0.90%
Mortality Rate (-/+ 10% of mortality rates) (% change compared to base due to sensitivity)	2,013.17 0.00%	1,014.58 0.00%	967.02 0.00%	966.52 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

Expected Cash Flows over the next (valued on undiscounted basis)	(₹ in lakh)
1 Year	190.12
2 to 5 years	295.98
6 to 10 years	343.35
More than 10 years	<u>1,771.24</u>

58 EMPLOYEE BENEFITS - EARNED LEAVE PLAN

Assets and Liability (Balance Sheet Position)

Particulars	As on 31.03.2022	As on 31.03.2023
Present Value of obligation	178.15	259
Fair Value of Plan Assets	-	-
Surplus/(Deficit)	(178.15)	259
Effects of Asset Celling,if any	-	-
Net Asset/(Liability)	(178.15)	259

Bifurcation of Present Value of obligation at the end of the year as per revised schedule III of the Companies Act 2013

Particulars	As on 31.03.2022	As on 31.03.2023
Current Liability(Short Term)	17.09	55.89
Non-Current Liability(Long Term)	160.15	203.50
Present Value of obligation as at the end	178.15	259.40

Expenses Recognized in income Statement

Particulars	As on 31.03.2022	As on 31.03.2023
Present value of obligation as at the beginning	113.63	170.34
Present value of obligation as at the end	178.15	259.40
Benefit Payment	30.35	29.15
Actual return on plan assets	-	-
Transfer in/(out)	-	-
Expenses Recognized in income statement	94.87	118.22

Financial Assumptions

The Principal financial assumptions used in valuation are shown in the below table :

Particulars	As on 31.03.2022	As on 31.03.2023
Discount rate (per annum)	7.30%	9.45%
Salary Growth rate(per annum)	9.50%	9.00%

The Discount Rate indicated above reflects the esteemed timing and currency of benefit Payments. it is based on the yields/rate 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 the 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.

Demographic Assumptions

Particulars	As on 31.03.2022	As on 31.03.2023
Mortality Rate	100%	100%
Normal retirement age	58 Years	58 Years
Attrition/withdrawal rate (Per annum)		
Upto 30 Years	3.00%	3.00%
31 - 44 Years	2.00%	2.00%
Above 44 Years	1.00%	1.00%
Rate of Leave availment (per annum)	0.00%	0.00%
Rate of Leave encashment during employment (per annum)	0.00%	0.00%

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

Sensitivity Analysis

Significant actuarial assumptions for the determination of the leave liability 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 reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below.

Particulars	31.03.2022	31.03.2023
Present Value of obligation (Base)	178.15	259

Particulars

Particulars	For the year ended on 31 st March, 2022		For the year ended on 31 st March, 2023	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+1%) (% change compared to base due to sensitivity)	204.28 12.00%	156.91 -9.95%	289.03 11.40%	234.57 -9.60%
Salary Growth Rate (-/+1%) (% change compared to base due to sensitivity)	157.05 -9.85%	203.56 11.60%	234.68 -9.50%	288.28 11.10%
Attrition Rate (-/+ 50% of attrition rates) (% change compared to base due to sensitivity)	182.56 7.50%	174.75 -3.80%	262.05 1.00%	257.07 -0.90%
Mortality Rate (-/+ 10% of mortality rates) (% change compared to base due to sensitivity)	178.24 0.05%	170.25 -0.05%	259.49 0.00%	259.31 0.00%

Please note that the sensitivity analysis presented above may not be represented of the actual Change in the present value of obligation as its is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There is no change in the method of valuation for the prior period. For change in assumptions please refer to section 4 above, where assumptions for prior period, if applicable, are given.

Maturity Profile of Defined Benefit Obligation

Weighted average duration(based on discounted cash flows)	11 Years
Expected cash flows over the next (Valued on un discounted basis)	Indian Rupees (INR)
1year	56.79
2 to5 years	44.59
6 to 10 years	56.28
More than 10 years	578.91

59 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

Avon Energies & Investments Pvt. Ltd.

Avon Fitness Machines Pvt. Ltd.

Hans Raj Pahwa & Bros.

3 Key Management personnel

Sh. Onkar Singh Pahwa

Sh. Rishi Pahwa

Sh. Mandeep Singh Pahwa

Sh. Girish Paman Vanvari

Sh. Anil Arora

Sh. Manish Kumar Mittal

Sh. Bhavdeep Sardana

4 Other Related Parties

Smt. Sarabjit Kaur Pahwa

Smt. Pallavi Pahwa

Smt. Jasmine Pahwa

Aditragh Enterprises

NRG Enterprises

Rolex Metals Pvt. Ltd.

Wheel Crafts

b) Related Party Transactions :

(₹ in lakh)

Transactions	Associates / Joint Ventures		Entities with Control or Joint Control by KMP		Key Management Personnel		Other Related Parties	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Rent Paid	-	-	-	-	-	-	-	-
Remuneration Paid	-	-	-	-	1,716.03	1,765.88	174.89	39.76
Interest Paid	-	-	25.48	27.28	74.08	161.55	53.45	-
Interest Received	57.16	22.44	0.14	22.05	-	-	-	-
Rent Received	-	-	79.30	74.20	-	-	-	-
Service Charges Received	-	-	0.93	0.07	-	-	-	-
Dividend Paid	-	-	11.20	11.20	113.74	159.46	45.72	-
Royalty	-	-	33.23	39.57	-	-	-	-
Food Bill	-	-	3.89	3.61	-	-	-	-
Purchase	-	0.47	-	-	-	-	4,549.94	3,339.90
Sale	-	1.91	0.15	0.37	-	-	15.80	37.58
Sale/ Trf. of Fixed Assets	-	339.00	-	-	-	-	-	-
Sitting Fees	-	-	-	-	1.30	0.70	-	-
Re-imbusement of expenses	42.05	37.96	288.71	288.71	-	-	-	-
Loan Given	515.00	500.00	-	400.00	-	-	-	-
Loan Received Back	-	-	400.00	-	-	-	-	-
Legal & Professional Charges	-	-	-	-	-	-	-	-
Payment of Misc. Charges	-	-	-	-	-	-	-	-
Purchase of Shares	-	-	-	-	-	-	-	-
Debit balances outstanding as at the closing	1,066.44	520.22	35.90	442.98	-	-	0.36	-
Credit balances as at the closing	-	-	0.04	-	44.05	33.84	319.70	357.08

60 Fair Value Measurement

(a) Financial Instruments by Category

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

Particulars	₹ in lakh 31 st March 2023			₹ in lakh 31 st March 2022		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Assets						
Financial Assets						
Investments	7,461.37	-	-	15,012.85	-	1,113.51
Trade Receivables	-	-	9,719.26	-	-	13,974.37
Other Financial Assets	-	-	8,981.99	-	-	11,056.48
Cash & Cash Equivalents	15,738.60	-	4,333.49	15,481.03	-	2,635.76
Other Bank Balances	-	-	4,801.39	-	-	1,980.88
Total	23,199.97	-	27,836.14	30,493.88	-	30,761.00
Financial Liabilities						
Borrowings	-	-	4,362.27	-	-	7,691.52
Trade Payables	-	-	6,723.57	-	-	7,900.82
Other Financial Liabilities	-	-	1,656.39	-	-	1,835.46
Total	-	-	12,742.23	-	-	17,427.79

(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 31 st March 2023			₹ in lakh 31 st March 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investments	7,326.10	-	135.27	8,992.25	-	6,020.59
Cash & Cash Equivalents	15,738.60	-	-	15,481.03	-	-
Total	23,064.69	-	135.27	24,473.28	-	6,020.59

Financial assets and liabilities measured at amortized cost for which fair values are disclosed	₹ in lakh 31 st March 2023			₹ in lakh 31 st March 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investments	-	-	-	-	1,113.51	-
Trade Receivables	-	-	9,719.26	-	-	13,974.37
Other Financial Assets	-	-	8,981.99	-	-	11,056.48
Cash & Cash Equivalents	-	-	4,333.49	-	-	2,635.76
Other Bank Balances	-	-	4,801.39	-	-	1,980.88
Total	-	-	27,836.14	-	1,113.51	29,647.49
Financial Liabilities						
Borrowings	-	-	4,362.27	-	-	7,691.52
Trade Payables	-	-	6,723.57	-	-	7,900.82
Other Financial Liabilities	-	-	1,656.39	-	-	1,835.46
Total	-	-	12,742.23	-	-	17,427.79

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 maximize 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 amortized cost

Particulars	₹ in lakh 31 st March 2023		₹ in lakh 31 st March 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Investments	-	-	1,113.51	1,075.81
Margin Money	214.78	214.78	266.45	266.45
Employee Loans	141.51	141.51	107.73	107.73
Other Financial Assets	-	-	-	-
Total	356.29	356.29	1,487.69	1,449.99
Financial Liabilities				
Security Deposits	34.06	34.06	31.47	31.47
Total	34.06	34.06	31.47	31.47

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.

61 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%

62 Additional Information, as required under Schedule III to the Companies Act, 2013, of Enterprises Consolidated as Subsidiary / Associates / Joint Ventures

Name of Enterprise	Net Assets, i.e. total assets minus total Liabilities		Share in profit or loss		Share in OCI		Share in Total Comprehensive Income	
	As % of consolidated net assets	(₹ in Lakh)	As % of consolidated Profit or Loss	(₹ in Lakh)	As % of consolidated other comprehensive income	(₹ in Lakh)	As % of consolidated Total comprehensive income	(₹ in Lakh)
Parent								
M/s Avon Cycles Ltd.	100.89%	57,562.26	108.21%	6,317.67	94.93%	8.27	108.19%	6,325.94
Subsidiary								
M/s Avon Newage Cycles Pvt. Ltd.	6.39%	3,643.56	-8.21%	(479.26)	0.00%	0.44	-8.19%	(478.82)
Total	107.27%	61,205.82	100.00%	5,838.42	94.93%	8.71	100.00%	5,847.13
Adjustment arising out of Consolidation	-7.27%	(4,149.35)	0.00%	(0.19)	0.02%	0.00	0.00%	(0.18)
Non - Controlling interest in all subsidiaries	-	0.00%	-	0.00%	-	-	-	-
Associates (Investment as per Equity Method)								
Indian:	-	-	-	-	-	-	-	-
Foreign	-	-	0.00%	-	0.00%	-	-	-
Joint Ventures (Investment as per Equity Method)								
Indian	-	-	0.00%	-	0.00%	-	-	-
Foreign	-	-	0.00%	-	0.00%	-	-	-
TOTAL	100%	57,056.47	100%	5,838.23	95%	8.71	100%	5,846.94

63 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 had in previous year 2021-2022 identified two segments; viz: 1) Core segment, and, 2) Non - Core Segment. Core segment contains Bicycles and EV Division. Non - Core contains Power segment, Treasury Segment and Renting business. The Non-Core segment of the group has been demerged w.e.f 1st April, 2022, vide scheme of arrangement approved by NCLT vide its order dated 03.07.2023 (kindly refer note 38).

Hence, segment reporting of core and non-core segment is not given. However, geographical allocation of revenue is given by the group.

- i) Geographical revenue is allocated based on the location of the customers.

Information regarding geographical revenue is as follows:

	(₹ in lakh) 2022-2023	(₹ in lakh) 2021-2022
India	79,649	75,894
Africa	5,068.80	4,910.00
South/Latin America	38.60	30.97
Asia	455.64	1,404.04
South Africa	19.66	31.51
Europe	293.04	268.37
Unallocated Revenue	<u>1,884.42</u>	<u>175.20</u>
	<u>87,408.95</u>	<u>82,714.03</u>

Information regarding geographical non- current assets is as follows:

	(₹ in lakh) For Year Ended 31 st March 2023	(₹ in lakh) For Year Ended 31 st March 2022
Non - Current Assets:		
Within India	20,468.54	43,177.16
Outside India	-	-

- ii) As per Indian Accounting Standard 108 – Operating Segments, the Group has reported segment information on consolidated basis including businesses conducted through its subsidiaries.

- iii) Information about major customers:

No single customer represents 10% or more of the Group's total revenue for the years ended March 31, 2023 and 2022, respectively.

64 Other Statutory Information:

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

Type of Borrower	As at 31.03.2023		As at 31.03.2022	
	Amount Outstanding	%age to Total Loans & Advances	Amount Outstanding	%age to Total Loans & Advances
	(₹ in lakh)		(₹ in lakh)	
a) To Associates	1066.44	19.28%	520.19	13.09%
b) To other Related Parties	0.00	0.00%	400.00	10.07%

- v) There are no intangible assets under development.
- vi) There are no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988.
- vii) The quarterly returns or statements of Current Assets filed by the Company with banks or Financial Institutions are in agreement with books of accounts.
- viii) The Company is not declared willful defaulter by Banks, Financial Institutions or any other lender.
- ix) The Company has not done any transactions directly with struck off Companies u/s 248 of Companies Act, 2013 or u/s 560 of Companies Act, 1956.
- x) The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries), or,
 - (b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- xi) The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries), or,
 - (b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

65. The figures have been rounded off to the nearest rupee lakh up to two decimal point.

As per our report of even date
 For Amanpreet & Co.
 Chartered Accountants
 Firm Registration No.022778N

For and on behalf of the Board

For and on behalf of the Board

Sd/-
 (Amanpreet Singh)
 Proprietor
 M.No 500322
 UDIN: 23500322BGQFMI1595
 Place : Ludhiana
 Dated: 27.09.2023

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

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



AVON CYCLES LTD.

G.T. Road, Dhandari Kalan, Ludhiana - 141003 (India) | Ph.: 0161-468 4800 (100 Lines)

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