




# *Ride* The **Future**

**Annual**  
**Report**  
**2023 - 24**

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

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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- Executive Director

Sh. Anil Arora- Independent Director

Sh. Bhavdeep Sardana- Independent Director

Sh. Bhupinder Singh Dhiman- Non-Executive Director

Smt. Gurpreet Kaur- Non-Executive Director

\*Sh. Mahesh Kumar Mittal- Independent Director

\*\*Sh. Girish Paman Vanvari- Independent Director

\*Resigned on 14.07.2023

\*\*Resigned on 13.02.2024

## **REGISTERED OFFICE**

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

Email: [avon@avoncycles.com](mailto:avon@avoncycles.com); Website: [www.avoncycles.com](http://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. HK Chitkara & Co.

Chartered Accountants

477-R, 2nd Floor, Star Plaza Building, Mint Gumri 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 73<sup>rd</sup> Annual General Meeting of the members of Avon Cycles Limited will be held on Monday, September 30, 2024 at 5.00 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 31<sup>st</sup> March, 2024 and the Reports of the Directors and the Auditors thereon.
2. To declare Final Dividend on Equity Shares for the financial year 2023-24.
3. To appoint a Director in place of Sh. Rishi Pahwa (DIN: 00286399), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Sh. Bhupinder Singh Dhiman (DIN: 09712443), 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 H.K. Chitkara & Co, Chartered Accountants (Firm Registration No. 001571N), be and are hereby appointed as Statutory Auditors of the Company, to hold the office for a period of five years namely 2024-25, 2025-26 , 2026-27, 2027-28 and 2028-29 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.”

Place: Ludhiana  
Dated: 26.09.2024

By order of the Board

Sd/-  
(Rishi Pahwa)  
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 September 28 (Saturday), 2024 as the 'Record Date' for determining entitlement of Members to final dividend for the financial year ended March 31, 2024.
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**

M/s Amanpreet & Company vide their letter dated 06.05.2024 have resigned from the position of Statutory Auditors of the Company (resignation from closure of business hours of the Company on 10.05.2024) resulting into casual vacancy in the office of the Statutory Auditors of the Company.

As per the recommendation of the Audit Committee and pursuant to the provisions of section 139(8) of the Companies Act, 2013, the Board of Directors in their meeting held on 10.05.2024 appointed M/s H.K. Chitkara and Company, Chartered Accountants (Firm Registration No. 001571N) to fill up the casual vacancy caused due to resignation of M/s Amanpreet & Company, Chartered Accountants and to hold office until conclusion of ensuing extra ordinary general meeting. Accordingly, in extra ordinary general meeting held on 03.06.2024, shareholders appointed M/s H.K. Chitkara and Company, Chartered Accountants as Statutory Auditors of the Company from conclusion of extra ordinary general meeting till ensuing annual general meeting.

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.

Place: Ludhiana

Dated: 26.09.2024

By order of the Board

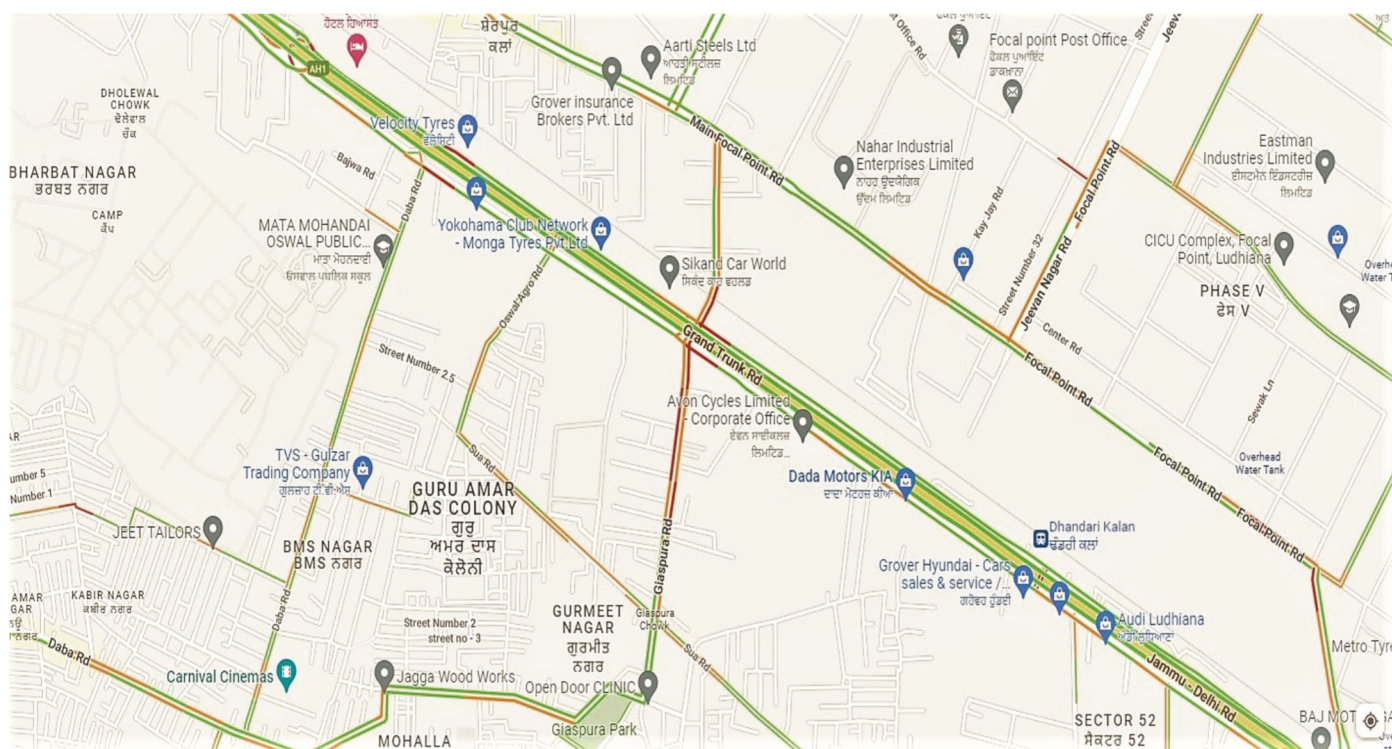
Sd/-

(Rishi Pahwa)

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 73<sup>rd</sup> Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2024.

#### 1. FINANCIAL HIGHLIGHTS

The financial statements of the Company for the year ended 31<sup>st</sup> March, 2024, had been prepared in accordance with Indian Accounting Standards (Ind AS). The financial performance of your Company for financial year(s) 2023-24 and 2022-23 are as under:

(₹ in Lakh)

PARTICULARS	STANDALONE		CONSOLIDATED	
	F.Y. 2023-24	F.Y. 2022-23	F.Y. 2023-24	F.Y. 2022-23
Revenue from Operations	1,11,454.02	87,532.49	1,15,966.38	87,775.32
Other Income	3,190.26	1,404.54	3,193.44	1,449.15
Total Income	1,14,644.28	88,937.03	119,159.82	89,224.47
Less: Expenses	83,417.02	63,480.90	86,092.77	63,287.61
Less: Finance Cost	269.22	299.40	561.45	492.65
Less: Depreciation and Amortization	717.89	746.97	1,379.46	1,251.27
Less: Other Expenses	19,676.38	18,377.44	20,726.96	18,727.43
Profit before tax & exceptional items	10,563.77	6,032.33	10,399.18	5,465.51
Less: Exceptional Items (CSR Expenditure)	129.32	148.07	129.32	148.07
Profit before tax	10,434.45	5,884.26	10,269.86	5,317.44
Less: Provision for tax - Current	2,299.22	1,607.00	2,299.22	1,607.00
- Deferred	(103.53)	(2,040.42)	(121.72)	(2,127.76)
Profit after tax	8,238.76	6,317.69	8,092.36	5,838.20
Add: Other Comprehensive Income/(Loss)	21.85	8.27	22.17	8.71
Total Comprehensive Income	8,260.61	6,325.96	8,114.53	5,846.91
Earnings per Share: Basic (₹)	955.74	731.53	942.12	676.36
Earnings per Share: Diluted (₹)	955.74	731.53	942.12	676.36

## **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 and exporting the same to various countries.

On standalone basis, the Company reported Revenue from Operations of ₹ 1,11,454.02 Lakh for the financial year 2023-24, as compared to ₹ 87,532.49 Lakh in the previous financial year 2022-23, registering a growth of 27.33%. Net profit for the year under review amounted to ₹ 8,238.76 Lakh, as compared to ₹ 6,317.69 Lakh in the previous year, registering a substantive increase of 30.41 % over the previous year.

On consolidated basis, the Company reported revenue from operations of ₹ 1,15,966.38 Lakh for the financial year 2023-24, as compared to ₹ 87,775.32 lakh in the previous financial year 2022-23, registering a growth of 32.12%. Net profit for the year under review amounted to ₹ 8,092.36 Lakh, as compared to ₹ 5,838.20 Lakh in the previous year, registering a decrease of 36.61% over the previous year.

## **3. DIVIDEND**

Your Directors are pleased to recommend a final dividend of ₹ 20 per share for the year ended 31<sup>st</sup> March, 2024. The dividend if approved and declared at the forthcoming Annual General Meeting on 30th September, 2024, 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**

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

## **6. SHARE CAPITAL**

During the period under review, there was no change in the Capital Structure of the Company.

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

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

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

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

## **9. DIRECTORS**

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

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

Sh. Onkar Singh Pahwa and Sh. Mandeep Singh Pahwa, Directors were re-appointed in the Annual General Meeting held on 30.09.2023.

### **Resignation from Directorship:**

During the year under review Sh. Mahesh Mittal, Independent Director resigned from the directorship w.e.f. 14.07.2023 and Sh. Girish Paman Vanvari, Independent Director also resigned from the directorship of the Company w.e.f. 13.02.2024



**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 27.09.2023.
- 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 seven meetings of the Board of Directors were held namely on 20.05.2023, 31.07.2023, 05.08.2023, 27.09.2023, 28.11.2023, 18.03.2024 and 23.03.2024.

**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 as on 31.03.2024:

- 1) Sh. Anil Arora-Chairman
- 2) Sh. Rishi Pahwa- Member
- 3) Sh. Girish Paman Vanvari –Member

However, at present Audit Committee consist of the following members:

- 1) Sh. Anil Arora-Chairman
- 2) Sh. Rishi Pahwa- Member
- 3) Sh. Bhavdeep Sardana –Member

Three Audit Committee Meetings were held during the year under review namely on 20.05.2023, 27.09.2023 and 28.11.2023 respectively.

The Nomination and Remuneration Committee consisted of following members as on 31.03.2024

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

However, at present Nomination and Remuneration Committee consist of the following members:

- 1) Sh. Anil Arora-Chairman
- 2) Sh. Bhavdeep Sardana-Member
- 3) Sh. Bhupinder Singh Dhiman-Member

The above composition of the Nomination & Remuneration Committee consists of Independent Directors viz., Sh. Bhavdeep Sardana and Sh. Anil Arora.

Company held one meeting of Nomination & Remuneration Committee during year under review on 27.09.2023.

The Corporate Social Responsibility Committee consisted of the following members as on 31.03.2024

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

However, at present Corporate Social Responsibility Committee consist of the following members:

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

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

Two meeting of CSR Committee were held during the year under review namely on 20.05.2023 and 27.09.2023.

## **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. Details of Subsidiary Company 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](http://www.avoncycles.com). Two meetings of CSR Committee were held during the year under review namely on 20.05.2023 and 27.09.2023

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.
- e. Dollar rate increasing rapidly.

**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 Holdings 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 Holdings Private Limited, M/s Avon Cycles Limited and M/s Avon Energies and Investments Private Limited.

Authorized Share Capital of the Company also has been increased from ₹ 1,00,00,000/- (One Crore Only) to ₹ 2,00,00,000/- (Two Crores Only) pursuant to the order of NCLT Chandigarh Bench dated 19.07.2023 regarding approval of Scheme of Amalgamation.

**24. AUDITORS AND AUDITORS' REPORTS:**

**STATUTORY AUDITORS:**

M/s Amanpreet & Company vide their letter dated 06.05.2024 have resigned from the position of Statutory Auditors of the Company (resignation from closure of business hours of the Company on 10.05.2024) resulting into casual vacancy in the office of the Statutory Auditors of the Company.

As per the recommendation of the Audit Committee and pursuant to the provisions of section 139(8) of the Companies Act, 2013, the Board of Directors in their meeting held on 10.05.2024 appointed M/s H.K. Chitkara and Company, Chartered Accountants (Firm Registration No. 001571N) to fill up the casual vacancy caused due to resignation of M/s

Amanpreet & Company, Chartered Accountants and to hold office until conclusion of ensuing extra ordinary general meeting. Accordingly, in extra ordinary general meeting held on 03.06.2024, shareholders appointed M/s H.K. Chitkara and Company, Chartered Accountants as Statutory Auditors of the Company from conclusion of extra ordinary general meeting till ensuing annual general meeting.

### **COST AUDITORS**

For the financial year 2023-24, 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 2023-24 to conduct the audit of the cost records of the Company. For the financial year 2024-25 cost audit will not be applicable.

### **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 2023-24.

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 STATUTORY AUDITORS AND THE SECRETARIAL AUDITORS IN THEIR REPORTS**

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

#### **26. COMPLIANCE WITH SECRETARIAL STANDARDS**

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

#### **27. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN 31.03.2024 AND THE DATE OF THIS REPORT**

No adverse or unfavorable material changes took place between 31.03.2024 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://avoncycles.com/corporate/annual-return>.

#### **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 and Manapuram Finance to make good any default committed by the persons who get finance for the purchase of E-Rickshaw and E-Bike of Avon Cycles Limited from Indusind Bank and Manapuram Finance. The total amount outstanding was ₹ 61.46 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, 2024 is ₹ 1800.62 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. ACKNOWLEDGMENTS**

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: 26.09.2024

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 2023-24**

(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 2023-24.
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 2. Property given on rent 3. Rendering of services 4. Rendering of services	1. Ongoing 2. Ongoing 3. Ongoing 4. 11 years Royalty agreement	1. Sale of goods: ₹ 8,049.00 2. Rent Received ₹ 73,59,510 3. Availment of services: ₹ 7,480 4. Royalty receipt of ₹ 31,99,108/- for use of brand name 'AVON'. Terms stipulated in agreement dt. 31.05.2014.	04.02.2023	No
2	Avon Energies & Investments Private Limited. (Sh. Mandeep Singh Pahwa and Sh. Rishi Pahwa are common Directors)	1. Property obtained on lease 2. Sale of goods	15 years 1. Ongoing	Property obtained on lease. Terms as per agreement dt. 01.02.2013 and 15.09.2014 (Amt. of rent/interest: ₹ 37,60,812 ₹ 1,84,825.60	04.02.2023	No
3	Hans Raj Pahwa & Brothers (Partnership Firm in which Directors are interested)	Availing of canteen services	Ongoing	Canteen running expenses ₹ 7,17,111.	04.02.2023	No
4	Aditragh Enterprises (Relative's entity)	Purchase and sale of goods	Ongoing	1. Purchase of goods ₹ 23,31,32,806. 2. Sale of goods of ₹ 6,60,113.28.	04.02.2023	No
5	NRG Enterprises (Relative's entity)	Purchase and sale of goods	Ongoing	Purchase of goods of ₹ 25,09,67,197. 2. Sale of goods of ₹ 1,01,93,378.02	04.02.2023	No

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	Ongoing	Purchase of goods of ₹ 1,06,88,756. 2. Sale of goods of ₹ 95,467.71.	04.02.2023	—
7	Rolex Metals Pvt. Limited	Purchase and sale of goods	Ongoing	Purchase of goods of ₹ 1,35,26,078.	04.02.2023	—
8	Avon Newage Cycles Private Limited (Wholly Owned Subsidiary)	Purchase and sale of goods	Ongoing	1. Purchase of goods of ₹ 9,71,78,614.57 2. Sale of goods of ₹ 1,68,59,269.95	04.02.2023	—
9	Avon Infrabiz Private Limited	Sale of goods	Ongoing	Sale of goods of ₹ 160.90	04.02.2023	—

Date: 26.09.2024

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 2023-24

#### 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	01.04.2023 to 31.03.2024 (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	₹ (5,05,55,127)
Total assets	₹ 93,03,69,873
Total Liabilities (excluding Share Capital and Reserves & surplus)	₹ 58,34,05,242
Investments	NIL
Turnover	₹ 56,49,40,186
Profit before taxation	₹ (1,64,58,448)
Provision for taxation	₹ (18,18,852)
Profit after taxation	₹ (1,46,39,596)
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: 26.09.2024

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	2	2
2	Sh. Onkar Singh Pahwa	Member	2	2
3	Sh. Rishi Pahwa	Member	2	2
4	Sh. Mandeep Singh Pahwa	Member	2	2

#### 3. Provide the web-link where composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company at [www. avoncycles.com/corporate/corporate-social-responsibility](http://www.avoncycles.com/corporate/corporate-social-responsibility).

#### 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 : ₹ 6351.33 Lakh

(b) Two percent of average net profit of the company as per sub-section (5) of section 135: ₹ 127.03 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: ₹ 0.51 Lakh

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 126.52 Lakh

#### 6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 129.46 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)] ₹ 129.46 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
129.46 Lakh	Nil	Nil	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	127.03
II	Amount required to be set-off for the financial year, if any	0.51
III	Net CSR Liability for the year [(I)-(II)]	126.52
IV	Total amount spent for the financial year	129.46
V	Excess amount spent for the financial year [(iv)-(iii)]	2.94
VI	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.00
VII	Amount available for set-off in succeeding financial years [(v)-(vi)]	2.94

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

(₹ in Lakh)

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	₹ 4,31,979	₹ 4,31,979	NA	NA	₹ 0	NA
2	2021-22	₹ 23,07,875	₹ 0	₹ 0	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 applicable Name Registered address	Name	Registered address
NA	NA	NA	NA	NA	NA

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

An amount of ₹ 50.86 lakh was remaining unspent related to ongoing projects of 2020-21 and same was transferred to a separate unspent CSR Account. All the remaining pending unspent csr amount is spent in the financial year 2023-24.

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:

- We installed 465 nos. BLDC Fans.
- Spared hot Water Generator to save LPG

#### B) Technology Absorption

The efforts made towards technology absorption;

- New efficient salt spray machine
- New shot blasting machine
- New powder coating plant

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

- New efficient salt spray machine for improving quality of testing
- New shot blasting machine for improving quality and productivity
- New powder coating plant for improving quality and productivity
- 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	2023-24	2022-23
Income in Foreign Exchange (FOB value of exports)	4191.89	5109.61
CIF value of Imports	722.56	1516.24
Expenditure in Foreign Exchange (others)	286.32	65.56

Date: 26.09.2024

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 31<sup>ST</sup> MARCH, 2024**

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

To,  
The Members,  
Avon Cycles Limited,  
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 Limited (hereinafter called as "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 31<sup>st</sup> March, 2024, 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 31<sup>st</sup> March, 2024 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; Not applicable during the audit period
- (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
  - i) 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.

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.

During the year under review company's Authorized Share Capital has been increased from ₹ 1,00,00,000/- (One Crore Only) to ₹ 2,00,00,000/- (Two Crores Only) pursuant to the order of NCLT Chandigarh Bench dated 19.07.2023 regarding approval of Scheme of Amalgamation.

Place: Ludhiana

Date: 05.09.2024

For B.K. Gupta & Associates  
Company Secretaries

Sd/-  
(CS Bhupesh Gupta)

FCS No.:4590

CP. No.:5708

UDIN: F004590F001146821

\*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.

**Laws applicable to the industry to which the Company belongs, as identified and confirmed by the management of the company and confirmed that the company has complied with these laws:**

**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 Limited,  
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: 05.09.2024

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 31<sup>st</sup> March, 2024, 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, 2024, its profit & loss and its Cash Flows for the year ended on that date.

## **Basis for Opinion**

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

## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended 31<sup>st</sup> March 2024. 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 31<sup>st</sup> March 2024 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 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 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 31.03.2024.

Place: Ludhiana  
Date: 26.09.2024

For H.K. Chitkara & Co.  
Chartered Accountants  
Firm's Registration No: 001571N

Sd/-  
Sameer Chitkara  
Partner  
Membership No: 094353



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

With reference to the Annexure A referred to in the Independent Auditor's Report to the members of the Company on the Ind AS standalone financial statements for the year ended 31<sup>st</sup> March 2024, 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, 2024.
- (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, 2024 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:

Loan	(₹ in Lakh)
Aggregate amount granted / provided during the year	
- Subsidiaries	488.00
- Associates	-
- Other Related Parties	616.64
- Other	11.58
Balance outstanding as at balance sheet date in respect of above case	
- Subsidiaries	2,158.00
- Associates	-
- Other Related Parties	1,683.08
- Other	47.48

- (b) During the year the investments made and the terms and conditions of the grant of all loans to companies are not prejudicial to the Company's interest.
- (c) The Company has granted loans during the year to companies where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.
- (d) The total amount overdue for more than 90 days is Rs. 1050.00 Lakh. The Company is taking reasonable steps for recovery of principal and interest.
- (e) There were no loans which had fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans given, investments made, guarantees and securities given.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts

which are deemed to be deposits within the meaning of Sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

- (vi) The maintenance of Cost Records has been specified by the Central Government u/s 148(1) of the Companies Act, 2013 in respect of generation, transmission, distribution and supply of electricity by the Company. We have broadly reviewed the books of accounts maintained by Company pursuant to rules prescribed by Central Government for maintenance of Cost Records u/s 148(1) of the Companies Act, 2013 in respect of manufacture of power and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Goods and Services tax, duty of Customs, duty of Excise, Value added tax, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Goods and Services tax, duty of Customs, duty of Excise, Value added tax, Cess and other material statutory dues were in arrears as at 31st March 2024, for a period of more than six months from the date they became payable.

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

Name of the statute	Nature of dues	Amount (₹ 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 willful defaulter by any bank or financial institution or government or any government authority.
- (c) Term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associate. The Company does not have any joint venture.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company. The Company does not have any joint venture.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and

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

- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.  
(b) During the year, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by cost auditor, secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.  
(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year 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

Place: Ludhiana  
Date: 26.09.2024

For H.K. Chitkara & Co.  
Chartered Accountants  
Firm's Registration No: 001571N

Sd/-  
Sameer Chitkara  
Partner  
Membership No: 094353



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

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Avon Cycles Limited ("the Company") as of 31<sup>st</sup> March 2024 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 2024, 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: 26.09.2024

For H.K. Chitkara & Co.

Chartered Accountants

Firm's Registration No: 001571N

Sd/-

Sameer Chitkara

Partner

Membership No: 094353

**Avon Cycles Limited**  
**Standalone Balance Sheet as at 31.03.2024**

(Amount ₹ in Lakh)

		Note	As at 31.03.2024	As at 31.03.2023
ASSETS				
Non-Current Assets				
a)	Property Plant & Equipment	2	4,182.13	4,651.24
b)	Right-of-Use Asset	3	313.39	356.98
c)	Investment Properties	2.1	69.31	69.31
d)	Capital Work in Progress	2.4	1,287.71	927.63
e)	Other Intangible Assets	2.3	63.29	79.01
f)	Financial Assets:			
	I) Investments	4	4,737.61	4,693.75
	ii) Loans & Advances	4.1	242.44	271.52
	iii) Other Financial Assets	5	639.36	4,416.52
g)	Other Non Current Assets	6	1,978.36	3,597.43
Total Non- Current Assets			13,513.60	19,063.40
Current Assets				
a)	Inventories	7	5,719.50	8,042.70
b)	Financial Assets:			
	I) Investments	8	6,753.05	6,916.75
	ii) Trade Receivables	9	11,061.29	9,551.60
	iii) Cash & Cash Equivalents	10	22,844.96	19,981.50
	iv) Other Balances with Banks	11	8,376.51	4,801.39
	v) Loans & Advances	12	8,058.18	5,715.82
	vi) Other Financial Assets	13	632.98	87.38
c)	Current Tax Assets		2,589.37	1,885.09
d)	Other Current Assets	14	2,448.48	1,630.28
e)	Assets held for Sale	2.2	62.27	62.27
Total Current Assets			68,546.61	58,674.80
TOTAL ASSETS			82,060.21	77,738.20
EQUITY AND LIABILITIES				
Equity				
a)	Equity Share Capital	15	87.05	87.05
b)	Other Equity	16	65,306.70	57,475.17
Total Equity			65,393.75	57,562.22
LIABILITIES				
Non-Current Liabilities				
a)	Financial Liabilities:			
	I) Borrowings	17	728.67	1,206.63
	ii) Lease Liability	18	181.88	229.56
	iii) Other Financial Liabilities	19	631.51	763.61
b)	Provisions	20	1,607.00	3,184.00
c)	Deferred Tax Liability (net)		158.86	262.39
d)	Other Non- Current Liabilities	21	300.43	284.92
Total Non- Current Liabilities			3,608.35	5,931.11

Current Liabilities				
a)	Financial Liabilities:			
	I) Borrowings	22	-	507.80
	ii) Lease Liability	23	47.68	39.49
	iii) Trade Payables			
	(a) total outstanding dues of micro and small enterprises	24	3,116.29	3,069.72
	(b) total outstanding dues of trade payable other than micro and small enterprises	24	3,745.62	3,338.60
	iii) Other Financial Liabilities	25	691.12	725.70
b)	Provisions	26	-	3.59
c)	Current Tax Provisions		2,299.22	1,607.00
d)	Other current Liabilities	27	3,158.20	4,952.96
	Total Current Liabilities		13,058.12	14,244.86
	TOTAL EQUITY & LIABILITIES		82,060.21	77,738.20

In terms of our report attached  
For H.K. Chitkara & Co.  
Chartered Accountants

For and on behalf of the Board

For and on behalf of the Board

Sd/-  
(Sameer Chitkara)  
Partner  
M.No 094353  
UDIN: 24094353BKBNTQ1051  
Place : Ludhiana  
Dated: 26.09.2024

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

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

**Avon Cycles Limited**  
**Standalone Statement of Profit & Loss Account for the period ended 31.03.2024**

(Amount ₹ in Lakh)

Particulars	Note	Year Ended 31.03.2024	Year Ended 31.03.2023
<b>Income</b>			
a) Revenue from Operations	28	111,454.02	87,532.49
b) Other Income	29	3,190.26	1,404.54
<b>Total Income</b>		<b>114,644.28</b>	<b>88,937.03</b>
<b>Expenses</b>			
a) Cost of Materials Consumed	30	70,280.67	53,737.86
b) Purchases of Stock-in-trade	31	4,905.33	5,739.89
c) Change in Inventories of Finished Goods, Stock-in-trade and Work-in-Progress	32	2,308.27	(1,575.60)
d) Employee Benefits Expense	33	5,922.76	5,578.75
e) Finance Costs	34	269.22	299.40
f) Depreciation & Amortisation Expense	2.5	717.89	746.97
g) Other Expenses	3.5	19,676.38	18,377.44
<b>Total Expenses</b>		<b>104,080.51</b>	<b>82,904.71</b>
Profit/(loss) Before Tax & Exceptional Items		10,563.77	6,032.33
<b>Exceptional Items:</b>			
CSR Expenditure u/s 135 of Companies Act, 2013		129.32	148.07
Profit/(Loss) Before Tax		10,434.45	5,884.26
<b>Tax Expenses/(Credit) (Net)</b>			
Current Tax		2,299.22	1,607.00
Deferred Tax		(103.53)	(2,040.42)
<b>Profit/(Loss) for the year</b>		<b>8,238.76</b>	<b>6,317.69</b>
<b>Other Comprehensive Income/(Loss):</b>			
Re-measurement of post-employment benefit Obligations		29.20	11.05
Income Tax Relating to these items		(7.35)	(2.78)
<b>Other Comprehensive Income/(Loss), Net of Tax</b>		<b>21.85</b>	<b>8.27</b>
<b>Total Comprehensive Income/(Loss)</b>		<b>8,260.61</b>	<b>6,325.96</b>
<b>Earnings/Loss) per equity share of face value of ₹ 10 each (EPS)</b>			
<b>(I) Basic (in ₹)</b>		<b>955.74</b>	<b>731.53</b>
<b>(ii) Diluted (in ₹)</b>		<b>955.74</b>	<b>731.53</b>
Notes on Financial Statements	1 to 63		

In terms of our report attached  
For H.K. Chitkara & Co.  
Chartered Accountants

For and on behalf of the Board

For and on behalf of the Board

Sd/-  
(Sameer Chitkara)  
Partner  
M.No 094353  
UDIN: 24094353BKBNTQ1051  
Place : Ludhiana  
Dated: 26.09.2024

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

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

**Avon Cycles Limited**  
**Standalone Cash Flow Statement for the year ended 31.03.2024**  
**(Amount ₹ in Lakh)**

For the Year Ended 31.03.2024    For the Year Ended 31.03.2023

**A. Cash Flow From Operating Activities**

Net profit/(loss) before tax	10,434.45	5,884.26
<b>Adjustments for :</b>		
Interest expenses	165.66	245.01
Depreciation and Amortisation on PPE	717.89	703.12
Profit/ Loss on Sales/ Fair Valuation of Investment	(1,898.48)	(688.55)
Profit on Sales of Fixed Assets	(21.13)	(50.13)
Interest Received	(1,115.91)	(510.36)
Other Non-Operating Income	(31.99)	(33.23)
Other Comprehensive Income	21.85	8.27
Rent	(82.04)	(81.55)
<b>Cash Flow from Operating activities before changes in following Assets &amp; Liabilities:</b>	<b>8,190.31</b>	<b>5,476.84</b>
Trade Receivables	(1,509.69)	2,884.86
Inventories	2,323.20	(1,544.99)
Loan & Advances	(2,313.28)	(2,395.62)
Other Financial Assets	3,231.56	1,552.55
Other Assets (excluding Advance Tax)	(765.90)	(208.52)
Trade Payables	453.58	(1,188.93)
Other Financial Liabilities	(206.18)	(195.72)
Provisions (Excluding Provision of Income Tax)	(1,580.59)	(49.38)
Other Liabilities	(1,882.79)	1,656.17
Inc/(Dec) in Operating Assets due to De-merger	(2,250.08)	3,017.95
<b>Cash generations from/(used in) operations</b>	<b>5,940.22</b>	<b>9,005.22</b>
Income Tax Paid (Net)	(678.28)	467.58
<b>Net Cash from/(used in) operating activities (A)</b>	<b>5,261.95</b>	<b>9,472.80</b>

**B. Cash Flow From Investing Activities**

Purchase of Fixed Assets	(632.46)	(958.13)
Purchase/ (Sale) of Investment	2,018.32	307.34
Sale of Fixed Assets	60.46	83.70
Interest Received	1,115.91	510.36
Profit/Loss on Sales of Investment	-	688.55
Other Non-Operating Income	31.99	33.23
Rent Received	82.04	81.55
Inc/(Dec) in Investing Assets due to De-merger	2,676.25	21,483.82
<b>Net Cash From/(used in) Investing Activities (B)</b>	<b>2,676.25</b>	<b>22,230.42</b>

**C. Cash Flow From Financing Activities**

Interest Paid	(165.66)	(245.01)
Dividend Paid	(348.20)	(170.66)
Change in Equity due to Amalgamation	-	(3.56)
Proceeds/(Repayments) of/from loan funds	(985.76)	(725.99)
Inc/(Dec) in Financing Assets due to De-merger	(1,500)	(24,501.77)
<b>Net Cash From/(used in) from Financing Activities (C)</b>	<b>(1,500)</b>	<b>(25,646.99)</b>
<b>Net Increase/(Decrease in Cash &amp; Cash Equivalents</b>	<b>6,439</b>	<b>6,056.23</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>24,782.89</b>	<b>20,020.25</b>
<b>Cash outflow as part of De-Merger (Refer Note No.38)</b>	<b>-</b>	<b>(1,293.58)</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>31,221.48</b>	<b>24,782.89</b>

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 H.K. Chitkara & Co.  
Chartered Accountants

Sd/-  
(Sameer Chitkara)  
Partner  
M.No 094353  
UDIN: 24094353BKBNTQ1051  
Place : Ludhiana  
Dated: 26.09.2024

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)  
Executive Director  
DIN: 00248245



**Avon Cycles Limited**  
**Statement of Changes in Equity for The Year Ended March 31, 2024**

**a) EQUITY SHARE CAPITAL**

**For year ended 31<sup>st</sup> March, 2024** (₹ in Lakh)

Particulars	Amount
Balance as on April 01, 2023	87.05
Proceeds from issue of shares	-
Changes during the year	-
Balances as on March 31, 2024	87.05

**For year ended 31<sup>st</sup> March, 2023** (₹ in Lakh)

Particulars	Amount
Balance as on April 01, 2022	85.33
Proceeds from issue of shares	-
Changes during the year due to amalgamation of PEHPL	(1.72)
Balances as on March 31, 2023	87.05

**b) OTHER EQUITY**

(₹ in Lakh)

Particulars	Retained Earnings	Other Comprehensive Income	General Reserve	Capital Reserve	Capital Redemption Reserve	Total
Balance as on April 01, 2023	41,209.97	(114.72)	16,338.33	36.48	5.12	57,475.17
Profit for the year	8,238.76	-	-	-	-	8,238.76
Other Comprehensive Income/ (Loss) for the year	-	21.85	-	-	-	21.85
Total Comprehensive Income for the year	8,238.76	21.85	-	-	-	8,260.61
Transferred to General Reserve	(500.00)	-	-	-	-	(500.00)
Transferred from General Reserve	-	-	500.00	-	-	500.00
Transfer From Retained Earnings	-	-	-	-	-	-
Dividend	(348.20)	-	-	-	-	(348.20)
Tax adjustment of earlier years	(80.89)	-	-	-	-	(80.89)
Balances as on March 31, 2024	48,519.64	(92.87)	16,838.33	36.48	5.12	65,306.70

(₹ in Lakh)

Particulars	Retained Earnings	Other Comprehensive Income	General Reserve	Capital Reserve	Capital Redemption Reserve	Total
Balance as on April 01, 2022	58,326.87	(122.99)	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	6,317.69	8.27	-	-	-	6,325.96
Transferred to General Reserve	(500.00)	-	-	-	-	(500.00)
Transfer From Retained Earnings	-	-	500.00	-	-	500.00
Dividend	(170.66)	-	-	-	-	(170.66)
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	0.80	(5.48)
Tax adjustment of earlier years	(50.24)	-	-	-	-	(50.24)
Balances as on March 31, 2023	41,209.97	(114.72)	16,338.33	36.48	5.12	57,475.17

In terms of our report attached  
For H.K. Chitkara & Co.  
Chartered Accountants

Sd/-  
(Sameer Chitkara)  
Partner  
M.No 094353  
UDIN: 24094353BKBNTQ1051  
Place : Ludhiana  
Dated: 26.09.2024

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)  
Executive Director  
DIN: 00248245

## **Avon Cycles Limited**

### **Notes on Standalone Financial Statements for the period ended March 31, 2024**

#### **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 and E-Rickshaws.

#### **1) MATERIAL ACCOUNTING POLICY INFORMATION**

##### **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 1<sup>st</sup> April, 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or to only contracts that are not completed at this date. The Company elected to apply standard to contracts that are not completed at the date of initial application.

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

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

**Timing of recognition:** The Company manufactures and sells Bicycle, Bicycle Parts, Ebikes, E-Rickshaws and Power. Sales are 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 realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

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

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

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

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

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

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

**f) Leases:**

**As a lessee**

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

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

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

The right-of-use assets are initially recognized at cost, which comprises the initial amount of

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

#### **As a lessor**

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

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

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

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



**h) Cash and Cash Equivalents**

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

**l) Inventories:**

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

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

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

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

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

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

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

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

attributable to the acquisition of the items.

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

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

Depreciation is calculated using the Written Down Value method to allocate their cost, net of their residual values, over their estimated useful lives which is in conformity with the requirements of the Companies Act, 2013. Deprecation 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 group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised. Investment properties are depreciated using the written down value method over their estimated useful lives. Investment properties generally have a useful life of 30-60 years. The useful life has been determined based on technical evaluation performed by the management's expert.

**m) Intangible Assets:**

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

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

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

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

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

**n) Trade and other payables**

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

**o) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of

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

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

**p) Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. 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. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Contingent assets are neither recognised nor disclosed in Financial Statements.

**r) Employee benefits**

**(i) Short-term obligations**

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

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

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

**(iii) Post-employment obligations**

The group operates the following post-employment schemes:

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

**Gratuity obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

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

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

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

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



### **Defined contribution plans**

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

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

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

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

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

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

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

b) Those measured at amortised cost.

c) Investments in Subsidiaries are measured at Cost less impairment loss, if any.

d) Investments in Associates are measured at Cost less impairment loss, if any. The classification depends on the company's business model for managing the financial assets and the contractual terms of cash flows.

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

#### **ii) Measurement:**

At initial recognition, the company measures a financial asset at its fair value plus transaction cost that are directly attributable to the acquisition of the financial asset. In the case of a financial asset at fair value through profit or loss, transaction costs of financial assets are expensed in the Statement of profit and loss. The company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss. Investments in Subsidiaries and Associates is measured at Cost less impairment loss, if any.

#### **iii) Impairment of Financial Assets:**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less cost of disposal and its value in use. The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment

methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**iv) Derecognition of Financial Asset:**

A Financial Asset is derecognised only when:

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

**v) Income Recognition:**

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

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

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

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

**u) Offsetting Financial Instruments**

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

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

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



**w) Estimates & Judgements:**

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

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

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

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

Ministry of corporate affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. MCA has not notified any new standards or amendment to the existing standards applicable to the company as at March 31, 2024. In the current year, the Company has applied the below amendments to Ind AS that are effective for an annual period that begins on or after 1 April 2023.

(i) The Company has adopted the amendments to Ind AS 1 - Presentation of Financial Statements for the first time in the current year. The amendments change the requirements in Ind AS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The supporting paragraphs in Ind AS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

(ii) The Company has adopted the amendments to Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates for the first time in the current year. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted.

## Notes forming part of the Financial Statements

### 2. PROPERTY, PLANT & EQUIPMENT AS ON 31.03.2024

(₹ in Lakh)

DESCRIPTION	GROSS BLOCK					DEPRECIATION					NET CARRYING AMOUNT	
	As on 31.03.2023	Additions/Trfd./Adjustment	Transfer due to Demerger	Sale/Trfd./Adjustment	Total as on 31.03.2024	Upto 31.03.2023	For the year	Transfer due to Demerger	Sale/Trfd.	Upto 31.03.2024	As on 31.03.2024	As on 31.03.2023
Own Assets:												
Freehold Land	212.99	-	-	-	212.99	-	-	-	-	-	212.99	212.99
Factory Buildings	5,231.44	20.17	-	-	5,251.62	2,405.70	271.33	-	-	2,677.03	2,574.58	2,825.74
Other Buildings	143.07	-	-	-	143.07	92.84	2.85	-	-	95.69	47.38	50.23
Plant & Machinery	3,714.20	94.61	-	14.31	3,794.49	2,809.26	164.12	-	14.21	2,959.16	835.33	904.95
Furniture and Fixtures	348.98	4.30	-	-	353.28	299.83	12.63	-	-	312.46	40.82	49.15
Office Equipment	349.68	17.32	-	6.74	360.26	289.02	17.76	-	5.14	301.64	58.62	60.66
Computer Equipment	270.57	7.63	-	0.51	277.68	208.11	28.46	-	0.49	236.09	41.60	62.45
Vehicles	869.65	83.49	-	112.15	840.98	384.58	160.15	-	74.56	470.17	370.82	485.07
Total	11,140.59	227.51	-	133.73	11,234.38	6,489.34	657.30	-	94.40	7,052.25	4,182.13	4,651.24

Note: 1. Freehold Land includes Land of value ₹ 6.40 Lac and Factory Building includes Factory Building of value ₹ 2923.29 Lac hypothicated 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 31.03.2023

(₹ 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	5,231.44	2,105.86	300.39	-	0.55	2,405.70	2,825.74	3,126.23
Other Buildings	143.07	-	-	-	143.07	89.81	3.04	-	-	92.84	50.23	53.27
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	904.95	11,673.33
Furniture and Fixtures	344.27	4.74	-	0.04	348.98	284.31	15.55	-	0.03	299.83	49.15	59.96
Office Equipment	336.85	14.12	-	1.28	349.68	270.67	18.69	-	0.34	289.02	60.66	66.18
Computer Equipment	223.00	48.49	-	0.93	270.57	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	38,152.71	440.70	27,274.65	178.16	11,140.59	21,893.59	689.85	15,949.51	144.59	6,489.34	4,651.24	16,259.12

### 2.1 INVESTMENT PROPERTIES AS ON 31.03.2024

(₹ in Lakh)

DESCRIPTION	GROSS BLOCK					DEPRECIATION					NET CARRYING AMOUNT	
	As on 31.03.2023	Additions/Trfd./Adjustment	Transfer due to Demerger	Sale/Trfd./Adjustment	Total as on 31.03.2024	Upto 31.03.2023	For the year	Transfer due to Demerger	Sale/Trfd.	Upto 31.03.2024	As on 31.03.2024	As on 31.03.2023
Freehold Land	69.31	-	-	-	69.31	-	-	-	-	-	69.31	69.31
Buildings	-	-	-	-	-	-	-	-	-	-	-	-
Total	69.31	-	-	-	69.31	-	-	-	-	-	69.31	69.31

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

## 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	1,696.04

## 2.2 INVESTMENT PROPERTIES HELD FOR SALE AS ON 31.03.2024

(₹ in Lakh)

DESCRIPTION	GROSS BLOCK					DEPRECIATION					NET CARRYING AMOUNT	
	As on 31.03.2023	Additions/ Trfd./ Adjustment	Transfer due to Demerger	Sale/Trfd./ Adjustment	Total as on 31.03.2024	Upto 31.03.2023	For the year	Transfer due to Demerger	Sale/ Trfd.	Upto 31.03.2024	As on 31.03.2024	As on 31.03.2023
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 31.03.2023

(₹ 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

## 2.3 INTANGIBLE ASSETS AS ON 31.03.2024

(₹ in Lakh)

DESCRIPTION	GROSS BLOCK					DEPRECIATION					NET CARRYING AMOUNT	
	As on 31.03.2023	Additions/ Trfd./ Adjustment	Transfer due to Demerger	Sale/Trfd./ Adjustment	Total as on 31.03.2024	Upto 31.03.2023	For the year	Transfer due to Demerger	Sale/ Trfd.	Upto 31.03.2024	As on 31.03.2024	As on 31.03.2023
Softwares	431.62	0.83	-	-	432.45	363.06	14.16	-	-	377.21	55.23	68.56
Trade marks	29.73	0.44	-	-	30.17	19.28	2.84	-	-	22.11	8.05	10.45
Total	461.35	1.27	-	-	462.61	382.33	17.00	-	-	399.33	63.29	79.01

### 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

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

Ageing as on 31st March, 2024

(₹ in Lakh)

	Amount in Capital WIP for a period of:				
	Less Than 1 Year	1-2 years	2-3 years	More than 3 Years	Total
Projects in Progress	290.55	-	997.16		1,287.71
Projects Temporarily Suspended	-	-	-	-	-
Total	290.55	-	997.16	-	1,287.71

Ageing as on 31st March, 2023

(₹ in Lakh)

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

### 2.5 Depreciation & Amortisation Expense:

(₹ in Lakh)

Particulars	For the year Ended 31.03.2024	For the year Ended 31.03.2023
Depreciation on Property, Plant & Equipment	657.30	689.85
Add: Amortisation on Intangible Assets	17.00	13.27
Add: Depreciation on Right of Use Assets	43.59	43.85
Deapreciation charged to Profit & Loss	717.89	746.97

### 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 2024.

(₹ in lakh)

	Land	Building	Total As on 31 <sup>st</sup> March, 2024
Balance as on April 01, 2023	142.58	214.41	356.98
Adjustments in Opening Balance	-	-	-
Addition	-	-	-
Deletion	1.99	-	1.99
Depreciation	-	41.60	41.60
Balance as on March 31, 2024	140.58	172.81	313.39

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

(₹ in lakh)

	Land	Building	Total As on 31 <sup>st</sup> 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	1.99	-	1.99
Depreciation	-	41.85	41.85
Balance as on March 31, 2023	142.58	214.41	356.98

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.

	(₹ in lakh)	(₹ in lakh)
	As at	As at
Particulars	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
Non - Current Lease Liabilities	181.88	229.56
Current Lease Liabilities	47.68	39.49
Total Lease Liabilities	<u>229.56</u>	<u>269.05</u>

Following is movement in Lease Liabilities during year ended

	(₹ in lakh)	(₹ in lakh)
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
Particulars		
Balance in Beginning	269.05	270.82
Adjustments in Opening Balance (Due to De-Merger)	-	2.20
Addition during the year	-	33.33
Payment of Lease Liabilities	39.49	32.90
Balance at the End	<u>229.56</u>	<u>269.05</u>

The table below provide details regarding the contractual maturities of lease liabilities as at March 31, 2024 on an undiscounted basis:

	(₹ in lakh)	(₹ in lakh)
	As at	As at
Particulars	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
Less than One Year	69.42	64.93
One to Five Years	232.85	276.86
More than Five years	-	25.41
Total	<u>302.26</u>	<u>367.19</u>

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

	(₹ in lakh)	(₹ in lakh)
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
Particulars		
Depreciation Expense on Right to Use Asset	43.59	43.85
Interest Expense on Lease Liabilities	25.44	28.52
Expense relating to Low Value and Short Term Leases (included in other Expenses)	0.87	0.08
Total Amount recognised in profit and Loss account	<u>69.90</u>	<u>72.44</u>

				(₹ in lakh)
<b>4. NON- CURRENT INVESTMENTS</b>	<b>As at</b>		<b>As at</b>	
Non -current investments consist of the following :	<b>31<sup>st</sup> March, 2024</b>		<b>31<sup>st</sup> March, 2023</b>	
<b>INVESTMENTS CARRIED AT FVTPL</b>				
<b>a) INVESTMENTS QUOTED</b>	<b>Units/Shares</b>		<b>Units/Shares</b>	
<b>Investment in equity shares of Subsidiary Companies:</b>				
Avon Newage Cycles Pvt. Ltd.	18,928,000	4,149.14	18,928,000	4,149.14
		<u>4,149.14</u>		<u>4,149.14</u>
<b>Investment in other equity/preference shares:</b>				
a) Fully Paid up shares:				
Nimbua Greenfield (Punjab) Ltd of 10 each	84,375	148.58	84,375.00	135.27
		<u>148.58</u>		<u>135.27</u>
<b>Investment in Mutual Funds (Unquoted)</b>				
HDFC Banking and PSU Debt Fund - Reg Plan - Growth	1,604,353	334.17	1,604,353	311.26
HDFC Banking and PSU Debt Fund - Direct Growth Option	489,881	105.73	489,881	98.09
		<u>439.89</u>		<u>409.34</u>
<b>TOTAL NON-CURRENT INVESTMENTS</b>		<u>4,737.61</u>		<u>4,694</u>

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

#### 4.1 LOANS AND ADVANCES - CURRENT

Short term loans and advances consist of the following :-	<b>As at</b>	<b>As at</b>
	<b>31<sup>st</sup> March, 2024</b>	<b>31st March, 2023</b>
<b>a Unsecured, considered good</b>		
(i) Other loans and advances		
a) Unsecured, Considered good	242.44	271.52
	<u>242.44</u>	<u>271.52</u>

<b>5 OTHER FINANCIAL ASSETS (NON- CURRENT)</b>	<b>(₹ in lakh)</b>	<b>(₹ in lakh)</b>
Other Financial assets consist of the following :-	<b>As at</b>	<b>As at</b>
	<b>31<sup>st</sup> March, 2024</b>	<b>31st March, 2023</b>
(I) Security deposits	106.55	67.94
(ii) Bank Deposits with more than 12 months maturity	532.82	4,348.57
	<u>639.36</u>	<u>4,416.52</u>

<b>6 OTHER FINANCIAL ASSETS</b>	<b>(₹ in lakh)</b>	<b>(₹ in lakh)</b>
Other non current assets consist of the following :-	<b>As at</b>	<b>As at</b>
	<b>31st March, 2024</b>	<b>31st March, 2023</b>
(I) Advance tax (including refunds receivable)	1,945.25	3,555.62
(ii) Other non-current assets	33.11	41.82
	<u>1,978.36</u>	<u>3,597.43</u>

#### Other non-current assets Consists of:

- Deferred Revenue Expenditure	11.42	3.46
- Prepaid Expenses	1.47	16.00



<b>7</b>	<b>INVENTORIES</b>	<b>As at</b>	<b>As at</b>
	Inventories consist of the following :	<b>31<sup>st</sup> March, 2024</b>	<b>31<sup>st</sup> March, 2023</b>
	Raw Materials	<b>174.45</b>	195.54
	Work-in-progress	<b>268.58</b>	268.62
	Finished Goods	<b>4,927.66</b>	6,254.08
	Stores & Spares	<b>264.96</b>	258.79
	Stock in trade	<b>83.85</b>	1,065.68
		<b><u>5,719.50</u></b>	<b><u>8,042.70</u></b>

<b>8</b>	<b>CURRENT INVESTMENTS</b>	<b>As at</b>	<b>As at</b>
	Current investments consist of the following :	<b>31<sup>st</sup> March, 2024</b>	<b>31<sup>st</sup> March, 2023</b>

**INVESTMENTS CARRIED AT FVTPL**

<b>I) Investment in mutual funds (unquoted)</b>	<b>Units/Shares</b>		<b>Units/Shares</b>	
ICICI Pru Short Term Fund - Direct Plan - Growth	<b>3,72,070</b>	<b>219.27</b>	3,72,070	202.29
ICICI Pru Balanced Advantage Fund- Growth	<b>3,04,101</b>	<b>195.99</b>	3,04,101	159.71
ICICI Prudential Blue Chip Fund	<b>1,56,231</b>	<b>150.20</b>	1,37,437	92.81
ICICI Prudential Focused Equity Fund - Growth	-	-	1,55,452	78.63
ICICI Prudential Short Term - Growth Option	<b>36,572</b>	<b>19.91</b>	36,572	18.48
ICICI Liquid Plan Growth	-	-	3,772	12.47
ICICI Pru Regular Saving Fund - Direct Plan- Growth	<b>2,617,376</b>	<b>818.25</b>	26,17,376	752.60
ICICI Prudential Short Term - Growth Option	<b>462</b>	<b>0.25</b>	462	0.23
ICICI Prudential Equity Savings Fund Cumulative	<b>46,677</b>	<b>9.46</b>	1,23,870	22.51
ICICI Prudential India Opportunities Fund Growth	<b>3,440</b>	<b>1.02</b>	2,56,552	50.03
ICICI Prudential MNC Fund Growth	<b>55,203</b>	<b>13.77</b>	55,203	10.27
ICICI Prudential Banking and PSU Debt Fund - Growth	<b>88,665</b>	<b>26.29</b>	88,665	24.42
ICICI Prudential Short Term Fund - Growth	<b>3,90,798</b>	<b>212.74</b>	3,90,798	197.47
ICICI Prudential Short Term Fund - Direct plan - Growth	<b>3,01,553</b>	<b>177.71</b>	3,01,553	163.95
ICICI Pru Banking & PSU Debt Fund - Direct Plan - Gr	<b>3,47,908</b>	<b>107.08</b>	3,47,908	99.14
ICICI Pru Short Term Fund - Direct Plan - Growth	<b>3,01,623</b>	<b>177.75</b>	3,01,623	163.99
ICICI Prudential Banking and PSU Debt Fund - Growth	<b>5,79,686</b>	<b>171.91</b>	5,79,686	159.69
ICICI Prudential Housing Opportunities Fund-Growth	-	-	2,49,988	26.87
Nippon India Short Term Fund - Growth	<b>1,119,402</b>	<b>533.37</b>	1,119,402	496.66
Invesco India Growth India Opp. Fund - Growth (GF-GP)	<b>80,808</b>	<b>61.30</b>	80,808	40.79
UTI Hybird Eq. Fund - Growth	<b>66,376</b>	<b>228.02</b>	66,376	170.87
UTI Value Opportunities Fund - Reg - Growth	<b>1,00,167</b>	<b>135.97</b>	66,398	99.22
UTI Long Term Equity Fund- Tax Saving - Regular Plan- Growth	<b>25,900</b>	<b>45.86</b>	25,900	34.78
UTI Flexi Cap Fund Regular Plan	<b>39,151</b>	<b>106.01</b>	39,151	86.24
UTI Flexi Cap Fund- Regular - Growth	<b>24,515</b>	<b>66.38</b>	24,515	54.00
UTI Healthcare Fund - Reg Plan- Gr	<b>34,949</b>	<b>78.08</b>	34,949	50.12
UTI Small Cap Fund - Reg Plan - GR	-	-	2,51,079	37.07
UTI Equity Fund	<b>5,000</b>	<b>8.95</b>	5,000	7.28
ABSL Frontline Equity Fund - Reg - Growth	<b>563</b>	<b>2.55</b>	26,241	88.74
Kotak Money Market Scheme- Growth- Regular	-	-	331	12.59
Kotak Equity Fund Growth - Reg Plan	-	-	71,434	53.06
Kotak Pioneer Fund Growth (Reg Plan)	-	-	1,250,017	217.69

Kotak Bond Fund (Short Term) - Reg - Growth	2,76,522	130.65	2,76,522	121.99
Kotak Equity Opportunities Fund - Growth - Reg Plan	-	-	52,090	105.90
HDFC Mid Term Opportunities Reg Plan - Growth	42,07,736	1,234.33	42,07,736	1,143.66
HDFC Capital Builder Value Fund - Reg- Growth	899	5.52	899	3.90
HDFC Equity Fund - Reg - Growth	4,109	65.97	4,109	46.08
HDFC Small Cap Fund - Reg Plan - Growth	62,868	73.97	62,868	50.07
HDFC Low Duration Fund - Reg Plan - Growth	1,04,172	54.85	1,04,172	51.13
Axis Global Innovation Fund of Fund Reg Plan Growth	4,99,975	59.75	499,975	46.85
Axis Short Term Fund - Regular Growth	21,25,315	592.81	21,25,315	552.73
Axis Liquid Fund - Growth	-	-	3	0.08
Axis Banking & PSU Debt Fund - Direct Growth( BD-DG)	4,225	103.67	4,225	96.69
Axis Banking & PSU Debt Fund - Regular Growth( BD-GP)	1,072	25.59	1,072	23.94
Axis Focused 25 Fund - REGULAR GROWTH( AF-GP)	1,01,047	49.61	1,01,047	36.85
IDFC Banking & PSU Debt Fund - Reg - Growth	1,16,158	25.95	1,16,158	24.26
IDFC Banking & PSU Debt Fund - Direct Plan - Growth	4,59,382	105.22	4,59,382	98.09
Sundaram Aggressive Hybrid Fund - Reg - Growth	-	-	1,59,922	177.14
Sundaram Short Duration Fund	8,851	3.55	8,851	3.31
Sundaram Balanced Advantage Fund	5,60,619	176.29	5,60,619	144.93
Sundaram Focused Fund	-	-	69,696	79.09
Sundaram Focused Fund	-	-	38,272	43.43
SBI Blue Chip Fund- Regular- Growth	1,62,396	129.89	1,43,157	88.41
SBI Bluechip Fund - DIRECT- Growth	1,22,918	107.94	1,22,918	82.75
SBI Energy Opportunities Fund - Regular Growth	99,995	10.09	-	-
PGIM India Dynamic Bond Fund - Direct Plan - growth	4,309	115.04	4,309	105.44
Canara Robeco Gilt Fund - direct Growth	1,55,149	114.26	1,55,149	105.36
<b>TOTAL CURRENT INVESTMENTS</b>		<b>6,753.05</b>		<b>6,916.75</b>

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

#### 9 TRADE RECEIVABLES (Unsecured)

Trade receivable consist of the following :-

(₹ in lakh)

(₹ in lakh)

Inventories consist of the following :

As at

As at

31st March, 2024

31st March, 2023

a)	Receivable from Related Parties		
	- Unsecured, considered good	98.31	37.68
b)	Receivable from Others		
i)	Unsecured, Considered good	10,582.71	9,073.20
ii)	Receivables which have significant increase in credit risk	831.09	762.37
		<u>11,512.12</u>	<u>9,873.25</u>
	Less: Impairment Allowance (Allowance for Doubtful Receivables)	(450.82)	(321.64)
		<u>11,061.29</u>	<u>9,551.60</u>

## 9.1 Trade Receivables Ageing:

Particulars	Outstanding for following periods from due date of payment (₹ in lakh)						Total
	Not Due	Less Than 6 Months	6 Months to 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
As at 31st March, 2024:							
(i) Undisputed Trade Receivables - considered good	9,554.08	504.10	267.62	161.12	204.70	-	10,691.62
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	43.07	34.49	52.34	690.60	820.50
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>9,554.08</b>	<b>504.10</b>	<b>310.68</b>	<b>195.61</b>	<b>257.04</b>	<b>690.60</b>	<b>11,512.12</b>

Particulars	Outstanding for following periods from due date of payment (₹ in lakh)						Total
	Not Due	Less Than 6 Months	6 Months to 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
As at 31st March, 2023:							
(i) Undisputed Trade Receivables - considered good	6,443.40	1,964.35	311.74	208.92	195.68	-	9,124.09
(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	-	-	-	-	-	-	-
<b>Total</b>	<b>6,443.40</b>	<b>1,964.35</b>	<b>349.57</b>	<b>315.30</b>	<b>267.63</b>	<b>533.00</b>	<b>9,873.25</b>

## 10 CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents consist of the following :-

Cash & Cash equivalents:

i) Balances with banks

In current accounts

In cash credit accounts

(ii) Cheques on hand

(iii) Cash on hand

(iv) Imprest Balances

(v) Imprest Balances - Related Parties

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

(₹ in lakh)

As at

31<sup>st</sup> March, 2024

(₹ in lakh)

As at

31<sup>st</sup> March, 2023

6,129.49

4,244.87

67.69

3.08

7.39

14.84

12,377.60

22,844.96

1,686.35

2,533.64

19.35

3.37

0.20

-

15,738.60

19,981.50

<b>11 OTHER BALANCES WITH BANKS</b>	(₹ in lakh)	(₹ in lakh)
Other Balances with Banks consist of the following :-	As at	As at
	<b>31<sup>st</sup> March, 2024</b>	<b>31<sup>st</sup> March, 2023</b>
Cash & Cash equivalents:		
Other bank balances consists of following:		
- Short - Term Bank Deposits	<b>8,376.51</b>	4,801.39
	<b><u>8,376.51</u></b>	<u>4,801.39</u>
<b>12 LOANS AND ADVANCES - CURRENT</b>	(₹ in lakh)	(₹ in lakh)
Short term loans and advances consist of the following :-	As at	As at
	<b>31<sup>st</sup> March, 2024</b>	<b>31<sup>st</sup> March, 2023</b>
a) Unsecured, considered good		
(i) Loans and Advances to Subsidiaries	<b>2,158.00</b>	1,670.00
(ii) Loans and Advances to Related Parties	<b>1,683.08</b>	2,736.44
(iii) Loans and Advances to Employees	<b>153.23</b>	140.79
(iv) Other loans and advances	-	-
a) Unsecured, Considered good	<b>4,063.87</b>	1,168.59
b) Considered Doubtful	<b>5.15</b>	5.15
Less: Allowance for Doubtful Loans and Advances	<b>(5.15)</b>	(5.15)
	<b><u>8,058.18</u></b>	<u>5,715.82</u>
Other loans and advances considered good includes		
- Interest bearing loans & deposits	<b>4,069.02</b>	3,963.25
- Margin Money	<b>668.57</b>	214.78
<b>13 OTHER FINANCIAL ASSETS - CURRENT</b>	(₹ in lakh)	(₹ in lakh)
Other current assets consist of the following :-	As at	As at
	<b>31<sup>st</sup> March, 2024</b>	<b>31<sup>st</sup> March, 2023</b>
a) Interest receivable	<b>1.76</b>	11.26
b) Other Financial Assets	<b>631.22</b>	76.12
	<b><u>632.98</u></b>	<u>87.38</u>
Other financial assets includes :		
- Duty Drawback Receivable	<b>14.82</b>	11.67
- VAT Incentive Receivable at Hajipur	<b>6.82</b>	6.82
- Forward contract receivable a/c (net)	-	4.65
- MEIS/ Rodtep Incentive Receivable	<b>34.75</b>	38.70
<b>14 OTHER CURRENT ASSETS</b>	(₹ in lakh)	(₹ in lakh)
Other current assets consist of the following :-	As at	As at
	<b>31<sup>st</sup> March, 2024</b>	<b>31<sup>st</sup> March, 2023</b>
(i) Other Current Assets	<b>2,457.32</b>	1,639.12
Less: Allowance for Doubtful Other Assets	<b>(8.84)</b>	(8.84)
	<b><u>2,448.48</u></b>	<u>1,630.28</u>
Other loans and advances considered good includes:		
GST Refundable	<b>861.66</b>	677.37
Prepaid Expenses	<b>73.72</b>	70.96
Advance to Suppliers including Capital Advances	<b>1,498.53</b>	384.56

**15 EQUITY SHARE CAPITAL**

	(₹ in lakh) As at 31 <sup>st</sup> March, 2024	(₹ in lakh) As at 31 <sup>st</sup> March, 2023
<b>Authorised Share Capital :</b>		
10,00,000 Equity Shares (Previous Year 10,00,000) of ₹ 10/-each	<u>100.00</u>	<u>100.00</u>

Issued, Subscribed and paid up :

870494 Equity shares (Previous Year 853287) of ₹10/- each fully paid up	<u>87.05</u>	<u>87.05</u>
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**15.1 Reconciliation of number of shares Authorised Share Capital :**

	As at 31 <sup>st</sup> March, 2024		As at 31 <sup>st</sup> March, 2023	
	No. of shares	Amount	No. of shares	Amount
Equity Shares				
- Opening Balance	8,70,494	87.05	8,53,287	85.33
- Changes during the year	-	-	17,207	1.72
- Closing Balance	8,70,494	87.05	8,70,494	87.05

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 31 <sup>st</sup> March, 2024		As at 31 <sup>st</sup> March, 2023	
	No. of Shares	%	No. of Shares	%
Onkar Singh Pahwa	-	-	-	-
Sarabjit Kaur Pahwa	-	-	-	-
Rishi Pahwa	1,89,198	21.73%	1,89,157	21.73%
Mandeep Singh Pahwa	1,90,028	21.83%	1,90,069	21.83%
Onkar Singh Pahwa C/o Onkar Singh Pahwa Family Trust 1	1,00,134	11.50%	95,713	11.00%
Onkar Singh Pahwa C/o Onkar Singh Pahwa Family Trust 2	1,52,883	17.56%	1,32,880	15.26%
Sarabjit Kaur Pahwa C/o Sarabjit Kaur Pahwa Family Trust 1	1,00,134	11.50%	95,713	11.00%
Sarabjit Kaur Pahwa C/o Sarabjit Kaur Pahwa Family Trust 2	1,37,279	15.77%	1,32,880	15.26%

**15.4 Shareholding of Promoters:**

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, 2024:					
1 Sh. Onkar Singh Pahwa	24,424	(24,424)	-	0.00%	-2.81%
2 Smt. Sarabjit Kaur Pahwa	8,820	(8,820)	-	0.00%	-1.01%
3 Sh. Rishi Pahwa	1,89,157	41	1,89,198	21.73%	0.00%
4 Sh. Mandeep Singh Pahwa	1,90,069	(41)	1,90,028	21.83%	0.00%
5 Pahwa Estates & Holdings Pvt. Ltd.	-	-	-	0.00%	0.00%
6 Smt. Pallavi Pahwa	830	-	830	0.10%	0.00%
7 Onkar Singh Pahwa C/o Onkar Singh Pahwa Family Trust 1*	95,713	4,421	1,00,134	11.50%	0.51%
8 Onkar Singh Pahwa C/o Onkar Singh Pahwa Family Trust 2*	1,32,880	20,003	1,52,883	17.56%	2.30%
9 Sarabjit Kaur Pahwa C/o Sarabjit Kaur Pahwa Family Trust 1*	95,713	4,421	1,00,134	11.50%	0.51%
10 Sarabjit Kaur Pahwa C/o Sarabjit Kaur Pahwa Family Trust 2*	1,32,880	4,399	1,37,279	15.77%	0.51%
Total	<u>8,70,486</u>	-	<u>8,70,486</u>		

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, 2023:						
1	Sh. Onkar Singh Pahwa	2,28,593	(2,04,169)	24,424	2.81%	-23.98%
2	Smt. Sarabjit Kaur Pahwa	2,28,593	(2,19,773)	8,820	1.01%	-25.78%
3	Sh. Rishi Pahwa	1,70,047	19,110	1,89,157	21.73%	1.80%
4	Sh. Mandeep Singh Pahwa	1,70,046	20,023	1,90,069	21.83%	1.91%
5	Pahwa Estates & Holdings Pvt. Ltd.	56,000	(56,000)	-	0.00%	-6.56%
6	Smt. Pallavi Pahwa	-	830	830	0.10%	0.10%
7	Onkar Singh Pahwa C/o Onkar Singh Pahwa Family Trust 1 *		95,713	95,713	11.00%	11.00%
8	Onkar Singh Pahwa C/o Onkar Singh Pahwa Family Trust 2 *		1,32,880	1,32,880	15.26%	15.26%
9	Sarabjit Kaur Pahwa C/o Sarabjit Kaur Pahwa Family Trust 1 *		95,713	95,713	11.00%	11.00%
10	Sarabjit Kaur Pahwa C/o Sarabjit Kaur Pahwa Family Trust 2 *		1,32,880	1,32,880	15.26%	15.26%
	Total	<u>8,53,279</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.

#### 16 OTHER EQUITY

Other Equity consist of the following:

		As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>General Reserve</b>			
As per last Balance Sheet	16,338.33	15,881.09	
Less:			
Change due to Merger of PEHPL with ACL	-	(42.76)	
Transfer to Capital Reserve	-	-	
Add: Transferred from Profit and Loss Account	<u>500.00</u>	<u>16,838.33</u>	<u>16,338.33</u>
<b>Capital Redemption Reserve</b>			
As per last Balance Sheet	5.12	4.32	
Add:			
Transfer from PEHPL	-	5.12	5.12
Capital Reserve			
As per last Balance Sheet	<u>36.48</u>	-	-
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	-	36.48	36.48
<b>Retained Earnings</b>			
As per last Balance Sheet	41,095.25	58,203.88	
Add: Profit for the year	8,238.76	6,317.69	
Other Comprehensive Income	21.85	8.27	
	<u>49,355.86</u>	<u>64,529.84</u>	
Less : Appropriations			
Transferred to General Reserve	500.00	500.00	
Dividend on Equity Shares	348.20	170.66	
Transfer to AEIPL as per order of NCLT dated 03.07.2023	-	22,713.69	
Tax adjustment of earlier years	80.89	50.24	41,095.25
Total		<u>65,306.70</u>	<u>57,475.17</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.

<b>17 BORROWINGS</b>	(₹ in lakh)	(₹ in lakh)
Borrowings consist of the following :	As at	As at
	<b>31<sup>st</sup> March, 2024</b>	<b>31<sup>st</sup> March, 2023</b>
Unsecured - at Amortised Cost		
Loans & Advances from related parties (Directors)	<u>728.67</u>	<u>1,206.63</u>
	<u>728.67</u>	<u>1,206.63</u>
<b>18 NON CURRENT LEASE LIABILITY</b>	(₹ in lakh)	(₹ in lakh)
Non- Current Lease Liabilities consist of the following :	As at	As at
	<b>31<sup>st</sup> March, 2024</b>	<b>31<sup>st</sup> March, 2023</b>
Lease Liability	<u>181.88</u>	<u>229.56</u>
	<u>181.88</u>	<u>229.56</u>
<b>19 OTHER FINANCIAL LIABILITIES</b>	(₹ in lakh)	(₹ in lakh)
Other Financial Liabilities consist of the following :	As at	As at
	<b>31<sup>st</sup> March, 2024</b>	<b>31<sup>st</sup> March, 2023</b>
Other Financial Liabilities	<u>631.51</u>	<u>763.61</u>
	<u>631.51</u>	<u>763.61</u>
Other Financial Liabilities includes:		
Dealer's Securities	599.17	552.81
<b>20 LONG TERM PROVISIONS</b>	(₹ in lakh)	(₹ in lakh)
Long Term Provisions consist of the following :	As at	As at
	<b>31<sup>st</sup> March, 2024</b>	<b>31<sup>st</sup> March, 2023</b>
Other Provisions	<u>1,607.00</u>	<u>3,184.00</u>
	<u>1,607.00</u>	<u>3,184.00</u>
Other Provisions includes:		
Provision for Income Tax	1,607.00	3,184.00
<b>21 OTHER NON CURRENT LIABILITIES</b>	(₹ in lakh)	(₹ in lakh)
Other long -term liabilities consist of the following :	As at	As at
	<b>31<sup>st</sup> March, 2024</b>	<b>31<sup>st</sup> March, 2023</b>
Other Non - Current Liabilities	<u>300.43</u>	<u>284.92</u>
	<u>300.43</u>	<u>284.92</u>
Other Long Term Liabilities includes:		
Provision for Unpaid Earned Leaves	217.58	203.51



**22 SHORT TERM BORROWINGS**

Short-term borrowings consist of the followings

(₹ in lakh)

(₹ in lakh)

As at

As at

31<sup>st</sup> March, 202431<sup>st</sup> March, 2023**Secured loans:**

i) Working Capital limits from Banks	-	500.00
ii) Current Maturities of Long Term Debt	-	7.80
	<u>-</u>	<u>507.80</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	
		31.03.2024	31.03.2023
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

**23 CURRENT LEASE LIABILITY**

Current Lease Liabilities consist of the following :

(₹ in lakh)

(₹ in lakh)

As at

As at

31<sup>st</sup> March, 202431<sup>st</sup> March, 2023

Lease Liability	<u>47.68</u>	<u>39.49</u>
	<u>47.68</u>	<u>39.49</u>

**24 TRADE PAYABLES:**

Trade Payables consists of following:

(₹ in lakh)

(₹ in lakh)

As at

As at

31<sup>st</sup> March, 202431<sup>st</sup> March, 2023

a) Trade Payables:		
a) Total Outstanding dues of micro enterprises and small enterprises	<b>3,116.29</b>	3,069.72
b) Total Outstanding dues of other than micro enterprises and small enterprises	<b>3,742.20</b>	3,019.66
b) Due to Related Parties	<b>3.42</b>	318.94
	<u><b>6,861.90</b></u>	<u>6,408.32</u>

**24.1 Trade Payables Ageing:**

(₹ in lakh)

Particulars	Not Due	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, 2024:						
(i) MSME	3,116.44	-	-	-	-	3,116.44
(ii) Others	2,699.46	961.09	22.01	30.64	32.25	3,745.46
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-
Total	5,815.91	961.09	22.01	30.64	32.25	6,861.90

(₹ in lakh)

Particulars	Not Due	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	3,069.72	-	-	-	-	3069.72
(ii) Others	2,360.24	903.07	34.39	24.35	16.55	3338.60
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-
Total	5,429.96	903.07	34.39	24.35	16.55	6,408.32

<b>25 OTHER FINANCIAL LIABILITIES</b>	(₹ in lakh)	(₹ in lakh)
Other current liabilities consist of the following :	As at	As at
	<b>31<sup>st</sup> March, 2024</b>	<b>31<sup>st</sup> March, 2023</b>
Other Financial Liabilities:		
i) Due to Related Parties	-	-
ii) Due to Other than Related parties	<u>691.12</u>	<u>725.70</u>
	<u>691.12</u>	<u>725.70</u>
Other Financial Liabilities includes:		
Cheques Issued but not presented	464.31	626.26
<b>26 SHORT-TERM PROVISIONS</b>	(₹ in lakh)	(₹ in lakh)
Short -term borrowings consists of the following:	As at	As at
	<b>31<sup>st</sup> March, 2024</b>	<b>31<sup>st</sup> March, 2023</b>
Provision for Unspent CSR Liability	-	3.59
	<u>-</u>	<u>3.59</u>
<b>27 OTHER CURRENT LIABILITIES</b>	(₹ in lakh)	(₹ in lakh)
Other current liabilities consist of the following :	As at	As at
	<b>31<sup>st</sup> March, 2024</b>	<b>31<sup>st</sup> March, 2023</b>
Advance received from Customers	168.60	225.11
Due to Related Parties	2,150.24	4,043.64
Other Payables	<u>839.36</u>	<u>684.22</u>
	<u>3,158.20</u>	<u>4,952.97</u>
Other payables includes :		
Statutory liabilities	285.88	236.75
Income Received in Advance	4.41	10.19
Advance from Sale of Property	23.29	12.00
<b>28 REVENUE FROM OPERATIONS</b>	(₹ in lakh)	(₹ in lakh)
Other current liabilities consist of the following :	<b>31<sup>st</sup> March, 2024</b>	<b>31<sup>st</sup> March, 2023</b>
Sale of Products	1,11,279.85	87,182.33
Other Operating Revenues	<u>174.17</u>	<u>350.16</u>
	<u>1,11,454.02</u>	<u>87,532.49</u>
<b>28.1 PARTICULARS OF SALE OF PRODUCTS</b>	(₹ in lakh)	(₹ in lakh)
	<b>31<sup>st</sup> March, 2024</b>	<b>31<sup>st</sup> March, 2023</b>
Bicycles & its parts	1,04,357.35	78,184.78
E-Bikes & its parts	841.48	1,146.80
E- Rickshaw & its parts	1,332.55	1,770.38
Export Sale	4,191.85	5,559.07
Export Incentives	126.68	177.53
Others	<u>429.93</u>	<u>343.77</u>
	<u>1,11,279.85</u>	<u>87,182.33</u>

29 OTHER INCOME Particulars	(₹ in lakh) As at 31 <sup>st</sup> March, 2024		(₹ in lakh) As at 31 <sup>st</sup> March, 2023	
a) Interest Income				
i) On Bank Deposits (at amortised cost)	600.79		248.27	
ii) On Loans & Advances (at amortised cost)	485.21		216.87	
iii) Other interest	29.91	1,115.91	45.22	510.36
b) Net gain on Sale/ Fair valuation of Investments		1,898.48		688.55
i) Fair Valuation gain on Investments (net)	1,068.78		403.81	
ii) Profit on sale of current investments	829.69		284.14	
iii) Profit on sale of non-current investments	-		0.60	
c) Royalty		31.99		33.23
Other Non Operating Income		143.88		172.40
		3,190.26		1,404.54
Other Non - Operating Income includes:				
- Rent Received		82.04		81.55
- Profit on Sale of property, plant & equipment		21.13		50.13
30 COST OF MATERIALS CONSUMED	(₹ in lakh) Year Ended 31.03.2024 % of consumption		(₹ in lakh) Year Ended 31.03.2023 % of consumption	
Imported	872.91	1.24	2,306.23	5.81
Indigenous	69,407.76	98.76	51,431.62	94.19
Total	70,280.67	100	53,738	100.00
31 PURCHASE OF STOCK - IN - TRADE	(₹ in lakh) Year Ended 31.03.2024 % of consumption		(₹ in lakh) Year Ended 31.03.2023 % of consumption	
Imported	-	0%	0.86	0.02%
Indigenous	4,905.33	100%	5,739.03	99.98%
Total	4,905.33	100.00%	5,739.89	100%
32 CHANGE IN INVENTORIES OF FINISHED GOODS/ STOCK-IN-TRADE/ WORK-IN-PROGRESS	(₹ in lakh) Year Ended 31.03.2024 % of consumption		(₹ in lakh) Year Ended 31.03.2023 % of consumption	
Opening Stock	7,588.37		6,012.77	
Less: Closing Stock	(5,280.10)		(7,588.37)	
	2,308.27		(1,575.60)	
33 EMPLOYEE BENEFITS EXPENSE	(₹ in lakh) Year Ended 31.03.2024 % of consumption		(₹ in lakh) Year Ended 31.03.2023 % of consumption	
Salaries and Wages	5,303.67		5,002.59	
Contribution to Provident and other Funds	500.43		473.39	
Staff Welfare Expenses	118.66		102.77	
Total	5,922.76		5,578.75	
34 FINANCE COSTS	(₹ in lakh) Year Ended 31.03.2024 % of consumption		(₹ in lakh) Year Ended 31.03.2023 % of consumption	
Interest Expenses	165.66		245.01	
Other borrowing costs	103.56		54.39	
	269.22		299.40	

**35 OTHER EXPENSES**

	(₹ in lakh)		(₹ in lakh)
	Year Ended 31.03.2024		Year Ended 31.03.2023
<b>Manufacturing Expenses</b>			
Stores, chemical and packing material	4,849.48		3,900.02
Processing Charges	404.46		220.41
Power & Fuel	342.54		256.68
Carriage Inward	77.89		45.09
Repairs to Machinery	59.47	5,733.84	84.46
			4,506.65
<b>Selling and distribution Expenses</b>			
Clearing & Forwarding Charges	10,954.69		9,839.01
Commission	216.61		962.86
Advertisement	946.67		1,006.61
Other Selling Expenses	133.44	12,251.40	215.57
			12,024.05
<b>Establishment Expenses</b>			
Printing & Stationery	26.89		21.90
Postage, Telegrams & Telephone Expenses	54.58		54.42
Traveling Expenses	535.85		423.18
Vehicles Maintenance Expenses	44.38		43.46
Repairs to Building	179.34		86.76
Repairs & Renewals	61.39		51.45
Payments to Auditors	18.00		17.85
Charity & Donation	6.20		160.17
Insurance	155.92		158.14
Rates & Taxes	20.26		29.81
Legal & Professional Charges	240.46		154.73
Bad Debts & Advances written off	10.61		358.11
Miscellaneous Expenses	337.27	1,691.14	286.76
		<u>19,676.38</u>	<u>1,846.74</u>
			<u>18,377.44</u>

**35.1 PAYMENT TO AUDITOR AS**

	(₹ in lakh)	(₹ in lakh)
	Year Ended 31.03.2024	Year Ended 31.03.2023
I) Audit Fees	2.00	2.00
ii) Tax Audit Fee	2.00	3.50
iii) Others	14.00	12.35
	<u>18.00</u>	<u>17.85</u>

**36 CONTINGENT LIABILITIES:**

	(₹ in lakh)	(₹ in lakh)
	Year Ended 31.03.2024	Year Ended 31.03.2023
a) Guarantees given by Bank	2,754.57	5,814.62
b) Proposed Dividend	174.10	174.10

- c) I) The Company has given Corporate Guarantee to Indusind Bank and Manapuram Finance to make good any default committed by the persons who get finance for the purchase of E-Rickshaw and E-Bike of Avon Cycles Ltd. The total amount outstanding was 61.46 Lakh. No Provision has been made in the Standalone financial statements.
- 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, 2024 is 1800.62 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 lakh 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 lakh) 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) 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, 2024 include an amount of ₹ 20 per equity share towards final dividend for the year ended March 31, 2023 and Interim Dividend of ₹ 20 per equity share for the year ended March 31, 2024. 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, 2024, the income available for distribution were ₹ 8238.76 Lakh. Total cash outflow of dividend for the year ended March 31, 2024 are ₹ 348.20 Lacs.

Further, Board proposed an amount of ₹ 20 per equity share towards final dividend for the year ended March 31, 2024. Dividend, if approved by shareholders at Annual General Meeting, the dividend would result in a further cash outflow of ₹ 174.09 Lakh.

### 40 SEGMENTAL INFORMATION

The Company prepares the Standalone Financial Statements of the Company alongwith Consolidated Financial Statements. In accordance with IndAs 108, Operating Segments, the 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
Expenses deductible in Future Years	135.45	119.68	-	255.14
Provision for Doubtful Debts/ Advances	84.47	(80.95)	-	3.52
Losses allowable in future years	235.26	(156.20)	-	79.06
ROU Assets	70.28	(26.28)	-	44.00
	<u>525.47</u>	<u>(143.74)</u>	-	<u>381.72</u>
<b>Deferred Tax Liabilities:</b>				
Property, Plant & Equipment, and Intangible Assets	56.18	12.60	-	68.78
Investment in Bonds, Mutual Funds and equity	728.41	(256.61)	-	471.80
Others	3.26	(10.61)	7.35	-
	<u>787.85</u>	<u>(254.62)</u>	<u>7.35</u>	<u>540.57</u>
Net Deferred Tax Liability	<u>(262.38)</u>	<u>110.88</u>	<u>(7.35)</u>	<u>(158.85)</u>

**41.2 Income Tax Recognized in Profit or Loss:**  
**Particulars**

	(₹ in lakh) For Year Ended 31 <sup>st</sup> March, 2024	(₹ in lakh) For Year Ended 31 <sup>st</sup> March, 2023
Current Tax		
In respect of current year	2,299.22	1,607.00
Deferred Tax		
In respect of Current Year	(103.53)	(2,040.42)
Total Income Tax Expense Recognized	<u>2,195.69</u>	<u>(433.42)</u>

**41.3 Income Tax recognized in Other Comprehensive Income**

Particulars	(₹ in lakh) For Year Ended 31 <sup>st</sup> March, 2024	(₹ in lakh) For Year Ended 31 <sup>st</sup> March, 2023
Arising on Remeasurement of Defined benefit Obligation	(7.35)	(2.78)
	<u>(7.35)</u>	<u>(2.78)</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 <sup>st</sup> March, 2024	(₹ in lakh) For Year Ended 31 <sup>st</sup> March, 2023
Profit/ (Loss) after Tax	8,238.76	6,317.69
Less: Adjustment of Income Tax Earlier Years	80.89	50.24
Profit after adjustment of Income Tax Earlier Years (A)	<u>8,319.65</u>	<u>6,367.92</u>
Weighted average number of equity shares (B)	8.70	8.70
Earning per share : Basic/Diluted (A/B)	955.74	731.53

**43** Interest includes ₹99.10 Lac for F/Y 2023-24 and ₹127.53 lakh for F/Y 2022-2023 paid to Directors.

**44** No any contribution to Political Party made in Financial Year 2023-24, Charity & Donation includes ₹155 lakh contributed to political parties during Financial year 2022-23, detail of which is as below:

Party Name	(₹ in lakh) 31 <sup>st</sup> March, 2024	(₹ in lakh) 31 <sup>st</sup> March, 2023
Bhartiya Janta Party	-	15.00
Electoral Bonds	-	140.00
Shiromani Akali Dal	-	-
All India Congress Committee	-	-
Aam Aadmi Party	-	-
	<u>-</u>	<u>155.50</u>

**45** Interest received of ₹1096.28 Lakh (Previous Year ₹510.36 lakh) includes Tax deducted at source of ₹114.47 Lakh (Previous Year ₹61.80 Lakh).

**46** Expenditure on insurance includes ₹44.98 Lakh (Previous year ₹13.61 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 upto 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 2023-24.

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

Particulars	(₹ in lakh) 2023-2024	(₹ in lakh) 2022 - 2023
i) The amount required to be spent under CSR Obligation	126.52	147.56
ii) The amount of expenditure incurred during the year	129.05	148.07
iii) Shortfall at the end of the year	(2.53)	(0.51)
iv) Total of Previous Years Shortfall	3.54	
v) Movement of Provision for unspent CSR:		
Opening	3.54	52.97
Provision created during the year	-	-
Spent during the year	3.54	49.43
Closing	-	3.54
vi) Detail of nature of CSR Expenditure incurred during the year:	(₹ in lakh) 2023-2024	(₹ in lakh) 2022-2023
a) Animal Welfare	2.00	4.59
b) Welfare of Armed Forces	32.65	0
c) Education	11.80	12.06
d) Environment	62.71	15.13
e) Health	0.50	58.82
f) Hunger	11.24	3.83
g) Sports	8.31	0.64
h) Art & Culture	0.25	53.00
Total	129.46	148.07

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

51 Previous years's 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	2023-2024	2022 - 2023
A) (i) Principal amount remaining unpaid at the end of accounting year	3,116.29	(43.69)
(ii) Interest due on above	-	21.86
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
C) The amount of interest accrued and remaining unpaid at the end of the financial year.	-	21.86
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
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.

Government Grants:	(₹ in lakh) 2023-2024	(₹ in lakh) 2022 - 2023
At the Beginning	6.82	6.82
Provided during the year	-	-
Received/ Adjusted during the year	-	-
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 <sup>st</sup> March, 2024	(₹ in lakh) 31 <sup>st</sup> March, 2023
Variable Rate Borrowings	-	500.00
Fixed Rate Borrowings	728.67	1,214.43

#### 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 <sup>st</sup> March, 2024	(₹ in lakh) 31 <sup>st</sup> March, 2023
Increase by 50 Basis Points	-	2.50
Decrease by 50 Basis Points	-	(2.50)

#### b) Foreign Currency Risks

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in international currencies as part of the business is transacted in foreign currencies and consequentially the 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 <sup>st</sup> March, 2024	(USD in lakh) 31 <sup>st</sup> March, 2023
Trade Receivables	16.57	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 <sup>st</sup> March 2024		(₹ in lakh) 31 <sup>st</sup> March 2023	
	5% Increase	5% Increase	5% Increase	5% Increase
USD				
Increase/ (Decrease) in Profit or Loss	69.09	(69.09)	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 <sup>st</sup> March, 2024	(USD in lakh) 31 <sup>st</sup> March, 2023
Forward Contracts against Exports	2.00	11.00
Forward Contracts against Imports	-	-

#### iii) Price Risk

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

#### B) Credit Risk

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

### Credit Risk Management

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

- (i) Low Credit risk on reporting date
- (ii) Moderate Credit Risk

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

Asset Group	Basis of 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 recognised in statement of profit and loss.

### Cash & cash equivalents and bank deposits

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

### Trade receivables

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

### Other financial assets measured at amortised cost

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

### i) Trade Receivables

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

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

Trade Receivables	(₹ in lakh) 31 <sup>st</sup> March, 2024	(₹ in lakh) 31 <sup>st</sup> March, 2023
Not Due	9,554.08	6,443.40
Up to Six Months Past Due	504.10	1,964.35
6 Months to 1 Year Past Due	310.68	349.57
More Than 1 Year Past Due	1,143.25	1,115.93
	<u>11,512.12</u>	<u>9,873.25</u>
Provision for Doubtful Debts	(450.82)	(321.64)
Provision for Doubtful Debts	<u>11,061.29</u>	<u>9,551.61</u>
Total		
	(₹ in lakh) 31 <sup>st</sup> March 2024	(₹ in lakh) 31 <sup>st</sup> March 2023
Reconciliation of Provision for Doubtful Debts		
Balance at the Beginning of the Year	321.64	250.30
Add: Provision made during the year	129.18	132.81
Less: Transfer due to De-Merger	-	61.47
Less: Provision Written Back during the Year	-	-
Balance at the end of the Year	<u>450.82</u>	<u>321.64</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

	(₹ in lakh) 31 <sup>st</sup> March, 2024	(₹ in lakh) 31 <sup>st</sup> March 2023
(a) Expiring within one year (Bank overdraft and other facilities)		
Secured	-	500.00
- Working Capital Limits		
(b) Expiring beyond one year (Bank loans)		
Secured		
-Term loan from banks	-	-

ii) Maturity Patterns of borrowings	Less than 1Year	1 to 2 years	2 to 5 years	(₹ in lakh) More than 5 yrs
Year ended 31 <sup>st</sup> March, 2024				
Contractual Maturities of borrowings	-	728.67	-	-
Contractual Maturities of trade payables	6,861.90	-	-	-
Contractual Maturities of other financial liabilities	738.80	665.50	147.89	-
Total	7,600.70	1,394.17	147.89	-
Year ended 31 <sup>st</sup> 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	7,681.31	1,254.31	110.87	834.63

### 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 maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade payables, less cash and cash equivalents.

	(₹ in lakh) 31 <sup>st</sup> March, 2024	(₹ in lakh) 31 <sup>st</sup> March, 2023
Borrowings	728.67	1,714.43
Trade Payables	6,861.90	6,408.32
Less: Cash & Cash Equivalents	(22,844.96)	(19,981.50)
Net Debt	(15,254.39)	(11,858.75)
Equity	65,393.75	57,562.22
Capital & Net Debt	50,139.35	45,703.47
Gearing Ratio	-30.42%	-25.95%

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the year ended 31<sup>st</sup> March 2024.

### 57 Expenditure Incurred on Research & Development

Particulars	(₹ in lakh) 31 <sup>st</sup> March, 2024	(₹ in lakh) 31 <sup>st</sup> March, 2023
- Capital Expenditure	2.40	2.17
- Revenue Expenditure	158.20	152.82
	160.60	154.99

## 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)	<b>Changes in Defined Benefit Obligation</b>	<b>31<sup>st</sup> March 2024</b>	<b>31<sup>st</sup> March 2023</b>
	Gratuity Plan	<b>1,103.55</b>	<b>1,006.58</b>

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

	(₹ in lakh)	(₹ in lakh)
	<b>For the year ended on 31<sup>st</sup> March 2024</b>	<b>For the year ended on 31<sup>st</sup> March, 2023</b>
Changes in Defined Benefit Obligation		
Present value obligation as at the start of the year	<b>1,006.58</b>	966.77
Interest costs	<b>75.15</b>	69.56
Current Service costs	<b>99.93</b>	94.92
Benefits paid	<b>(59.57)</b>	(111.42)
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in financial assumptions	<b>25.45</b>	(24.00)
- experience Variance	<b>(43.99)</b>	10.76
Present value obligation as at the end of the year	<b>1,103.55</b>	<b>1,006.58</b>

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

	(₹ in lakh)	(₹ in lakh)
	<b>For the year ended on 31<sup>st</sup> March 2024</b>	<b>For the year ended on 31<sup>st</sup> March 2023</b>
Change in fair value of plan assets		
Fair value of plan assets as at the start of the year	<b>925.17</b>	890.42
Return on plan assets	<b>69.07</b>	64.06
Actuarial gains/ (losses)	<b>3.30</b>	(2.19)
Contributions by employer	<b>82.73</b>	84.30
Benefits paid	<b>(59.57)</b>	(111.42)
Fair value of plan assets as at the end of the year	<b>1,020.69</b>	<b>925.17</b>

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

	(₹ in lakh)	(₹ in lakh)
Particulars	<b>For the year ended on 31<sup>st</sup> March 2024</b>	<b>For the year ended on 31<sup>st</sup> March 2023</b>
Present value obligation as at the end of the year	<b>1,103.55</b>	1,006.58
Fair value of plan assets as at the end of the year	<b>1,020.69</b>	925.17
Net asset/(obligation) recognized in balance sheet	<b>(82.85)</b>	(81.42)

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

	(₹ in lakh)	(₹ in lakh)
Particulars	<b>For the year ended on 31<sup>st</sup> March 2024</b>	<b>For the year ended on 31<sup>st</sup> March 2023</b>
Amount recognized in the statement of profit and loss		
Current service cost	<b>99.93</b>	94.92
Interest on obligation	<b>6.08</b>	5.49
Total included in employee benefit expense	<b>106.01</b>	<b>100.42</b>

f) Amount recognized in the statement of Other Comprehensive Income

Particulars	(₹ in lakh) For the year ended on 31 <sup>st</sup> March 2024	(₹ in lakh) For the year ended on 31 <sup>st</sup> March 2023
Change in Financial Assumptions	25.45	(24.00)
Change in Demographic Assumptions		-
Experience Variance i.e. Actual Experience vs Assumptions	(43.99)	10.76
Actuarial Gain/(Loss) for the year	(3.30)	2.19
Components of defined benefit cost recognized in OCI	(21.85)	(11.05)

g) Principal actuarial assumptions at the balance sheet date:

Particulars	(₹ in lakh) For the year ended on 31 <sup>st</sup> March 2024	(₹ in lakh) For the year ended on 31 <sup>st</sup> March 2023
Actuarial Assumptions		
Discount rate (per annum)	7.45%	7.45%
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) For the year ended on 31 <sup>st</sup> March 2024	(₹ in lakh) For the year ended on 31 <sup>st</sup> March 2023
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) For the year ended on 31 <sup>st</sup> March 2024	(₹ in lakh) For the year ended on 31 <sup>st</sup> March 2023
Defined Benefit Obligation (base)	1,103.55	1,006.58

**Particulars**

For the year ended on  
31<sup>st</sup> March, 2024

For the year ended on  
31<sup>st</sup> March, 2023

	Decrease	Increase	Decrease	Increase
Discount Rate (-/+1%)	1,217.10	1,008.33	1,108.91	920.53
(% change compared to base due to sensitivity)	10.29%	-8.63%	10.20%	-8.50%
Salary Growth Rate (-/+1%)	101.50	1,209.60	923.26	1,102.98
(% change compared to base due to sensitivity)	-90.80%	9.61%	-8.30%	9.60%
Attrition Rate (-/+ 50% of attrition rates)	1,115.50	1,092.91	1,015.85	998.34
(% change compared to base due to sensitivity)	1.08%	-0.96%	0.90%	-0.80%
Mortality Rate (-/+ 10% of mortality rates)	1,103.87	1,103.22	1,006.82	1,006.34
(% change compared to base due to sensitivity)	0.03%	-0.03%	0.00%	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):

Expected Cash Flows over the next (valued on undiscounted basis)	(₹ in lakh)
1 Year	245.02
2 to 5 years	264.89
6 to 10 years	354.95
More than 10 years	1,879.75

**59 EMPLOYEE BENEFITS - EARNED LEAVE PLAN**

Assets and Liability (Balance Sheet Position)

Particulars	As on 31.03.2024	As on 31.03.2023
Present Value of obligation	262.48	259.40
Fair Value of Plan Assets	-	-
Surplus/(Deficit)	(262.48)	(259.41)
Effects of Asset Celling, if any	-	-
Net Asset/(Liability)	(262.48)	(259.41)

**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 31.03.2024	As on 31.03.2023
Current Liability(Short Term)	44.90	55.89
Non-Current Liability(Long Term)	217.58	203.50
Present Value of obligation as at the end	262.48	259.40

Expenses Recognized in income Statement

Particulars	As on 31.03.2024	As on 31.03.2023
Present value of obligation as at the beginning	259.41	170.34
Present value of obligation as at the end	262.48	259.41
Benefit Payment	28.07	29.16
Actual return on plan assets	-	-
Transfer in/(out)	-	-
Expenses Recognized in income statement	31.15	118.22



## Financial Assumptions

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

Particulars	As on 31.03.2024	As on 31.03.2023
Discount rate (per annum)	7.20%	7.45%
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 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

The Principals demographics assumptions used in the valuation are shown in the table below :

Particulars	As on 31.03.2024	As on 31.03.2023
Mortality Rate	100%	100%
Normal retirement age	58 Years	58 Years
Attrition/withdrawal rate (Per annum)		
Up to 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 al other assumptions constant. The results of sensitivity analysis is given below

Particulars	31.03.2024		31.03.2023	
Present Value of obligation (Base)	262.48		259.41	
	For the year ended on 31 <sup>st</sup> March, 2024		For the year ended on 31 <sup>st</sup> March, 2023	
Particulars	Decrease	Increase	Decrease	Increase
Discount Rate (-/+1%)	296.26	234.58	289.03	234.57
(% change compared to base due to sensitivity)	12.9%	-10.6%	11.42%	-9.57%
Salary Growth Rate (-/+1%)	234.76	295.32	234.69	288.29
(% change compared to base due to sensitivity)	-10.6%	12.5%	-9.53%	11.13%
Attrition Rate (-/+ 50% of attrition rates)	266.42	259.05	262.05	257.07
(% change compared to base due to sensitivity)	1.5%	-1.3%	1.00%	-0.90%
Mortality Rate (-/+ 10% of mortality rates)	262.60	262.36	259.50	259.32
(% change compared to base due to sensitivity)	0.0%	0.0%	0.03%	-0.03%

Please note that the sensitivity analysis presented above may not be representative 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)	12 Years
Expected cash flows over the next (Valued on undiscounted basis)	Indian Rupees(INR)
1 year	44.90
2 to 5 years	40.74
6 to 10 years	62.66
More than 10 years	635.98

## **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 Fitness Machines Pvt. Ltd

Avon Energies And Investments Private Limited

Hans Raj Pahwa & Brothers

#### **5 Key Management personnel**

Sh. Onkar Singh Pahwa

Sh. Rishi Pahwa

Sh. Mandeep Singh Pahwa

Sh. Girish Paman Vanvari

Sh. Anil Arora

Sh. Mahesh 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	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Rent Paid	-	-	-	-	37.61	-	-	-	-	-
Remuneration Paid	-	-	-	-	-	-	1,835.06	1,716.03	-	174.89
Interest Paid	-	-	-	-	-	25.48	48.48	74.08	50.62	53.45
Interest Received	147.28	60.91	75.64	57.16	-	0.14	-	-	-	-
Rent Received	-	-	-	-	73.60	79.30	-	-	-	-
Service Charges Received	-	-	-	-	0.07	0.93	-	-	-	-
Dividend Paid	-	-	-	-	-	11.20	156.58	113.74	1.93	45.72
Royalty	-	-	-	-	31.99	33.23	-	-	-	-
Food Bill	-	-	-	-	7.17	3.89	-	-	-	-
Purchase	971.79	1,762.49	-	-	-	-	-	-	5,083.15	4,377.72
Sale	168.59	352.67	0.00	0.00	1.93	0.15	-	-	109.49	14.03
Sale/ Trf. of Fixed Assets	-	-	-	-	-	-	-	-	-	-
Sitting Fees	-	-	-	-	-	-	1.70	1.30	-	-
Re-imbursement of expenses	65.21	60.82	71.95	42.05	45.54	288.71	-	-	-	-
Loan Given	2,286.00	3,040.00	600.00	515.00	-	-	-	-	-	-
Loan Received Back	1,650.72	1,855.00	-	-	-	400.00	-	-	-	-
Legal & Professional Charges	-	-	-	-	-	-	-	-	-	-
Payment of Misc. Charges	-	-	-	-	-	-	-	-	-	-
Purchase of Shares	-	-	-	-	-	-	-	-	-	-
Debit balances outstanding as at the closing	2,158.76	1,670.00	1,683.42	1,066.44	47.48	35.90	-	-	-	-
Credit balances as at the closing	1.52	1.90	-	-	4.16	0.04	53.29	44.05	165.62	314.33

## 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 <sup>st</sup> March 2024			(₹ in lakh) 31 <sup>st</sup> March 2023		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Assets						
Investments	11,490.67	-	-	11,610.51	-	-
Trade Receivables	-	-	11,061.29	-	-	9,551.60
Other Financial Assets	-	-	9,572.96	-	-	10,491.24
Cash & Cash Equivalents	12,377.60	-	10,467.36	15,738.60	-	4,242.90
Other Bank Balances	-	-	8,376.51	-	-	4,801.39
Total	23,868.27	-	39,478.13	27,349.10	-	29,087.14
Financial Liabilities						
Borrowings	-	-	728.67	-	-	1,714.43
Trade Payables	-	-	6,861.90	-	-	6,408.32
Other Financial Liabilities	-	-	1,552.19	-	-	1,758.36
Total	-	-	9,142.76	-	-	9,881.11

### (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 <sup>st</sup> March 2024			(₹ in lakh) 31 <sup>st</sup> March 2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investments	6,753.05	-	4,737.61	7,326.10	-	4,284.41
Cash & Cash Equivalents	12,377.60	-	-	15,738.60	-	-
Total	19,130.65	-	4,737.61	23,064.69	-	4,284.41

Financial assets and liabilities measured at amortized cost for which fair values are disclosed	(₹ in lakh) 31 <sup>st</sup> March 2024			(₹ in lakh) 31 <sup>st</sup> March 2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investments	-	-	-	-	-	-
Trade Receivables	-	-	11,061.29	-	-	9,551.60
Other Financial Assets	-	-	9,572.96	-	-	10,491.24
Cash & Cash Equivalents	-	-	10,467.36	-	-	4,242.90
Other Bank Balances	-	-	8,376.51	-	-	4,801.39
Total	-	-	39,478.13	-	-	29,087.14
Financial Liabilities						
Borrowings	-	-	728.67	-	-	1,714.43
Trade Payables	-	-	6,861.90	-	-	6,408.32
Other Financial Liabilities	-	-	1,552.19	-	-	1,758.36
Total	-	-	9,142.76	-	-	9,881.11

#### Fair Value Hierarchy:

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

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

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

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

	(₹ in lakh) 31 <sup>st</sup> March 2024		(₹ in lakh) 31 <sup>st</sup> March 2023	
Particulars	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Investments	-	-	-	1,075.81
Margin Money	668.57	668.57	214.78	214.78
Employee Loans	153.23	153.23	140.79	140.79
Other Financial Assets			-	-
<b>Total</b>	<b>821.80</b>	<b>821.80</b>	<b>355.57</b>	<b>1,431.38</b>

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

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

**62 Other Statutory Information:**

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

Type of Borrower	As at 31.03.2024		As at 31.03.2023	
	Amount Outstanding (₹ in lakh)	%age to Total Loans & Advances	Amount Outstanding (₹ in lakh)	%age to Total Loans & Advances
a) To Subsidiaries	2158.00	31.20%	1,670.00	12.30%
b) To Associates	1683.08	24.33%	1,066.44	13.09%
c) To other Related Parties	0.00	0.00%	-	10.07%

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

Sr No.	Name of Financial Institution	Amount	Reason
1	Industrial Finance Corporation of India	270.00	It is historic in nature and it involves practical challenge in obtaining NOC from them despite repayment of the loan. Charge will be satisfied as and when it receives NOC from the charge holder.
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	5.25	4.12	27.44%
2	Debt-Equity ratio (in times)	Debt consists of borrowings and lease liabilities.	Total equity	0.01	0.03	-57.48%
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	13.75	6.92	98.67%
4	Return on equity ratio (in %)	Profit for the year less Preference dividend (if any)	Average total equity	13.40%	9.59%	39.72%
5	Inventory Turnover Ratio	Sales	Average Inventory	16.17	11.99	34.86%
6	Trade receivables turnover ratio (in times)	Sales	Average trade receivables	10.80	7.41	45.61%
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	12.06	9.01	33.86%
8	Net capital turnover ratio (in times)	Sales	Average working capital (i.e. Total current assets less Total current liabilities)	2.23	1.98	12.42%
9	Net profit ratio (in %)	Profit for the year	Sales	9.38%	7.25%	29.40%
10	Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Net worth + Lease liabilities + Deferred tax liabilities + Total Debt	16.09%	10.34%	55.65%
11	Return on investment (in%)	Income generated from invested funds	Average invested funds in treasury investments	8.24%	2.47%	234.06%

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

- 1 Debt Equity Ratio: decreased mainly due to reduction in total borrowings and increase in Equity.
- 2 Debt Service Coverage ratio is improved due to increase in profitability.
- 3 Return on Equity ratio improved due to increase in Net Profit.
- 4 Inventory Turnover ratio is improved due to increase in Sales and reduction in the value of Inventory .
- 5 Trade Receivable Turnover Ratio is improved due to decrease in holding period of receivables and Increase in Total Turnover of the company.
- 6 Trade Payable Turnover Ratio: Increase mainly due to decrease in holding period of payables and improved liquidity position of the Company.
- 7 Net Profit Ratio is increased mainly due to increase in Non operating income from Investments and increase in sales' composition of higher margin products.
- 8 Return on Capital Employed improved due to increase in Profit of the company.
- 9 Return on Investment: Increased due to improvement in Stock Market.

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.



In terms of our report attached  
For H.K. Chitkara & Co.  
Chartered Accountants

Sd/-  
(Sameer Chitkara)  
Partner  
M.No 094353  
UDIN: 24094353BKBNTQ1051  
Place : Ludhiana  
Dated: 26.09.2024

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)  
Executive 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 31<sup>st</sup> March, 2024, 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, 2024, 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 2024. 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 2024. 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 ₹ 9303.67 Lakh as at 31st March 2024, total revenues (before consolidation adjustments) of ₹ 5652.74 Lakh and total net loss after tax (before consolidation adjustments) of ₹ 146.40 Lakh, Other Comprehensive Income (before consolidation adjustments) of ₹ 0.32 Lakh and net cash inflow (before consolidation adjustments) amounting to ₹ 40.14 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 2024 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 2024 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: 26.09.2024

For H.K. Chitkara & Co.  
Chartered Accountants  
Firm's Registration No: 001571N

Sd/-  
Sameer Chitkara  
Partner  
Membership No: 094353

## **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 31<sup>st</sup> March 2024 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 2024, 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 2024, 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: 26.09.2024

For H.K. Chitkara & Co.

Chartered Accountants

Firm's Registration No: 001571N

Sd/-

Sameer Chitkara

Partner

Membership No: 094353

**Avon Cycles Limited**  
**Consolidated Balance Sheet as at 31.03.2024**

(Amount ₹ in Lakh)

	Note	As at 31.03.2024	As at 31.03.2023	
Assets				
Non-current Assets				
a)	Property Plant & Equipment	2	9,240.86	10,090.77
b)	Right-of-use Asset	3	313.39	357.00
c)	Investment Properties	2.1	69.32	69.32
d)	Capital Work In Progress	2.4	1,626.36	1,157.61
e)	Other Intangible Assets	2.3	70.99	88.92
f)	Financial Assets:			
	I) Investments	4	588.48	544.62
	Ii) Loans & Advances	4.1	242.44	-
	Iii) Other Financial Assets	5	764.66	4,530.16
g)	Other Non Current Assets	6	2,005.90	3,630.13
	Total Non- Current Assets		14,922.40	20,468.53
Current Assets				
a)	Inventories	7	7,327.25	9,580.22
b)	Financial Assets:			
	i) Investments	8	6,753.05	6,916.75
	ii) Trade Receivables	9	11,790.84	9,719.27
	iii) Cash & Cash Equivalents	10	22,975.68	20,072.10
	iv) Other Balances With Banks	11	8,376.51	4,801.39
	v) Loans & Advances	12	5,925.77	4,347.41
	vi) Other Financial Assets	13	695.18	104.42
c)	Current Tax Assets		2,604.18	1,900.98
d)	Other Current Assets	14	3,282.33	2,101.16
e)	Assets Held For Sale	2.2	62.27	62.27
	Total Current Assets		69,793.07	59,605.97
	Total Assets		84,715.47	80,074.50
Equity And Liabilities				
Equity				
a)	Equity Share Capital	15	87.05	87.05
b)	Other Equity	16	64,627.18	56,969.43
	Total Equity		64,714.23	57,056.48
Liabilities				
Non-current Liabilities				
a)	Financial Liabilities:			
	I) Borrowings	17	2,529.29	3,431.45
	Ii) Lease Liability	18	181.88	229.56
	Iii) Other Financial Liabilities	19	664.97	617.71
b)	Provisions	20	1,607.00	3,184.00
c)	Deferred Tax Liability (net)		72.77	166.62
d)	Other Non- Current Liabilities	21	316.76	292.73
	Total Non- Current Liabilities		5,372.67	7,922.07

	<b>Current Liabilities</b>			
a)	Financial Liabilities:			
	I) Borrowings	22	<b>1,102.12</b>	930.81
	ii) Lease Liability	23	<b>47.68</b>	39.49
	iii) Trade Payables			
	(a) Total Outstanding Dues Of Micro And Small Enterprises	24	<b>3,410.73</b>	3,210.56
	(b) Total Outstanding Dues Of Trade Payable Other Than Micro And Small Enterprises	24	<b>3,962.15</b>	3,513.01
	Iv) Other Financial Liabilities	25	<b>563.30</b>	769.63
b)	Provisions	26	-	3.59
c)	Current Tax Provisions		<b>2,299.21</b>	1,607.00
d)	Other Current Liabilities	27	<b>3,243.39</b>	5,021.86
	<b>Total Current Liabilities</b>		<b><u>14,628.57</u></b>	<u>15,095.95</u>
	<b>Total Equity &amp; Liabilities</b>		<b><u>84,715.47</u></b>	<u>80,074.50</u>

In terms of our report attached  
For H.K. Chitkara & Co.  
Chartered Accountants

For and on behalf of the Board

For and on behalf of the Board

Sd/-  
(Sameer Chitkara)  
Partner  
M.No 094353  
UDIN: 24094353BKBNTQ1051  
Place : Ludhiana  
Dated: 26.09.2024

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

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

**Avon Cycles Limited**  
**Consolidated Statement of Profit & Loss Account for the period ended 31.03.2024**

(Amount ₹ in Lakh)

Particulars	Note	Year Ended 31.03.2024	Year Ended 31.03.2023
<b>Income</b>			
a) Revenue from Operations	28	115,966.38	87,775.32
b) Other Income	29	3,193.44	1,449.15
<b>Total Income</b>		<u>119,159.82</u>	<u>89,224.47</u>
<b>Expenses</b>			
a) Cost of Materials Consumed	30	73,575.70	52,722.57
b) Purchases of Stock-in-trade	31	3,945.33	6,287.22
c) Change in Inventories of Finished Goods, Stock-in-trade and Work-in-Progress	32	2,271.31	(1,566.00)
d) Employee Benefits Expense	33	6,300.43	5,843.82
e) Finance Costs	34	561.45	492.65
f) Depreciation & Amortization Expense	2.5	1,379.46	1,251.27
g) Other Expenses	35	20,726.96	18,727.43
<b>Total Expenses</b>		<u>108,760.63</u>	<u>83,758.96</u>
Profit/(loss) Before Tax & Exceptional Items		10,399.18	5,465.51
Share of Profit/(Loss) of Associates & Joint Ventures		-	-
Profit Before Tax & Exceptional Items		<u>10,399.18</u>	<u>5,465.51</u>
<b>Exceptional Items:</b>			
CSR Expenditure u/s 135 of Companies Act, 2013		129.32	148.07
Profit/(Loss) Before Tax		10,269.86	5,317.44
<b>Tax Expenses/(Credit) (Net)</b>			
Current Tax		2,299.22	1,607.00
Deferred Tax		(121.72)	(2,127.76)
<b>Profit/(Loss) for the year</b>		<u>8,092.36</u>	<u>5,838.20</u>
<b>Other Comprehensive Income/(Loss):</b>			
Return on plan assets, excluding amount recognised in net interest expense		-	0.44
Re-measurement of post-employment benefit Obligations		29.52	11.05
Income Tax Relating to these items		(7.35)	(2.78)
<b>Other Comprehensive Income/(Loss), Net of Tax</b>		<u>22.17</u>	<u>8.71</u>
<b>Total Comprehensive Income/(Loss)</b>		<u>8,114.53</u>	<u>5,846.91</u>
<b>Net Profit Attributable to:</b>			
a) Owners to Company		8,092.36	5,838.20
b) Non - Controlling Interest		-	-
<b>Other Comprehensive Income Attributable to:</b>			
a) Owners to Company		22.17	8.71
b) Non - Controlling Interest		-	-
<b>Total Comprehensive Income Attributable to:</b>			
a) Owners to Company		8,114.53	5,846.91
b) Non - Controlling Interest		-	-
<b>Earnings/(Loss) per equity share of face value of ₹ 10 each (EPS)</b>			
(i) Basic (in ₹)		942.12	676.36
(ii) Diluted (in ₹)		942.12	676.36

Notes on Financial Statements

1 to 65

In terms of our report attached  
For H.K. Chitkara & Co.  
Chartered Accountants

Sd/-  
(Sameer Chitkara)  
Partner  
M.No 094353  
UDIN: 24094353BKBNTQ1051  
Place : Ludhiana  
Dated: 26.09.2024

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)  
Executive Director  
DIN: 00248245



# Avon Cycles Limited

## Consolidated Cash Flow Statement For The Period Ended 31.03.2024

(Amount ₹ in Lakh)

	2023 - 2024	2022 - 2023
<b>A. Cash Flow From Operating Activities</b>		
Net profit/(loss) before tax	10,269.86	5,317.47
Adjustments for :		
Interest expenses	441.19	434.42
Depreciation and Amortization on PPE	1,379.46	1,207.41
Profit/ Loss on Sales/ Fair Valuation of Investment	(1,898.47)	(688.55)
Profit on Sales of Fixed Assets	(21.13)	(50.13)
Interest Received	(996.22)	(467.82)
Other Non-Operating Income	(31.99)	(33.23)
Other Comprehensive Income	22.17	8.71
Prior Period Adjustment	-	42.70
Rent	(204.91)	(81.55)
Cash Flow from Operating activities before changes in following Assets & Liabilities:	8,959.95	5,689.44
Trade Receivables	(2,071.57)	2,727.88
Inventories	2,252.97	(2,556.57)
Loan & Advances	(1,820.80)	(1,005.26)
Other Financial Assets	3,174.74	1,545.40
Other Assets (excluding Advance Tax)	(1,124.47)	(258.22)
Trade Payables	649.31	(1,120.91)
Other Financial Liabilities	(198.57)	(140.73)
Provisions (Excluding Provision of Income Tax)	(1,580.59)	(49.38)
Other Liabilities	(1,848.12)	1,625.46
Inc/(Dec) in Operating Assets due to De-merger	-	3,017.95
Cash generations from/(used in) operations	6,392.85	9,475.07
Income Taxes Paid (Net)	(686.10)	539.80
<b>Net Cash from/(used in) operating activities (A)</b>	5,706.75	10,014.87
<b>B. Cash Flow From Investing Activities</b>		
Purchase of Fixed Assets	(1,019.69)	(6,629.62)
Purchase/ (Sale) of Investment	119.84	133.05
Sale of Fixed Assets	60.46	4,980.84
Interest Received	996.22	467.82
Profit/Loss on Sales of Investment	1,898.47	688.55
Other Non-Operating Income	31.99	33.23
Rent Received	204.91	81.55
Inc/(Dec) in Investing Assets due to De-merger	-	21,483.82
<b>Net Cash From/(used in) Investing Activities (B)</b>	2,292.20	21,239.24
<b>C. Cash Flow From Financing Activities</b>		
Interest Paid	(441.19)	(434.42)
Dividend Paid	(348.20)	(170.66)
<b>Change in Equity due to Amalgamation</b>	-	(3.56)
Proceeds/(Repayments) of/from loan funds	(730.85)	(247.59)
Inc/(Dec) in Financing Assets due to De-merger	-	(24,328.49)
<b>Net Cash From/(used in) from Financing Activities (C)</b>	(1,520)	(25,184.72)
Net Increase/(Decrease in Cash & Cash Equivalents	6,479	6,069.39
Cash and cash equivalents at the beginning of the year	24,873.49	20,097.68
Cash outflow as part of De-Merger (Refer Note No.38)	-	(1,293.58)
<b>Cash and cash equivalents at the end of the year</b>	31,352.20	24,873.49

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 H.K. Chitkara & Co.  
Chartered Accountants

Sd/-  
(Sameer Chitkara)  
Partner  
M.No 094353  
UDIN: 24094353BKBNTQ1051  
Place : Ludhiana  
Dated: 26.09.2024

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)  
Executive Director  
DIN: 00248245

## Avon Cycles Limited

### Consolidated Statement of Changes In Equity

#### a) EQUITY SHARE CAPITAL

For year ended 31 <sup>st</sup> March, 2024	(₹ in Lakh)
Particulars	Amount
Balance as on April 01, 2023	87.05
Proceeds from Issue of Shares	-
Prior Period Errors	-
Changes during the year	-
Balances as on March 31, 2024	87.05
For year ended 31 <sup>st</sup> 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 due to amalgamation of PEHPL	1.72
Balances as on March 31, 2023	87.05

#### b) OTHER EQUITY

(₹ in Lakh)

Particulars	Retained Earnings	General Reserve	Capital Reserve	Capital Redemption Reserve	Total
Balance as on April 01, 2023	40,589.67	16,338.33	36.48	5.12	56,969.43
Profit for the year	8,092.36	-	-	-	8,092.36
Other Comprehensive Income/ (Loss) for the year	22.17	-	-	-	22.17
Total Comprehensive Income for the year	8,114.53	-	-	-	8,114.53
Transferred to General Reserve	(500.00)	-	-	-	-500.00
Transferred from General Reserve	-	500.00	-	-	500.00
Transfer From Retained Earnings	-	-	-	-	0.00
Dividend	(348.20)	-	-	-	-348.20
Tax adjustment of earlier years	(108.75)	-	-	-	-108.75
Balances as on March 31, 2024	47,747.25	16,838.33	36.48	5.12	64,627.18

#### c) OTHER EQUITY

(₹ in Lakh)

Particulars	Retained Earnings	General Reserve	Capital Reserve	Capital Redemption Reserve	Total
Balance as on April 01, 2022	57,960.42	15,881.09	-	4.32	73,845.82
Profit for the year	5,838.42	-	-	-	5,838.42
Other Comprehensive Income/ (Loss) for the year	8.71	-	-	-	8.71
Total Comprehensive Income for the year	5,847.13	-	-	-	5,847.13
Transferred to General Reserve	(500.00)	-	-	-	(500.00)
Transferred from General Reserve	-	-	-	0.80	0.80
Transfer From Retained Earnings	-	500.00	-	-	500.00
Dividend	(170.66)	-	-	-	(170.66)
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	(49.47)	-	-	-	(49.47)
Balances as on March 31, 2023	40,589.67	16,338.33	36.48	5.12	56,969.43

In terms of our report attached  
For H.K. Chitkara & Co.  
Chartered Accountants

Sd/-  
(Sameer Chitkara)  
Partner  
M.No 094353  
UDIN: 24094353BKBNTQ1051  
Place : Ludhiana  
Dated: 26.09.2024

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)  
Executive Director  
DIN: 00248245

**Avon Cycles Limited**  
**Notes on Consolidated Financial Statements for the period ended March 31, 2024**

**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 and E-Rickshaws.

**1) MATERIAL ACCOUNTING POLICY INFORMATION**

**a) Basis of Preparation:**

**i) Compliance with IndAs:**

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

**ii) Historical Cost Convention:**

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

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

**b) Foreign currency translation:**

**i) Functional and presentation currency:**

Items included in the Consolidated financial statements of Company 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 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 28<sup>th</sup> 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 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 1<sup>st</sup> April, 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or to only contracts that are not completed at this date. The Company elected to apply standard to contracts that are not completed at the date of initial application.

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

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

**Timing of recognition:** The Company manufactures and sells Bicycle, Bicycle Parts, Ebikes, E-Rickshaws and Power. Sales are 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 Consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax is recognised in the Statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In that case, the tax is also recognised in other comprehensive income or directly in equity, respectively.



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

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

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

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

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

**f) Leases:**

**As a lessee**

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

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

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

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

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

#### **As a lessor**

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

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

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

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

For the purpose of presentation in the statement of cash flows, cash and cash equivalents

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

**i) Inventories:**

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

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

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

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

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

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

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

Freehold land is carried at historical cost. All other items of property, plant and equipment are

stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

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

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

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

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

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

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

**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 Company are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use.
- Management intends to complete the software and use it.
- There is an ability to use the software.
- It can be demonstrated how the software will generate probable future economic benefits.
- Adequate technical, financial and other resources to complete the development and to use the software are available, and
- The expenditure attributable to the software during its development can be reliably measured. Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

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

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

**n) Trade and other payables**

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

**o) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates. Borrowings are classified as current liabilities unless the company has an unconditional right to defer material provision of a long-term loan arrangement on or before the end of the reporting period with settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the Consolidated financial statements for issue, not to demand payment as a consequence of the breach.

**p) Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

**q) Provisions and Contingent Liabilities:**

Provisions are recognised when the 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. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their



existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Contingent assets are neither recognised nor disclosed in Financial Statements.

**r) Employee benefits**

**(i) Short-term obligations**

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

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

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

**(iii) Post-employment obligations**

The group operates the following post-employment schemes:

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

**Gratuity obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

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



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

#### **Defined contribution plans**

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

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

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

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

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

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

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

b) Those measured at amortised cost.

c) Investments in Subsidiaries are measured at Cost less impairment loss, if any.

d) Investments in Associates are measured at Cost less impairment loss, if any.

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

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

#### **ii) Measurement:**

At initial recognition, the company measures a financial asset at its fair value plus transaction cost that are directly attributable to the acquisition of the financial asset. In the case of a financial asset at fair value through profit or loss, transaction costs of financial assets are expensed in the Statement of profit and loss. The company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss. Investments in Subsidiaries and Associates is measured at Cost less impairment loss, if any.

**iii) Impairment of Financial Assets:**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less cost of disposal and its value in use. The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**iv) Derecognition of Financial Asset:**

A Financial Asset is derecognised only when:

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

**v) Income Recognition:**

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

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

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

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

**u) Offsetting Financial Instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an

intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

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

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

**w) Estimates & Judgements:**

The preparation of 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:**

Ministry of corporate affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. MCA has not notified any new standards or amendment to the existing standards applicable to the Group as at March 31, 2024. In the current year, the Group has applied the below amendments to Ind ASs that are effective for an annual period that begins on or after 1 April 2023.

(i) The Group has adopted the amendments to Ind AS 1 - Presentation of Financial Statements for the first time in the current year. The amendments change the requirements in Ind AS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The supporting paragraphs in Ind AS 1 are also amended to clarify that accounting policy information that relates to immaterial

transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

(ii) The Group has adopted the amendments to Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates for the first time in the current year. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. The definition of a change in accounting estimates was deleted.

Notes forming part of the Financial Statements

2. PROPERTY, PLANT & EQUIPMENT AS ON 31.03.2024 (₹ in Lakh)

DESCRIPTION	GROSS BLOCK					DEPRECIATION					NET CARRYING AMOUNT	
	As on 31.03.2023	Additions/ Trfd./ Adjustment	Transfer due to Demerger	Sale/Trfd./ Adjustment	Total as on 31.03.2024	Upto 31.03.2023	For the year	Transfer due to Demerger	Sale/ Trfd.	Upto 31.03.2024	As on 31.03.2024	As on 31.03.2023
Own Assets:												
Freehold Land	1,115.49	-	-	-	1,115.49	-	-	-	-	-	1,115.49	1,115.49
Factory Buildings	7,187.00	255.59	-	-	7,442.59	2,574.72	472.53	-	-	3,047.25	4,395.34	4,612.28
Other Buildings	1,039.91	-	-	-	1,039.91	145.29	69.98	-	-	215.27	824.65	894.62
Plant & Machinery	5,538.85	119.16	-	14.32	5,643.69	3,051.85	461.59	-	14.21	3,499.23	2,144.46	2,487.00
Furniture and Fixtures	612.53	8.37	-	-	620.90	316.72	78.08	-	-	394.80	226.11	295.81
Office Equipment	424.13	29.82	-	6.75	447.21	312.38	32.62	-	5.14	339.86	107.35	111.75
Computer Equipment	294.09	9.09	-	0.52	302.67	216.80	37.55	-	0.49	253.86	48.80	77.29
Vehicles	884.16	83.49	-	112.15	855.50	387.63	63.75	-	74.56	476.82	378.68	496.53
Total	17,096.16	505.51	-	133.73	17,467.95	7,005.39	1,316.09	-	94.39	8,227.08	9,240.86	10,090.77

Note: 1. Freehold Land includes Land of value ₹6.40 Lakh and Factory Building includes Factory Building of value ₹2923.29 Lakh 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 31.03.2023 (₹ 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	7187.00	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	89.8	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	431.3	15,949.51	18.4	3,051.85	2487	1,1673.33
Furniture and Fixtures	344.27	268.3	-	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	28.2	-	0.34	312.38	111.75	78.07
Computer Equipment	224.04	71.33	-	1.28	294.09	187.83	29.62	-	0.65	216.8	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

2.1 INVESTMENT PROPERTIES AS ON 31.03.2024 (₹ in Lakh)

DESCRIPTION	GROSS BLOCK					DEPRECIATION					NET CARRYING AMOUNT	
	As on 31.03.2023	Additions/ Trfd./ Adjustment	Transfer due to Demerger	Sale/Trfd./ Adjustment	Total as on 31.03.2024	Upto 31.03.2023	For the year	Transfer due to Demerger	Sale/ Trfd.	Upto 31.03.2024	As on 31.03.2024	As on 31.03.2023
Freehold Land	69.31	-	-	-	69.31	-	-	-	-	-	69.31	69.31
Buildings	0.01	-	-	-	0.01	-	-	-	-	-	0.01	0.01
Total	69.32	-	-	-	69.32	-	-	-	-	-	69.32	69.32

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

## 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

## 2.2 INVESTMENT PROPERTIES HELD FOR SALE AS ON 31.03.2024

(₹ in Lakh)

DESCRIPTION	GROSS BLOCK					DEPRECIATION					NET CARRYING AMOUNT	
	As on 31.03.2023	Additions/Trfd./Adjustment	Transfer due to Demerger	Sale/Trfd./Adjustment	Total as on 31.03.2024	Upto 31.03.2023	For the year	Transfer due to Demerger	Sale/Trfd.	Upto 31.03.2024	As on 31.03.2024	As on 31.03.2023
Freehold Land	55.80	-	-	-	55.80	-	-	-	-	-	55.80	55.80
Building	6.47	-	-	-	6.47	-	-	-	-	-	6.47	6.47
Total	62.27	-	-	-	62.27	-	-	-	-	-	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, 2024. The Company has received an advance of ₹ 23.29 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 31.03.2023

(₹ 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

## 2.3 INTANGIBLE ASSETS AS ON 31.03.2024

(₹ 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	443.85	1.36	-	-	445.21	365.37	16.90	-	-	382.27	62.94	78.48
Trade marks	29.72	0.44	-	-	30.16	19.28	2.84	-	-	22.12	8.05	10.44
Total	473.57	1.80	-	-	475.37	384.65	16.90	-	-	404.38	70.99	88.92

## 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

## 2.4 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	629.20	-	997.16	-	1,626.36
Projects Temporarily Suspended	-	-	-	-	-
Total	629.20	-	997.16	-	1,626.36

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

## 2.5 Depreciation & Amortisation Expense:

Particulars	For the year Ended 31.03.2024	For the year Ended 31.03.2023
Depreciation on Property, Plant & Equipment	1,316.14	1,191.84
Add: Depreciation on Investment Properties	-	-
Add: Amortisation on Intangible Assets	19.73	15.58
Add: Depreciation on Right of Use Assets	43.59	43.85
Deapreciation charged to Profit & Loss	1,379.46	1,251.27



### 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, 2024:

(₹ in lakh)

	Land	Building	Total as at 31 <sup>st</sup> March, 2024
Adjustments in Opening Balance (Due to De-Merger)	142.58	214.41	356.98
Addition	-	-	-
Deletion	1.99	-	1.99
Depreciation	-	41.60	41.60
Balance as on March 31, 2024	140.58	172.81	313.39

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

(₹ in lakh)

	Land	Building	Total as at 31 <sup>st</sup> March, 2023
Balance as on April 01, 2022	202.11	222.93	425.04
Adjustments in Opening Balance	57.53	-	57.53
Addition	-	33.33	33.33
Deletion	1.99	-	1.99
Depreciation	-	41.85	41.85
Balance as on March 31, 2023	142.58	214.41	356.98

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, 2024:

	(₹ in lakh) As at 31 <sup>st</sup> March, 2024	(₹ in lakh) As at 31 <sup>st</sup> March, 2023
Particulars		
Non - Current Lease Liabilities	181.88	229.56
Current Lease Liabilities	47.68	39.49
Total Lease Liabilities	<u>229.56</u>	<u>269.05</u>

Following is movement in Lease Liabilities during year ended March 31, 2024:

	(₹ in lakh) 31 <sup>st</sup> March, 2024	(₹ in lakh) 31 <sup>st</sup> March, 2023
Particulars		
Balance in Beginning	269.05	270.82
Adjustments in Opening Balance (Due to De-Merger)	-	2.20
Addition during the year	-	33.33
Payment of Lease Liabilities	39.49	32.90
Balance at the End	<u>229.56</u>	<u>269.05</u>

The table below provide details regarding the contractual maturities of lease liabilities as at March 31, 2024 on an undiscounted basis:

	(₹ in lakh) As at 31 <sup>st</sup> March, 2024	(₹ in lakh) As at 31 <sup>st</sup> March, 2023
Particulars		
Less than One Year	69.42	64.93
One to Five Years	232.85	276.86
More than Five years	-	25.41
Total	<u>302.26</u>	<u>367.20</u>

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

	(₹ in lakh) 2023 - 2024	(₹ in lakh) 2022 - 2023
Particulars		
Depreciation Expense on Right to Use Asset	43.59	43.84
Interest Expense on Lease Liabilities	25.44	28.52
Expense relating to Low Value and Short Term Leases (included in other Expenses)	0.87	0.08
Total Amount recognised in profit and Loss account	<u>69.90</u>	<u>72.44</u>

		(₹ in lakh)	
4. NON- CURRENT INVESTMENTS	As at	As at	
Non -current investments consist of the following :	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023	
<b>INVESTMENTS CARRIED AT FVTPL</b>			
a) INVESTMENTS QUOTED	<u>Units/Shares</u>	<u>Units/Shares</u>	
(i) Investment in other equity/preference shares:			
a) Fully Paid up shares:			
Nimbua Greenfield (Punjab) Ltd of Rs.10 each	84,375	148.58	84,375
		<u>148.58</u>	<u>135.27</u>
(ii) Investment in Mutual Funds (Unquoted)			
HDFC Banking and PSU Debt Fund - Reg Plan - Growth	1,604,353	334.17	1,604,353
HDFC Banking and PSU Debt Fund - Direct Growth Option	489,881	105.73	489,881
		<u>439.89</u>	<u>409.35</u>
<b>INVESTMENTS CARRIED AT AMORTISED COST:</b>			
<b>TOTAL NON-CURRENT INVESTMENTS</b>		<u>588.48</u>	<u>544.62</u>
Note: The Market Value of Quoted Investments is equal to the carrying value.			
<b>4.1 LONG TERM LOANS &amp; ADVANCES</b>			
Long term loan and advances consist of the following :-			
	(₹ in lakh)	(₹ in lakh)	
	As at	As at	
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023	
a) Unsecured, considered good Other Loans & Advances	242.44	-	
<b>5 OTHER FINANCIAL ASSETS (NON- CURRENT)</b>			
Other Financial assets consist of the following :-			
	(₹ in lakh)	(₹ in lakh)	
	As at	As at	
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023	
(i) Security deposits	203.86	156.13	
(ii) Bank Deposits with more than 12 months maturity	560.81	4,374.03	
(iii) Other Financial Assets	-	-	
	<u>764.66</u>	<u>4,530.16</u>	
<b>6 OTHER FINANCIAL ASSETS</b>			
Other non current assets consist of the following :-			
	(₹ in lakh)	(₹ in lakh)	
	As at	As at	
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023	
(i) Advance tax (including refunds receivable)	1,945.25	3,556.39	
(ii) Advances to Related Parties	-	-	
(iii) Other non-current assets	60.65	73.74	
	<u>2,005.90</u>	<u>3,630.13</u>	
<b>Other Loans &amp; Advances Consists of:</b>			
- Deferred Revenue Expenditure	11.42	3.46	
- Prepaid Expenses	1.47	17.10	
- Preliminary expenses	0.00	0.16	
- Pre Operative expenses	23.86	29.84	

<b>7</b>	<b>INVENTORIES</b>	(₹ in lakh)	(₹ in lakh)
	Inventories consist of the following :	As at	As at
		<b>31st March, 2024</b>	<b>31st March, 2023</b>
	Raw Materials	819.99	750.24
	Work-in-progress	337.75	306.39
	Finished Goods	5,399.55	6,720.41
	Stores & Spares	338.07	307.40
	Packing Material	17.54	14.40
	Stock in trade	414.35	1,481.38
		<u>7,327.25</u>	<u>9,580.22</u>

<b>8</b>	<b>CURRENT INVESTMENTS</b>	(₹ in lakh)	(₹ in lakh)
	Current investments consist of the following :	As at	As at
		<b>31st March, 2024</b>	<b>31st March, 2023</b>

**INVESTMENTS CARRIED AT FVTPL**

<b>i)</b>	<b>Investment in mutual funds (unquoted)</b>	<b>Units/Shares</b>		<b>Units/Shares</b>	
	ICICI Pru Short Term Fund - Direct Plan - Growth	3,72,070	219.27	3,72,070	202.29
	ICICI Pru Balanced Advantage Fund- Growth	3,04,101	195.99	3,04,101	159.71
	ICICI Prudential Blue Chip Fund	1,56,231	150.20	1,37,437	92.81
	ICICI Prudential Focused Equity Fund - Growth	-	-	1,55,452	78.63
	ICICI Prudential Short Term - Growth Option	36,572	19.91	36,572	18.48
	ICICI Liquid Plan Growth	-	-	3,772	12.47
	ICICI Pru Regular Saving Fund - Direct Plan- Growth	26,17,376	818.25	26,17,376	752.60
	ICICI Prudential Short Term - Growth Option	462	0.25	462	0.23
	ICICI Prudential Equity Savings Fund Cumulative	46,677	9.46	1,23,870	22.51
	ICICI Prudential India Opportunities Fund Growth	3,440	1.02	2,56,552	50.03
	ICICI Prudential MNC Fund Growth	55,203	13.77	55,203	10.27
	ICICI Prudential Banking and PSU Debt Fund - Growth	88,665	26.29	88,665	24.42
	ICICI Prudential Short Term Fund - Growth	3,90,798	212.74	3,90,798	197.47
	ICICI Prudential Short Term Fund - Direct plan - Growth	3,01,553	177.71	3,01,553	163.95
	ICICI Pru Banking & PSU Debt Fund - Direct Plan - Gr	3,47,908	107.08	3,47,908	99.14
	ICICI Pru Short Term Fund - Direct Plan - Growth	3,01,623	177.75	3,01,623	163.99
	ICICI Prudential Banking and PSU Debt Fund - Growth	5,79,686	171.91	-	-
	Nippon India Short Term Fund - Growth	11,19,402	533.37	5,79,686	159.69
	Invesco India Growth India Opp. Fund - Growth (GF-GP)	80,808	61.30	2,49,988	26.87
	UTI Hybird Eq. Fund - Growth	66,376	228.02	11,19,402	496.66
	UTI Value Opportunities Fund - Reg - Growth	1,00,167	135.97	-	-
	UTI Long Term Equity Fund- Tax Saving - Regular Plan- Growth	25,900	45.86	80,808	40.79
	UTI Flexi Cap Fund Regular Plan	39,151	106.01	66,376	170.87
	UTI Flexi Cap Fund- Regular - Growth	24,515	66.38	66,398	99.22
	UTI Healthcare Fund - Reg Plan- Gr	34,949	78.08	25,900	34.78
	UTI Small Cap Fund - Reg Plan - GR	-	-	-	-
	UTI Equity Fund	5,000	8.95	39,151	86.24
	ABSL Frontline Equity Fund - Reg - Growth	563	2.55	-	0.00
	Kotak Money Market Scheme- Growth- Regular	-	-	24,515	54.00
	Kotak Equity Fund Growth - Reg Plan	-	-	34949	50.12
	Kotak Pioneer Fund Growth (Reg Plan)	-	-	251079	37.07

Kotak Bond Fund (Short Term) - Reg - Growth	2,76,522	130.65	5,000	7.28
Kotak Equity Opportunities Fund - Growth - Reg Plan	-	-	26,241	88.74
HDFC Mid Term Opportunities Reg Plan - Growth	42,07,736	1234.33	331	12.59
HDFC Capital Builder Value Fund - Reg- Growth	899	5.52	71,434	53.06
HDFC Equity Fund - Reg - Growth	4,109	65.97	12,50,017	217.69
HDFC Small Cap Fund - Reg Plan - Growth	62,868	73.97	2,76,522	121.99
HDFC Low Duration Fund - Reg Plan - Growth	1,04,172	54.85	-	-
Axis Global Innovation Fund of Fund Reg Plan Growth	4,99,975	59.75	-	-
Axis Short Term Fund - Regular Growth	21,25,315	592.81	52,090	105.90
Axis Liquid Fund - Growth	-	-	42,07,736	1143.66
Axis Banking & PSU Debt Fund - Direct Growth( BD-DG)	4,225	103.67	899	3.90
Axis Banking & PSU Debt Fund - Regular Growth( BD-GP)	1,072	25.59	4,109	46.08
Axis Focused 25 Fund - REGULAR GROWTH( AF-GP)	1,01,047	49.61	62,868	50.07
IDFC Banking & PSU Debt Fund - Reg - Growth	1,16,158	25.95	1,04,172	51.13
IDFC Banking & PSU Debt Fund - Direct Plan - Growth	4,59,382	105.22	4,99,975	46.85
Sundaram Aggressive Hybrid Fund - Reg - Growth	-	-	21,25,315	552.73
Sundaram Short Duration Fund	8,851	3.55	3	0.08
Sundaram Balanced Advantage Fund	5,60,619	176.29	4,225	96.69
Sundaram Focused Fund	-	-	1,072	23.94
Sundaram Focused Fund	-	-	1,01,047	36.85
SBI Blue Chip Fund- Regular- Growth	1,62,396	129.89	1,16,158	24.26
SBI Bluechip Fund - DIRECT- Growth	1,22,918	107.94	4,59,382	98.09
SBI Energy Opportunities Fund - Regular Growth	99,995	10.09	1,59,922	177.14
PGIM India Dynamic Bond Fund - Direct Plan - growth	4,309	115.04	8851	3.31
Canara Robeco Gilt Fund - direct Growth	1,55,149	114.26	5,60,619	144.93
<b>TOTAL CURRENT INVESTMENTS</b>		<b>6,753.05</b>		<b>6,916.75</b>

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

#### 9 TRADE RECEIVABLES (Unsecured)

Trade receivable consist of the following :-

Inventories consist of the following :

	(₹ in lakh) As at 31st March, 2024	(₹ in lakh) As at 31st March, 2023
a) Receivable from Related Parties		
- Unsecured, considered good	47.49	37.68
b) Receivable from Others		
I) Unsecured, Considered good	11,363.08	9,240.86
ii) Receivables which have significant increase in credit risk	831.09	762.37
Less: Impairment Allowance (Allowance for Doubtful Receivables)	(450.82)	(321.64)
	<b>11,790.84</b>	<b>9,719.27</b>

### 9.1 Trade Receivables Ageing:

(₹ 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, 2024:						
(i) Undisputed Trade Receivables - considered good	10,758.89	278.09	179.18	205.01	-	11,421.17
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	43.07	34.49	52.34	690.60	820.50
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>10,758.89</b>	<b>321.16</b>	<b>213.67</b>	<b>257.35</b>	<b>690.60</b>	<b>12,241.67</b>

(₹ 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, 2023:						
(i) Undisputed Trade Receivables - considered good	8,555.10	330.72	210.25	195.68	-	9,291.75
(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	-	-	-	-	-	-
<b>Total</b>	<b>8,555.10</b>	<b>368.55</b>	<b>316.63</b>	<b>267.63</b>	<b>533.00</b>	<b>10,040.91</b>

### 10 CASH AND CASH EQUIVALENTS

(₹ in lakh)

(₹ in lakh)

Cash and Cash Equivalents consist of the following :-

As at  
31<sup>st</sup> March, 2024

As at  
31<sup>st</sup> March, 2023

#### Cash & Cash equivalents:

I) Balances with banks		
In current accounts	6,237.01	1,731.33
In cash credit accounts	4,244.87	2,533.64
(ii) Cheques on hand	88.83	64.35
(iii) Cash on hand	5.14	3.89
(iv) Imprest Balances	7.39	0.29
(v) Imprest Balances - Related Parties	14.84	-
(vi) Highly Liquid Investment with maturity of three months or less	12,377.60	15,738.60
	<u>22,975.68</u>	<u>20,072.10</u>

<b>11 OTHER BALANCES WITH BANKS</b>	(₹ in lakh)	(₹ in lakh)
<b>Other Balances with Banks consist of the following :-</b>	<b>As at</b>	<b>As at</b>
	<b>31<sup>st</sup> March, 2024</b>	<b>31<sup>st</sup> March, 2023</b>
<b>Cash &amp; Cash equivalents:</b>		
Other bank balances consists of following:		
- Short - Term Bank Deposits	8,376.51	4,801.39
	<u>8,376.51</u>	<u>4,801.39</u>
<b>12 LOANS AND ADVANCES - CURRENT</b>	(₹ in lakh)	(₹ in lakh)
<b>Short term loans and advances consist of the following :-</b>	<b>As at</b>	<b>As at</b>
	<b>31<sup>st</sup> March, 2024</b>	<b>31<sup>st</sup> March, 2023</b>
a) Unsecured, considered good		
(i) Loans and Advances to Subsidiaries	-	-
(ii) Loans and Advances to Related Parties	1,683.08	2,736.44
(iii) Loans and Advances to Employees	153.87	141.51
(iv) Other loans and advances	-	-
a) Unsecured, Considered good	4,088.82	1,469.46
b) Considered Doubtful	5.15	5.15
Less: Allowance for Doubtful Loans and Advances	(5.15)	(5.15)
	<u>5,925.77</u>	<u>4,347.41</u>
<b>Other loans and advances considered good includes</b>		
- Interest bearing loans & deposits	4,069.02	3,963.25
- Margin Money	668.57	214.78
- Advance to suppliers	24.95	29.35
<b>13 OTHER FINANCIAL ASSETS - CURRENT</b>	(₹ in lakh)	(₹ in lakh)
<b>Other current assets consist of the following :-</b>	<b>As at</b>	<b>As at</b>
	<b>31<sup>st</sup> March, 2024</b>	<b>31<sup>st</sup> March, 2023</b>
a) Interest receivable	1.76	17.12
b) Other Financial Assets	693.42	87.30
	<u>695.18</u>	<u>104.42</u>
Other financial assets includes :		
- Duty Drawback Receivable	14.82	11.67
- VAT Incentive Receivable at Hajipur	6.82	6.82
- Forward contract receivable a/c (net)	-	4.65
- MEIS/ Rodtep Incentive Receivable	34.75	44.88
<b>14 OTHER CURRENT ASSETS</b>	(₹ in lakh)	(₹ in lakh)
<b>Other current assets consist of the following :-</b>	<b>As at</b>	<b>As at</b>
	<b>31<sup>st</sup> March, 2024</b>	<b>31<sup>st</sup> March, 2023</b>
(i) Other Current Assets	3,291.18	1,775.73
Less: Allowance for Doubtful Other Assets	(8.84)	(8.84)
	<u>3,282.33</u>	<u>1,766.89</u>
Other loans and advances considered good includes:		
GST Refundable	1,673.45	677.37
Prepaid Expenses	73.72	70.96
Advance to Suppliers including Capital Advances	1,498.53	384.56



## 15 EQUITY SHARE CAPITAL

	(₹ in lakh) As at 31 <sup>st</sup> March, 2024	(₹ in lakh) As at 31 <sup>st</sup> March, 2023
<b>Authorised Share Capital :</b>		
10,00,000 Equity Shares (Previous Year 10,00,000) of ₹10/-each	<u>100.00</u>	<u>100.00</u>
Issued, Subscribed and paid up :	<u>100.00</u>	<u>100.00</u>
870494 Equity shares (Previous Year 853287) of ₹10/- each fully paid up	<u>87.05</u>	<u>87.05</u>
	<u>87.05</u>	<u>87.05</u>

### 15.1 Reconciliation of number of shares

#### Authorised Share Capital :

	As at 31 <sup>st</sup> March, 2024		As at 31 <sup>st</sup> March, 2023	
	No. of shares	Amount	No. of shares	Amount
Equity Shares				
- Opening Balance	870,494	87.05	870,494	87.05
- Changes during the year	-	-	17,207	1.72
- Closing Balance	870,494	87.05	870,494	87.05

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 31 <sup>st</sup> March, 2024		As at 31 <sup>st</sup> March, 2023	
	No. of Shares	%	No. of Shares	%
Rishi Pahwa	189,198	21.73%	189,157	21.73%
Mandeep Singh Pahwa	190,028	21.83%	190,069	21.83%
Onkar Singh Pahwa C/o Onkar Singh Pahwa Family Trust 1	100,134	11.50%	95,713	11.00%
Onkar Singh Pahwa C/o Onkar Singh Pahwa Family Trust 2	152,883	17.56%	132,880	15.26%
Sarabjit Kaur Pahwa C/o Sarabjit Kaur Pahwa Family Trust 1	100,134	11.50%	95,713	11.00%
Sarabjit Kaur Pahwa C/o Sarabjit Kaur Pahwa Family Trust 2	137,279	15.77%	132,880	15.26%

### 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, 2024:					
1 Sh. Onkar Singh Pahwa	24,424	(24,424)	0	0.00%	-2.81%
2 Smt. Sarabjit Kaur Pahwa	8,820	(8,820)	0	0.00%	-1.01%
3 Sh. Rishi Pahwa	189,157	41	189,198	21.73%	0.00%
4 Sh. Mandeep Singh Pahwa	190,069	(41)	190,028	21.83%	0.00%
5 Pahwa Estates & Holdings Pvt. Ltd.	-	-	-	0.00%	0.00%
6 Smt. Pallavi Pahwa	830	830	830.00	0.10%	0.00%
7 Onkar Singh Pahwa C/o Onkar Singh Pahwa Family Trust 1*	95,713	95,713	100,134.00	11.50%	0.51%
8 Onkar Singh Pahwa C/o Onkar Singh Pahwa Family Trust 2*	132,880	132,880	152,883.00	17.56%	2.30%
9 Sarabjit Kaur Pahwa C/o Sarabjit Kaur Pahwa Family Trust 1*	95,713	95,713	100,134.00	11.50%	0.51%
10 Sarabjit Kaur Pahwa C/o Sarabjit Kaur Pahwa Family Trust 2*	132,880	132,880	137,279.00	15.77%	0.51%
Total	<u>870,486</u>	<u>424,772</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, 2023:						
1	Sh. Onkar Singh Pahwa	228,593	(204,169)	24424	2.81%	-23.98%
2	Smt. Sarabjit Kaur Pahwa	228,593	(219,773)	8820	1.01%	-25.78%
3	Sh. Rishi Pahwa	170,047	19,110	189157	21.73%	1.80%
4	Sh. Mandeep Singh Pahwa	170,046	20,023	190069	21.83%	1.91%
5	Pahwa Estates & Holdings Pvt. Ltd.	56,000	(56,000)	-	0.00%	-6.56%
6	Smt. Pallavi Pahwa	-	830	830.00	0.10%	0.10%
7	Onkar Singh Pahwa C/o Onkar Singh Pahwa Family Trust 1*	-	95,713	95,713.00	11.00%	11.00%
8	Onkar Singh Pahwa C/o Onkar Singh Pahwa Family Trust 2*	-	132,880	132,880.00	15.27%	15.27%
9	Sarabjit Kaur Pahwa C/o Sarabjit Kaur Pahwa Family Trust 1*	-	95,713	95,713.00	11.00%	11.00%
10	Sarabjit Kaur Pahwa C/o Sarabjit Kaur Pahwa Family Trust 2*	-	132,880	132,880.00	15.27%	15.27%
	Total	<u>853,279</u>	<u>17,207</u>	<u>870,486</u>		

#### 16 OTHER EQUITY

Other Equity consist of the following:

		As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>General Reserve</b>			
As per last Balance Sheet	16,338.33		15,881.09
Less: Change due to Merger of PEHPL with ACL	-		(42.76)
Add: Transferred from Profit and Loss Account	500.00	16,838.33	500.00
			16,338.33
<b>Capital Redemption Reserve</b>			
As per last Balance Sheet	5.12		4.32
Add: Transfer from PEHPL	-	5.12	0.80
			5.12
<b>Capital Reserve</b>			
As per last Balance Sheet	36.48		-
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	-	36.48	(1.00)
			36.48
<b>Retained Earnings</b>			
As per last Balance Sheet	40,589.67		57,960.42
Add: Profit for the year	8,092.36		5,838.42
Other Comprehensive Income	22.17		8.71
	<u>48,704.20</u>		<u>63,807.55</u>
<b>Less : Appropriations</b>			
Transferred to General Reserve	500.00		500.00
Dividend on Equity Shares	348.20		170.66
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	(108.75)	47,747.25	(49.47)
Total		<u>64,627.18</u>	<u>56,969.43</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 <sup>st</sup> March, 2024	(₹ in lakh) As at 31 <sup>st</sup> March, 2023
Secured - at Amortized Cost		
Term Loans - from Banks	1,800.62	2,224.82
Term Loans - from Others	-	-
	<u>1,800.62</u>	<u>2,224.82</u>
Unsecured - at Amortized Cost		
Loans & Advances from related parties	728.67	1,206.63
	<u>728.67</u>	<u>1,206.63</u>
Total	<u>2,529.29</u>	<u>3,431.45</u>

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

Detail of Term Loans is:

(₹ in lakh)

Name of Facility	Repayment Terms	Security	Amount Outstanding as on 31.03.2024	Amount Outstanding as on 31.03.2023
EXIM Bank-Term Loan (15 Crores)	28 monthly installments starting from October 2022	Hypothecation of Fixed Assets created out of Term Loan	961.88	1,176.17
HDFC Bank-Term Loan-I (14.69 Crores)	28 monthly installments starting after from the first date of disbursement.	Hypothecation of Fixed Assets created out of Term Loan	838.73	1,048.65

**18 NON CURRENT LEASE LIABILITY**

Non- Current Lease Liabilities consist of the following :

	(₹ in lakh) As at 31 <sup>st</sup> March, 2024	(₹ in lakh) As at 31 <sup>st</sup> March, 2023
Lease Liability	181.88	229.56
	<u>181.88</u>	<u>229.56</u>

**19 OTHER FINANCIAL LIABILITIES**

Other Financial Liabilities consist of the following :

	(₹ in lakh) As at 31 <sup>st</sup> March, 2024	(₹ in lakh) As at 31 <sup>st</sup> March, 2023
Other Financial Liabilities	664.97	617.71
	<u>664.97</u>	<u>617.71</u>
Other Financial Liabilities includes:		
Dealer's Securities	599.17	552.81
Security Deposits	33.46	34.06

<b>20 LONG TERM PROVISIONS</b>	(₹ in lakh)	(₹ in lakh)
Long Term Provisions consist of the following :	As at	As at
	<b>31<sup>st</sup> March, 2024</b>	<b>31<sup>st</sup> March, 2023</b>
Other Provisions	<b>1,607.00</b>	3,184.00
	<b><u>1,607.00</u></b>	<u>3,184.00</u>
Other Provisions includes:		
Provision for Income Tax	<b>1,607.00</b>	3,184.00
<b>21 OTHER NON CURRENT LIABILITIES</b>	(₹ in lakh)	(₹ in lakh)
Other long -term liabilities consist of the following :	As at	As at
	<b>31<sup>st</sup> March, 2024</b>	<b>31<sup>st</sup> March, 2023</b>
Other Non - Current Liabilities	<b>316.76</b>	292.73
	<b><u>316.76</u></b>	<u>292.73</u>
Other Long Term Liabilities includes:		
Provision for Unpaid Earned Leaves	<b>217.58</b>	203.51
<b>22 SHORT TERM BORROWINGS</b>	(₹ in lakh)	(₹ in lakh)
Short -term borrowings consist of the followings	As at	As at
	<b>31<sup>st</sup> March, 2024</b>	<b>31<sup>st</sup> March, 2023</b>
Secured loans:		
i) Working Capital limits from Banks	<b>677.92</b>	500.00
ii) Current Maturities of Long Term Debt	<b><u>424.20</u></b>	<u>430.81</u>
	<b><u>1,102.12</u></b>	<u>930.81</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	
		31.03.2024	31.03.2023
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.	<b>521.27</b>	500.00
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.	<b>156.65</b>	-

<b>23 CURRENT LEASE LIABILITY</b>	(₹ in lakh)	(₹ in lakh)
Current Lease Liabilities consist of the following :	As at	As at
	<b>31<sup>st</sup> March, 2024</b>	<b>31<sup>st</sup> March, 2023</b>
Lease Liability	<b>47.68</b>	39.49
	<b><u>47.68</u></b>	<u>39.49</u>
<b>24 TRADE PAYABLES:</b>	(₹ in lakh)	(₹ in lakh)
Trade Payables consists of following:	As at	As at
	<b>31<sup>st</sup> March, 2024</b>	<b>31<sup>st</sup> March, 2023</b>
a) Trade Payables:		
a) Total Outstanding dues of micro enterprises and small enterprises	<b>3,410.73</b>	3,210.56
b) Total Outstanding dues of other than micro enterprises and small enterprises	<b>3,962.15</b>	3,195.97
b) Due to Related Parties	-	317.04
	<b><u>7,372.88</u></b>	<u>6,723.57</u>

**24.1 Trade Payables Ageing:**

(₹ in lakh)

Particulars	Not Due	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, 2024:						
(i) MSME	3,410.73	-	-	-	-	3,410.73
(ii) Others	2,864.89	1,012.29	22.08	30.64	32.25	3,962.15
(iii) Disputed dues- MSME		-	-	-	-	-
(iv) Disputed dues- Others		-	-	-	-	-
<b>Total</b>	<b>6,275.62</b>	<b>1,012.29</b>	<b>22.08</b>	<b>30.64</b>	<b>32.25</b>	<b>7,372.88</b>

(₹ in lakh)

Particulars	Not Due	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, 2024:						
(i) MSME	3,210.56	-	-	-	-	3,210.56
(ii) Others	2,460.32	977.32	34.47	24.35	16.55	3,513.01
(iii) Disputed dues- MSME		-	-	-	-	-
(iv) Disputed dues- Others		-	-	-	-	-
<b>Total</b>	<b>5,670.88</b>	<b>977.32</b>	<b>34.47</b>	<b>24.35</b>	<b>16.55</b>	<b>6,723.57</b>

**25 OTHER FINANCIAL LIABILITIES**

(₹ in lakh)

(₹ in lakh)

Other current liabilities consist of the following :

As at

As at

 31<sup>st</sup> March, 2024

 31<sup>st</sup> March, 2023

Other Financial Liabilities:

i) Due to Related Parties

-

-

ii) Due to Other than Related parties

563.30
769.63
563.30
769.63

Other Financial Liabilities includes:

Cheques Issued but not presented

464.31

695.64

**26 SHORT-TERM PROVISIONS**

(₹ in lakh)

(₹ in lakh)

Short -term borrowings consists of the following:

As at

As at

 31<sup>st</sup> March, 2024

 31<sup>st</sup> March, 2023

Provision for Unspent CSR Liability

-

3.59

-

3.59

**27 OTHER CURRENT LIABILITIES**

(₹ in lakh)

(₹ in lakh)

Other current liabilities consist of the following :

As at

As at

 31<sup>st</sup> March, 2024

 31<sup>st</sup> March, 2023

Advance received from Customers

188.70

229.44

Due to Related Parties

2,150.24

4,043.64

Other Payables

904.45

748.78

3,243.39
5,021.86

Other payables includes :

Statutory liabilities

285.88

239.67

Income Received in Advance

4.41

10.19

Advance from Sale of Property

23.29

12.00

<b>28 REVENUE FROM OPERATIONS</b>	(₹ in lakh)		(₹ in lakh)
<b>Other current liabilities consist of the following :</b>	<b>As at</b>		<b>As at</b>
	<b>Year Ended 31.03.2024</b>		<b>Year Ended 31.03.2023</b>
Sale of Products	115,788.87		87,408.95
Other Operating Revenues	177.51		366.37
	<u>115,966.38</u>		<u>87,775.32</u>
<b>28.1 PARTICULARS OF SALE OF PRODUCTS</b>	(₹ in lakh)		(₹ in lakh)
	<b>As at</b>		<b>As at</b>
<b>Particulars</b>	<b>Year Ended 31.03.2024</b>		<b>Year Ended 31.03.2023</b>
Bicycles & its parts	104,359.17		76,481.71
E-Bikes & its parts	841.48		1,146.80
E- Rickshaw & its parts	1,332.55		1,770.38
Power	8,517.52		5,875.77
Export Incentives	293.47		186.52
Others	444.68		1,947.77
	<u>115,788.86</u>		<u>87,408.95</u>
<b>29 OTHER INCOME</b>	(₹ in lakh)		(₹ in lakh)
	<b>As at</b>		<b>As at</b>
<b>Particulars</b>	<b>Year Ended 31.03.2024</b>		<b>Year Ended 31.03.2023</b>
a) Interest Income			
i) On Bank Deposits (at amortized cost)	628.38	254.51	
ii) On Loans & Advances (at amortized cost)	337.93	147.08	
iii) Other interest	<u>29.91</u>	<u>66.23</u>	467.82
b) Net gain on Sale/ Fair valuation of Investments			
i) Fair Valuation gain on Investments (net)	1,068.78	403.81	
ii) Profit on sale of current investments	829.69	284.14	
iii) Profit on sale of non-current investments	-	0.60	688.55
c) Royalty	31.99		33.23
d) Other Non Operating Income	266.75		259.55
	<u>3,193.44</u>		<u>1,449.15</u>
Other Non - Operating Income includes:			
- Rent Received	204.91		189.10
- Profit on Sale of property, plant & equipment	21.13		50.13
<b>30 COST OF MATERIALS CONSUMED</b>	(₹ in lakh)		(₹ in lakh)
	<b>As at</b>		<b>As at</b>
	<b>Year Ended 31.03.2024</b>		<b>Year Ended 31.03.2023</b>
	<b>% of</b>		<b>% of</b>
	<b>consumption</b>		<b>consumption</b>
Imported	1,460.52      1.99%	3,084.37	5.85%
Indigenous	72,115.18      98.01%	49,638.20	94.15%
Total	<u>73,575.70</u> <u>100.00%</u>	<u>52,722.57</u>	<u>100.00%</u>
<b>31 PURCHASE OF STOCK - IN - TRADE</b>	(₹ in lakh)		(₹ in lakh)
	<b>As at</b>		<b>As at</b>
	<b>Year Ended 31.03.2024</b>		<b>Year Ended 31.03.2023</b>
	<b>% of</b>		<b>% of</b>
	<b>consumption</b>		<b>consumption</b>
Imported	-      0.00%	0.86	0.01%
Indigenous	3,945.33      100.00%	6,286.36	99.99%
Total	<u>3,945.33</u> <u>100.00%</u>	<u>6,287.22</u>	<u>100%</u>

<b>32 CHANGE IN INVENTORIES OF FINISHED GOODS/</b>	(₹ in lakh)		(₹ in lakh)
<b>STOCK-IN-TRADE/ WORK-IN-PROGRESS</b>	<b>As at</b>	<b>As at</b>	
	<b>Year Ended 31.03.2024</b>	<b>Year Ended 31.03.2023</b>	
Opening Stock	8,092.47	6,526.48	
Less: Closing Stock	(5,821.16)	(8,092.48)	
	<u>2,271.31</u>	<u>(1,566.00)</u>	
<b>33 EMPLOYEE BENEFITS EXPENSE</b>	(₹ in lakh)	(₹ in lakh)	
	<b>As at</b>	<b>As at</b>	
	<b>Year Ended 31.03.2024</b>	<b>Year Ended 31.03.2023</b>	
Salaries and Wages	5,669.39	5,262.08	
Contribution to Provident and other Funds	500.43	473.39	
Staff Welfare Expenses	130.61	108.35	
Total	<u>6,300.43</u>	<u>5,843.82</u>	
<b>34 FINANCE COSTS</b>	(₹ in lakh)	(₹ in lakh)	
	<b>As at</b>	<b>As at</b>	
	<b>Year Ended 31.03.2024</b>	<b>Year Ended 31.03.2023</b>	
Interest Expenses	441.19	434.42	
Other borrowing costs	120.26	58.23	
	<u>561.45</u>	<u>492.65</u>	
<b>35 OTHER EXPENSES</b>	(₹ in lakh)	(₹ in lakh)	
	<b>As at</b>	<b>As at</b>	
	<b>Year Ended 31.03.2024</b>	<b>Year Ended 31.03.2023</b>	
<b>Manufacturing Expenses</b>			
Stores, chemical and packing material	5,407.52	4,074.22	
Processing Charges	532.99	229.66	
Power & Fuel	387.91	273.79	
Carriage Inward	90.44	63.14	
Repairs to Machinery	71.29	89.00	4,729.81
	<u>6,490.15</u>	<u>4,729.81</u>	
<b>Selling and distribution Expenses</b>			
Clearing & Forwarding Charges	10,980.06	9,860.42	
Commission	347.74	962.86	
Advertisement	946.67	1,037.72	
Other Selling Expenses	138.34	227.71	12,088.71
	<u>12,412.81</u>	<u>12,088.71</u>	
<b>Establishment Expenses</b>			
Printing & Stationery	31.81	23.40	
Postage, Telegrams & Telephone Expenses	63.21	57.56	
Traveling Expenses	538.12	423.47	
Vehicles Maintenance Expenses	44.38	43.46	
Repairs to Building	179.34	83.93	
Repairs & Renewals	112.05	67.67	
Payments to Auditors	18.10	17.95	
Charity & Donation	6.20	160.17	
Insurance	173.58	171.18	
Rates & Taxes	28.71	35.27	
Legal & Professional Charges	253.76	160.40	
Bad Debts & Advances written off	10.61	358.11	
Miscellaneous Expenses	364.16	306.34	1,908.91
	<u>20,726.96</u>	<u>18,727.43</u>	
<b>35.1 PAYMENT TO AUDITOR AS</b>	(₹ in lakh)	(₹ in lakh)	
	<b>As at</b>	<b>As at</b>	
	<b>Year Ended 31.03.2024</b>	<b>Year Ended 31.03.2023</b>	
i) Audit Fees	2.10	2.10	
ii) Tax Audit Fee	2.00	3.50	
iii) GST/ VAT Audit Fee	-	-	
iv) Certification fees	-	-	
iii) Others	14.00	12.35	
	<u>18.10</u>	<u>17.95</u>	
<b>36 CONTINGENT LIABILITIES:</b>	(₹ in lakh)	(₹ in lakh)	
	<b>As at</b>	<b>As at</b>	
	<b>Year Ended 31.03.2024</b>	<b>Year Ended 31.03.2023</b>	
a) Guarantees given by Bank	3030.34	6090.39	
b) Proposed Dividend	174.10	174.10	



- c) i) The Group has given Corporate Guarantee to Indusind Bank and Manapuram Finance to make good any default committed by the persons who get finance for the purchase of E-Rickshaw and E-Bike of Avon Cycles Ltd. The total amount outstanding was ₹61.46 Lakh. No Provision has been made in the Consolidated financial statements.
  - 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 Rs. 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, 2024 include an amount of ₹ 20 per equity share towards final dividend for the year ended March 31, 2023 and Interim Dividend of ₹ 20 per equity share for the year ended March 31, 2024. 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, 2024, the income available for distribution were ₹ 8238.76 Lakh. Total cash outflow of dividend for the year ended March 31, 2024 are ₹ 348.20 Lacs. Further, Board proposed an amount of ₹ 20 per equity share towards final dividend for the year ended March 31, 2024. Dividend, if approved by shareholders at Annual General Meeting, the dividend would result in a further cash outflow of ₹ 174.09 Lakh.

#### 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
<b>Deferred Tax Assets:</b>				
Property, Plant & Equipment, and Intangible Assets	-	13.60	-	13.60
Expenses deductible in Future Years	137.40	119.68	-	257.08
Provision for Doubtful Debts/ Advances	84.47	(82.89)	-	1.58
Losses allowable in future years	347.81	(167.27)	-	180.54
ROU Assets	70.28	(26.28)	-	44.00
Other Financial Liabilities	-	2.81	-	2.81
Others	-	-	-	-
	<u>639.96</u>	<u>(140.35)</u>	-	<u>499.61</u>
<b>Deferred Tax Liabilities:</b>				
Property, Plant & Equipment, and Intangible Assets	74.91	(6.13)	-	68.78
Other Financial Assets	-	29.76	-	29.76
Investment in Bonds, Mutual Funds and equity instruments	728.41	(256.62)	-	471.80
Other Financial Liabilities	-	2.05	-	2.05
Others	3.26	(10.61)	7.35	0.00
	<u>806.58</u>	<u>(241.55)</u>	<u>7.35</u>	<u>572.38</u>
Net Deferred Tax Liability	<u>(166.62)</u>	<u>101.20</u>	<u>(7.35)</u>	<u>(72.77)</u>

##### 40.2 Income Tax Recognized in Profit or Loss:

	(₹ in lakh) As at For Year Ended 31 <sup>st</sup> March, 2024	(₹ in lakh) As at For Year Ended 31 <sup>st</sup> March, 2023
<b>Particulars</b>		
Current Tax		
In respect of current year	2,299.22	1,607.00
<b>Deferred Tax</b>		
In respect of Current Year	<u>(121.72)</u>	<u>(2,127.76)</u>
<b>Total Income Tax Expense Recognized</b>	<u>2,177.50</u>	<u>(520.76)</u>

##### 40.3 Income Tax recognized in Other Comprehensive Income

	(₹ in lakh) As at For Year Ended 31 <sup>st</sup> March, 2024	(₹ in lakh) As at For Year Ended 31 <sup>st</sup> March, 2023
<b>Particulars</b>		
Arising on Remeasurement of Defined benefit Obligation	<u>(7.35)</u>	<u>2.78</u>
	<u>(7.35)</u>	<u>2.78</u>

#### 41 EARNINGS PER EQUITY SHARES

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

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

	(₹ in lakh) As at For Year Ended 31 <sup>st</sup> March, 2024	(₹ in lakh) As at For Year Ended 31 <sup>st</sup> March, 2023
<b>Particulars</b>		
Profit/ (Loss) after Tax	8,092.36	5,838.23
Less: Adjustment of Income Tax Earlier Years	108.75	49.46
Profit after adjustment of Income Tax Earlier Years (A)	8,201.11	5,887.69
Weighted average number of equity shares (B)	870,494.00	870,494.00
Earning per share : Basic/Diluted (A/B) ₹	942.12	676.36

#### 42 Interest includes ₹ 99.10 Lac for F/Y 2023-2024 and ₹ 127.53 Lakh for F/Y 2022-2023 paid to Directors.

- 43 No any contribution to Political Party made in Financial Year 2023-24, Charity & Donation includes ₹ 155 Lakh contributed to political parties during Financial year 2022-23, detail of which is as below:

Party Name	(₹ in lakh) 31 <sup>st</sup> March, 2024	(₹ in lakh) 31 <sup>st</sup> March, 2023
Bhartiya Janta Party	-	15.00
Electoral Bonds	-	140.00
	<u>-</u>	<u>155.00</u>

- 44 Interest received of ₹ 957.32 Lakh (Previous Year ₹ 467.82 Lakh) includes Tax deducted at source of ₹115.21 Lakh (Previous Year ₹61.80 Lakh).
- 45 Expenditure on insurance includes ₹ 44.98 Lakh (Previous year ₹ 13.61 Lakh) being premiums paid under Keyman Insurance schemes to cover risks on life of Key Management personnel.
- 46 Sales-tax assessments have been completed up to the accounting year ended 31st March 2016.
- 47 Income -tax assessments of the Group have been completed up to the accounting year ended 31.03.2023 relevant to the assessment year 2023-24.

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

Particulars	(₹in lakh) As at 2023-2024	(₹in lakh) As at 2022 - 2023
i) The amount required to be spent under CSR Obligation	126.52	147.56
ii) The amount of expenditure incurred during the year	129.05	148.07
iii) Shortfall at the end of the year	(2.53)	(0.51)
iv) Total of Previous Years Shortfall	-	3.54
v) Movement of Provision for unspent CSR:		
Opening	3.54	52.97
Provision created during the year	-	-
Spent during the year	3.54	49.43
Closing	<u>-</u>	<u>3.54</u>
vi) Detail of nature of CSR Expenditure incurred during the year:	(₹in Lakh) 2023-2024	(₹in Lakh) 2022-2023
a) Animal Welfare	2.00	4.59
b) Welfare of Armed Forces	32.65	-
c) Education	11.80	12.06
d) Environment	62.71	15.13
e) Health	0.50	58.82
f) Hunger	11.24	3.83
g) Sports	8.31	0.64
h) Art & Culture	0.25	53.00
Total	<u>129.46</u>	<u>148.07</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	2023-2024	2022-2023
A)	(i) Principal amount remaining unpaid at the end of accounting year	<b>3,410.73</b>	(43.69)
	(ii) Interest due on above	-	21.86
B)	The amount of interest paid by the Group in terms of section 16 of the MSMED, along with amount	-	13.41
C)	The amount of interest accrued and remaining unpaid at the end of the financial year.	-	21.86
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
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 Group.

**52 Government Grants:****(₹ in lakh)****(₹ in lakh)****As at****As at****2023-2024****2022 - 2023**

At the Beginning

**6.82**

6.82

Provided during the year

-

-

Received/ Adjusted during the year

-

-

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) As at 31 <sup>st</sup> March, 2024	(₹ in lakh) As at 31 <sup>st</sup> March, 2023
Variable Rate Borrowings	5,060.74	4,817.84
Fixed Rate Borrowings	728.67	1,214.43

#### 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) As at 31 <sup>st</sup> March, 2024	(₹ in lakh) As at 31 <sup>st</sup> March, 2023
Increase by 50 Basis Points	25.30	24.09
Decrease by 50 Basis Points	(25.30)	(24.09)

##### 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) As at 31 <sup>st</sup> March, 2024	(USD in lakh) As at 31 <sup>st</sup> March, 2023
Trade Receivables	16.57	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) As at 31 <sup>st</sup> March 2024		(₹ in lakh) As at 31 <sup>st</sup> March 2023	
	5% Increase	5% Increase	5% Increase	5% Increase
<b>USD</b>				
Increase/ (Decrease) in Profit or Loss	69.08	(69.08)	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 <sup>st</sup> March, 2024	(USD in lakh) 31 <sup>st</sup> March, 2023
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	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 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.

<b>Trade Receivables</b>	<b>(₹ in lakh)</b>	<b>(₹ in lakh)</b>
	<b>As at</b>	<b>As at</b>
	<b>31<sup>st</sup> March, 2024</b>	<b>31<sup>st</sup> March, 2023</b>
Not Due	<b>10,225.80</b>	6,554.98
Up to Six Months Past Due	<b>533.09</b>	2,000.12
6 Months to 1 Year Past Due	<b>321.15</b>	368.54
More Than 1 Year Past Due	<b>1,161.62</b>	1,117.26
	<b><u>12,241.66</u></b>	<b><u>10,040.90</u></b>
<b>Provision for Doubtful Debts</b>		
Provision for Doubtful Debts	<b>(450.82)</b>	(321.64)
<b>Total</b>	<b><u>11,790.84</u></b>	<b><u>9,719.26</u></b>
	<b>(₹ in Lakh)</b>	<b>(₹ in Lakh)</b>
	<b>As at</b>	<b>As at</b>
	<b>31st March, 2024</b>	<b>31st March 2023</b>
<b>Reconciliation of Provision for Doubtful Debts</b>		
<b>Balance at the Beginning of the Year</b>	<b>321.64</b>	250.30
Add: Provision made during the year	<b>129.18</b>	132.81
Less: Transfer due to De-Merger	-	61.47
Less: Provision Written Back during the Year	-	-
<b>Balance at the end of the Year</b>	<b><u>450.82</u></b>	<b><u>321.64</u></b>

### (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:

<b>Floating rate</b>	<b>(₹ in lakh)</b>	<b>(₹ in lakh)</b>
	<b>As at</b>	<b>As at</b>
<b>(a) Expiring within one year (Bank overdraft and other facilities)</b>	<b>31<sup>st</sup> March, 2024</b>	<b>31<sup>st</sup> March, 2023</b>
<b>Secured</b>		
- Working Capital Limits	<b>677.92</b>	500.00
<b>(b) Expiring beyond one year (Bank loans)</b>		
<b>Secured</b>		
-Term loan from banks	<b>1,800.62</b>	2,224.82

<b>ii) Maturity Patterns of borrowings</b>				<b>(₹ in lakh)</b>
	<b>Less than 1Year</b>	<b>1 to 2 years</b>	<b>2 to 5 years</b>	<b>More than 5 yrs</b>
Year ended 31st March, 2024				
Contractual Maturities of borrowings	1,102.12	1,152.87	1,272.61	103.80
Contractual Maturities of trade payables	7,372.88	-	-	-
Contractual Maturities of other financial liabilities	644.44	665.50	147.89	-
<b>Total</b>	<b><u>9,119.44</u></b>	<b><u>1,818.37</u></b>	<b><u>1,420.50</u></b>	<b><u>103.80</u></b>
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
<b>Total</b>	<b><u>8,463.50</u></b>	<b><u>1,677.31</u></b>	<b><u>1,379.91</u></b>	<b><u>1,221.50</u></b>



## 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) As at 31 <sup>st</sup> March, 2024	(₹ in lakh) As at 31 <sup>st</sup> March, 2023
Borrowings	3,631.41	4,362.27
Trade Payables	7,372.88	6,723.57
Less: Cash & Cash Equivalents	(22,975.68)	(20,072.09)
Net Debt	(11,971.39)	(8,986.25)
Equity	64,714.23	57,056.47
Capital & Net Debt	52,742.84	48,070.21
Gearing Ratio	-22.70%	-18.69%

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 2024.

## 56 Expenditure Incurred on Research & Development

	(₹ in lakh) As at 2023-2024	(₹ in lakh) As at 2022-2023
Particulars		
- Capital Expenditure	2.40	2.17
- Revenue Expenditure	158.20	152.82
	<u>160.60</u>	<u>154.99</u>

## 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.

	(₹ in lakh) As at 31 <sup>st</sup> March 2024	(₹ in lakh) As at 31 <sup>st</sup> March 2023
a) <b>Changes in Defined Benefit Obligation</b>		
Gratuity Plan	1,115.29	1,014.82

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

	(₹ in lakh) As at 31 <sup>st</sup> March 2024	(₹ in lakh) As at 31 <sup>st</sup> March 2023
Changes in Defined Benefit Obligation		
Present value obligation as at the start of the year	1,014.81	966.77
Interest costs	75.76	69.56
Current Service costs	107.36	103.16
Benefits paid	(59.57)	(111.42)
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in financial assumptions	25.70	(24.00)
- experience Variance	(48.77)	10.76
<b>Present value obligation as at the end of the year</b>	<b>1,115.29</b>	<b>1,014.82</b>

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

	(₹ in lakh) As at 31 <sup>st</sup> March 2024	(₹ in lakh) As at 31 <sup>st</sup> March 2023
Change in fair value of plan assets		
Fair value of plan assets as at the start of the year	934.23	890.42
Return on plan assets	69.39	64.50
Actuarial gains/ (losses)	3.97	(2.19)
Contributions by employer	87.99	92.92
Benefits paid	(59.57)	(111.42)
Fair value of plan assets as at the end of the year	1,036.00	934.23

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

	(₹ in lakh) As at 31 <sup>st</sup> March 2024	(₹ in lakh) As at 31 <sup>st</sup> March 2023
Particulars		
Present value obligation as at the end of the year	1,115.29	1,014.81
Fair value of plan assets as at the end of the year	1,036.00	934.23
Net asset/(obligation) recognized in balance sheet	(79.28)	(80.59)

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

	(₹ in lakh) As at 31 <sup>st</sup> March 2024	(₹ in lakh) As at 31 <sup>st</sup> March 2023
Particulars		
Amount recognized in the statement of profit and loss		
Current service cost	107.36	103.15
Interest on obligation	6.02	5.49
Total included in employee benefit expense	113.38	108.65

- f) Amount recognised in the statement of Other Comprehensive Income

	(₹ in lakh) As at 31 <sup>st</sup> March 2024	(₹ in lakh) As at 31 <sup>st</sup> March 2023
Particulars		
Change in Financial Assumptions	25.70	(24.00)
Change in Demographic Assumptions	-	-
Experience Variance i.e. Actual Experience vs Assumptions	(48.77)	10.76
Actuarial Gain/(Loss) for the year	(3.30)	2.19
Return on Planned Assets, excluding amount recognised in net interest expense	(0.32)	(0.44)
Components of defined benefit cost recognised in OCI	(26.70)	(11.49)

g) Principal actuarial assumptions at the balance sheet date:

Particulars	(₹ in lakh) As at 31 <sup>st</sup> March 2024	(₹ in lakh) As at 31 <sup>st</sup> March 2023
Actuarial Assumptions		
Discount rate (per annum)	7.45%	7.45%
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) As at 31 <sup>st</sup> March 2024	(₹ in lakh) As at 31 <sup>st</sup> March 2023
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) As at 31 <sup>st</sup> March 2024	(₹ in lakh) As at 31 <sup>st</sup> March 2023
Defined Benefit Obligation (base)	1,115.29	1,014.81

ii) Particulars

Particulars	As at 31 <sup>st</sup> March, 2024		As at 31 <sup>st</sup> March, 2023	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+1%) (% change compared to base due to sensitivity)	1,230.21 10.30%	1,018.89 -8.64%	2,029.44 11.25%	929.78 -9.50%
Salary Growth Rate (-/+1%) (% change compared to base due to sensitivity)	112.08 -89.95%	1,222.66 9.63%	2,026.23 -9.30%	1,110.36 10.75%
Attrition Rate (-/+ 50% of attrition rates) (% change compared to base due to sensitivity)	1,131.02 1.41%	1,102.19 -1.17%	2,014.19 18.90%	1,009.61 -12.30%
Mortality Rate (-/+ 10% of mortality rates) (% change compared to base due to sensitivity)	1,115.61 0.03%	1,114.95 -0.03%	2,013.17 0.00%	1,014.58 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	245.04
2 to 5 years	267.98
6 to 10 years	361.75
More than 10 years	<u>884.82</u>

#### 58 EMPLOYEE BENEFITS - EARNED LEAVE PLAN

Assets and Liability (Balance Sheet Position)  
Particulars

	As at 31.03.2024	As at 31.03.2023
Present Value of obligation	278.81	259.40
Fair Value of Plan Assets	-	-
Surplus/(Deficit)	(278.81)	(259.40)
Effects of Asset Celling, if any	-	-
Net Asset/(Liability)	(278.81)	(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 at 31.03.2024	As at 31.03.2023
Current Liability(Short Term)	46.49	55.89
Non-Current Liability(Long Term)	232.32	203.50
Present Value of obligation as at the end	278.81	259.40

#### Expenses Recognized in income Statement

Particulars	As at 31.03.2024	As at 31.03.2023
Present value of obligation as at the beginning	267.22	170.34
Present value of obligation as at the end	278.81	259.40
Benefit Payment	28.07	29.15
Actual return on plan assets	-	-
Transfer in/(out)	-	-
Expenses Recognized in income statement	39.67	118.22

#### Financial Assumptions

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

Particulars	As at 31.03.2024	As at 31.03.2023
Discount rate (per annum)	7.20%	7.45%
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, detemined considering the general trend in inflation ,seniority, promotions, past experience and other relevant factors such as demand and supply in employment marketed.

### Demographic Assumptions

Particulars	As at 31.03.2024	As at 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	31.03.2024	31.03.2023
Present Value of obligation (Base)	278.81	259.40

Particulars	As at 31 <sup>st</sup> March, 2024		As at 31 <sup>st</sup> March, 2023	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+1%)	314.10	249.58	289.03	234.57
(% change compared to base due to sensitivity)	12.66%	-10.48%	11.40%	-9.60%
Salary Growth Rate (-/+1%)	249.78	313.14	234.68	288.28
(% change compared to base due to sensitivity)	-10.41%	12.31%	-9.50%	11.10%
Attrition Rate (-/+ 50% of attrition rates)	285.04	274.31	262.05	257.07
(% change compared to base due to sensitivity)	2.23%	-1.61%	1.00%	-0.90%
Mortality Rate (-/+ 10% of mortality rates)	278.94	278.69	259.49	259.31
(% change compared to base due to sensitivity)	0.05%	-0.04%	0.00%	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 cash flows)	12 Years
Expected cash flows over the next (Valued on un discounted basis)	Indian Rupees (INR)
1 year	46.49
2 to 5 years	46.80
6 to 10 years	69.96
More than 10 years	657.39

## **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. Mahesh 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	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Rent Paid	-	-	37.61	-	-	-	-	-
Remuneration Paid	-	-	-	-	1,835.06	1,716.03	-	174.89
Interest Paid	-	-	-	25.48	48.48	74.08	50.62	53.45
Interest Received	75.64	57.16	-	0.14	-	-	-	-
Rent Received	-	-	73.60	79.30	-	-	-	-
Service Charges Received	-	-	0.07	0.93	-	-	-	-
Dividend Paid	-	-	-	11.20	156.58	113.74	1.93	45.72
Royalty	-	-	31.99	33.23	-	-	-	-
Food Bill	-	-	7.17	3.89	-	-	-	-
Purchase	-	-	-	-	-	-	5,083.15	4,377.72
Sale	0.00	-	1.93	0.15	-	-	109.49	14.03
Sale/ Trf. of Fixed Assets	-	-	-	-	-	-	-	-
Sitting Fees	-	-	-	-	1.70	1.30	-	-
Re-imbursement of expenses	71.95	42.05	45.54	288.71	-	-	-	-
Loan Given	600.00	515.00	-	-	-	-	-	-
Loan Received Back	-	-	-	400.00	-	-	-	-
Legal & Professional Charges	-	-	-	-	-	-	-	-
Payment of Misc. Charges	-	-	-	-	-	-	-	-
Purchase of Shares	-	-	-	-	-	-	-	-
Debit balances outstanding as at the closing	1,683.42	1,066.44	47.48	35.90	-	-	-	-
Credit balances as at the closing	-	-	4.16	0.04	53.29	44.05	165.62	314.33



## 60 Fair Value Measurement

### (a) Financial Instruments by Category

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

	(₹ in lakh) As at 31 <sup>st</sup> March 2024			(₹ in lakh) As at 31 <sup>st</sup> March 2023		
Particulars	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Assets						
Financial Assets						
Investments	7,341.53	-	-	7,461.37	-	-
Trade Receivables	-	-	11,790.84	-	-	9,719.27
Other Financial Assets	-	-	7,628.05	-	-	8,981.99
Cash & Cash Equivalents	12,377.60	-	10,598.08	15,738.60	-	4,333.50
Other Bank Balances	-	-	8,376.51	-	-	4,801.39
Total	19,719.13	-	38,393.49	23,199.97	-	27,836.15
Financial Liabilities						
Borrowings	-	-	3,631.41	-	-	4,362.26
Trade Payables	-	-	7,372.88	-	-	6,723.57
Other Financial Liabilities	-	-	1,457.82	-	-	1,656.39
Total	-	-	12,462.11	-	-	12,742.22

### (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) As at 31 <sup>st</sup> March 2024			(₹ in lakh) As at 31 <sup>st</sup> March 2023		
Particulars	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investments	7,192.94	-	148.58	7,326.10	-	135.27
Cash & Cash Equivalents	12,377.60	-	-	15,738.60	-	-
Total	19,570.54	-	148.58	23,064.70	-	135.27

Financial assets and liabilities measured at amortized cost for which fair values are disclosed	(₹ in lakh) As at 31 <sup>st</sup> March 2024			(₹ in lakh) As at 31 <sup>st</sup> March 2023		
Particulars	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investments	-	-	-	-	-	-
Trade Receivables	-	-	11,790.84	-	-	9,719.27
Other Financial Assets	-	-	7,628.05	-	-	8,981.99
Cash & Cash Equivalents	-	-	10,598.08	-	-	4,333.50
Other Bank Balances	-	-	8,376.51	-	-	4,801.39
Total	-	-	38,393.49	-	-	27,836.15
Financial Liabilities						
Borrowings	-	-	3,631.41	-	-	4,362.26
Trade Payables	-	-	7,372.88	-	-	6,723.57
Other Financial Liabilities	-	-	1,457.82	-	-	1,656.39
Total	-	-	12,462.11	-	-	12,742.22

#### 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**

	(₹ in lakh) 31 <sup>st</sup> March 2024		(₹ in lakh) 31 <sup>st</sup> March 2023	
Particulars	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets</b>				
Investments	-	-	-	-
Margin Money	668.57	668.57	214.78	214.78
Employee Loans	153.87	153.87	141.51	141.51
Other Financial Assets	-	-	-	-
<b>Total</b>	<b>822.44</b>	<b>822.44</b>	<b>356.29</b>	<b>356.29</b>
<b>Financial Liabilities</b>				
Security Deposits	33.46	33.46	34.06	34.06
<b>Total</b>	<b>33.46</b>	<b>33.46</b>	<b>34.06</b>	<b>34.06</b>

The carrying amounts of trade receivables, trade payables, advances to employees, cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to short term nature. The fair values for FMP's, Margin Money, Employee Loans and security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

**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 net assets	(₹ in Lakh)	As % of consolidated other comprehensive income	(₹ in Lakh)	As % of consolidated other comprehensive income	(₹ in Lakh)
Parent								
M/s Avon Cycles Ltd.	101.05%	65,393.75	101.81%	8,238.76	98.56%	21.85	101.80%	8,260.61
Subsidiary								
M/s Avon New age Cycles Pvt. Ltd.	5.36%	3,469.62	-1.81%	(146.40)	1.44%	0.32	-1.80%	(146.08)
<b>Total</b>	<b>106.41%</b>	<b>68,863.37</b>	<b>100.00%</b>	<b>8,092.36</b>	<b>100.00%</b>	<b>22.17</b>	<b>100.00%</b>	<b>8,114.53</b>
Adjustment arising out of Consolidation	-6.41%	(4,149.14)	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
Non - Controlling interest in all subsidiaries	-	-	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%	-	-	-
<b>Total</b>	<b>100%</b>	<b>64,714.23</b>	<b>100%</b>	<b>8,092.36</b>	<b>100%</b>	<b>22.17</b>	<b>100%</b>	<b>8,114.53</b>

### 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 the 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) As at 2023-2024	(₹ in lakh) As at 2022-2023
India	106,977.88	79,648.79
Africa	1,134.64	5,068.80
South/Latin America	50.10	38.60
Asia	366.22	455.64
South Africa	2,697.98	19.66
Europe	4,417.16	293.04
Unallocated Revenue	144.89	1,884.42
	<u>115,788.87</u>	<u>87,408.95</u>

Information regarding geographical non- current assets is as follows:

	(₹ in lakh) As at 31 <sup>st</sup> March 2024	(₹ in lakh) As at 31 <sup>st</sup> March 2023
Non - Current Assets:		
Within India	14,922.40	20,468.53
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, 2024 and 2023, 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 31.03.2024 Amount Outstanding (₹ in lakh)	%age to Total Loans & Advances	As at 31.03.2023 Amount Outstanding	%age to Total Loans & Advances (₹ in lakh)
a) To Associates	1683.08	27.29%	1,066.44	24.53%
b) To other Related Parties	0.00	0.00%	-	0.00%

- 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 H.K. Chitkara & Co.  
 Chartered Accountants  
 Firm Registration No.001571N

For and on behalf of the Board

For and on behalf of the Board

sd/-  
 (Sameer Chitkara)  
 Partner  
 M.No 094353  
 Place : Ludhiana  
 Dated: 26.09.2024

sd/-  
 (Rishi Pahwa)  
 Joint Managing Director  
 DIN - 00286399

sd/-  
 (Mandeep Singh Pahwa)  
 Executive Director  
 DIN - 00248245





**AVON**

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