

INDEPENDENT AUDITOR'S REPORT

To the Members of Avon Solutions & Logistics Private Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Avon Solutions & Logistics Private Limited ("the Company"), which comprise the Balance sheet as at March 31, 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS 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 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 audit opinion on the Ind AS financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS 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 the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibility of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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 Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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 control 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 with reference to Ind AS financial statements 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 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 Ind AS financial statements, including the disclosures, and whether the Ind AS 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.

Report on Other Legal and Regulatory Requirements

- (i) As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- (ii) As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to 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, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - 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 or entity, 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 or entity, 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 performed that have been 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. No dividend has been declared or paid during the year by the Company.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004


per **Chirag Shah**

Partner

Membership Number: 121648

UDIN: 22121648AXFVZA4446

Place of Signature: Chennai

Date: September 30, 2022



Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Avon Solutions & Logistics Private Limited ("the Company")

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) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - (a) (B) The Company has maintained proper records showing full particulars of intangibles assets.
 - (b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
 - (c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.
 - (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.
 - (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.
 - (b) The Company has not been sanctioned working capital limits in excess of INR five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
 - (b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.
 - (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) and (d) of the Order is not applicable to the Company.
 - (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.



- (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. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- (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 Company is not in the business of sale of any goods or provision of such services as prescribed. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.
- (vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in case of Income tax (tax deducted at source) (upto 34 days) and Goods and service tax (upto 43 days). According to the information and explanations given to us and based on audit procedures performed by us, undisputed dues in respect of goods and services tax, provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

Statement of Arrears of Statutory Dues Outstanding for More than Six Months

Name of the Statute	Nature of the Dues	Amount in INR lakhs	Period to which the amount relates
Labour welfare fund Act, 1965	Labour welfare fund	50.16	FY 2012-13 to FY 2018-19
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 *	Provident fund	28.31	FY 2007-08 to FY 2011-12

* excludes interest

- (b) There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess, and other statutory dues which have not been deposited on account of any dispute.
- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.



- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
- (d) The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.
- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 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. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.
- (xiv) The Company does not have an internal audit system and is not required to have an internal audit system under the provisions of Section 138 of the Companies Act, 2013. Therefore, the requirement to report under clause 3(xiv)(a) and (b) of the Order is not applicable to the Company.
- (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.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- (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) 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. The Company has not incurred cash losses in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 42 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. This matter has been disclosed in note 28A to the financial statements.
- (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 28A to the financial statements.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Chirag Shah

Partner

Membership Number: 121648

UDIN: 22121648AXFVZA4446

Place of Signature: Chennai

Date: September 30, 2022



Annexure 2 to the Independent Auditor's report of even date on the Ind AS financial statements of Avon Solutions & Logistics Private Limited

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

We have audited the internal financial controls with reference to Ind AS financial statements of Avon Solutions & Logistics Private Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these Ind AS 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, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, 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 with reference to these Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Ind AS financial statements included obtaining an understanding of internal financial controls with reference to these Ind AS 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 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 with reference to these Ind AS financial statements.



Meaning of Internal Financial Controls With Reference to these Ind AS Financial Statements

A company's internal financial controls with reference to Ind AS financial statements 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 controls with reference to Ind AS 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 With Reference to Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to Ind AS financial statements, 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 with reference to Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to Ind AS 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 our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Ind AS financial statements and such internal financial controls with reference to Ind AS financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Chirag Shah

Partner

Membership Number: 121648

UDIN: 22121648AXFVZA4446

Place of Signature: Chennai

Date: September 30, 2022



Avon Solutions & Logistics Private Limited

Balance sheet as at March 31, 2022

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Particulars	Notes	As at 31-Mar-2022	As at 31-Mar-2021
ASSETS			
Non-Current Assets			
(a) Property plant and equipment	3	31.22	20.99
(b) Intangible assets	3A	8.80	5.20
(c) Right-of-use assets	4	2.86	19.93
(d) Financial assets			
(i) Bank balances other than cash and cash equivalents	12	1,759.16	501.85
(ii) Other financial assets	5	23.39	17.21
(e) Other non-current assets	7	3.57	4.07
(f) Deferred tax asset (Net)	9	237.56	212.14
(g) Income tax asset (Net)	10	130.99	130.99
		<u>2,197.55</u>	<u>912.38</u>
Current Assets			
(a) Financial assets			
(i) Trade receivables	11	1,496.66	1,145.61
(ii) Cash and cash equivalents	12	12.21	61.67
(iii) Other financial assets	6	881.63	1,269.51
(b) Other current assets	8	45.48	29.88
		<u>2,435.98</u>	<u>2,506.67</u>
Total Assets		<u>4,633.53</u>	<u>3,419.05</u>
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	24.85	28.85
(b) Other equity	14	2,743.97	1,768.37
Total Equity		<u>2,768.82</u>	<u>1,797.22</u>
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	4	-	3.38
(b) Provisions	15	256.53	223.45
		<u>256.53</u>	<u>226.83</u>
Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	17	108.78	-
(ii) Lease liabilities	4	4.15	19.11
(iii) Trade payables	18		
Total outstanding dues of micro, small and medium enterprises		2.61	0.45
Total outstanding dues of creditors other than micro, small and medium enterprises		341.06	267.87
(iv) Other current financial liabilities	19	725.79	606.57
(b) Provisions	16	128.68	104.02
(c) Other current liabilities	20	158.67	147.19
(d) Liabilities for current tax (net)	21	138.44	249.79
		<u>1,608.18</u>	<u>1,395.00</u>
TOTAL EQUITY AND LIABILITIES		<u>4,633.53</u>	<u>3,419.05</u>
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the Financial Statements

3 to 44

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Chirag Shah
Partner

Membership No. 121648



Place: Chennai

Date: September 30, 2022

For and on behalf of Board of Directors

Avon Solutions & Logistics Private Limited

P D Rajan
Managing Director
DIN : 01919643

L B Jayaram
Director
DIN : 01603927

Avon Solutions & Logistics Private Limited
Statement of Profit and Loss for the year ended March 31, 2022
(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Particulars	Notes	Year Ended March 31, 2022	Year Ended March 31, 2021
Income			
Revenue from operations	22	7,754.54	5,714.03
Other income	23	4.82	3.49
Finance income	24	44.25	19.43
Total Income		7,803.61	5,736.95
Expenses			
Employee benefits expense	25	2,345.60	2,252.23
Finance costs	26	4.02	8.88
Depreciation and amortization expense	27	33.02	30.61
Other expenses	28	3,350.04	2,099.67
Total Expense		5,732.68	4,391.39
Profit/(Loss) before tax		2,070.93	1,345.56
Tax Expenses:			
Current tax	30	557.91	383.19
Tax related to earlier years		22.85	-
Deferred Tax:			
Deferred tax (Net)	30	(25.25)	(40.82)
Income tax expense		555.51	342.37
Profit/(Loss) for the year		1,515.42	1,003.19
Other Comprehensive Income:			
Re-measurement gains/(losses) on defined benefit obligations (net)		(0.68)	(93.98)
Income tax effect		0.17	23.65
Other comprehensive income/(loss) for the year, net of tax		(0.51)	(70.33)
Total comprehensive Income/(Loss) for the year, net of tax		1,514.91	932.86
Earnings per equity share			
Basic & diluted earnings per equity share (Amount in ₹)	29	5,467.62	3,477.87
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the Financial Statements

3 to 44

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: I01049W/E300004



per Chirag Shah
Partner
Membership No. 121648



Place: Chennai
Date : September 30, 2022

For and on behalf of Board of Directors

Avon Solutions & Logistics Private Limited



P D Rajan
Managing Director
DIN : 01919643



L B Jayaram
Director
DIN :01603927

Avon Solutions & Logistics Private Limited
Cash flow Statement for the year ended March 31, 2022
(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit before tax	2,070.93	1,345.56
Adjustment to reconcile profit before tax to net cash flows		
Depreciation/ amortization	33.02	30.61
Interest expenses	4.02	8.88
Interest income	(44.25)	(19.43)
Provision for doubtful trade receivables	19.79	27.36
Loss on sale of asset	0.08	8.30
Operating cash flow before working capital changes	2,083.59	1,401.28
<i>Movements in working capital :</i>		
(Increase)/decrease in trade receivables	(370.84)	(450.97)
(Increase)/decrease in other assets	384.41	(1,109.06)
Increase/(decrease) in trade payables	75.33	170.86
Increase/ (decrease) in current liabilities and provisions	189.00	286.58
Cash generated from /(used in) operations	2,361.49	298.69
Direct taxes paid (net of refunds)	(692.11)	(133.40)
Net cash flow from/ (used in) operating activities	A 1,669.38	165.29
Cash flow from investing activities		
Purchase of fixed assets	(29.85)	(15.80)
Proceeds from sale of assets	-	10.66
Interest income	26.44	14.30
Investments in bank deposits (having original maturity of more than 12 months) (net)	(1,257.31)	(23.68)
Net cash flow from/ (used in) investing activities	B (1,260.72)	(14.52)
Cash flow from financing activities		
Proceeds from / Repayment of short-term borrowings (Net)	108.78	(93.20)
Interest paid	(4.02)	(8.88)
Buy-back of equity shares	(441.40)	-
Tax on buy-back of equity shares	(101.90)	-
Payment of principal portion of lease liabilities	(19.58)	(27.49)
Net cash flow from/ (used in) in financing activities	C (458.12)	(129.57)
Net increase/(decrease) in cash and cash equivalents	A+B+C (49.46)	21.19
Cash and cash equivalents at the beginning of the year (see below)	61.67	40.48
Cash and cash equivalents at the end of the year (see below)	12.21	61.67
Components of Cash and cash equivalent:		
Balances with banks:		
- On current accounts	12.14	61.62
Cash in hand	0.07	0.05
	12.21	61.67

Summary of significant accounting policies

The accompanying notes form an integral part of the Financial Statements.

2

3 to 44


As per our report of even date

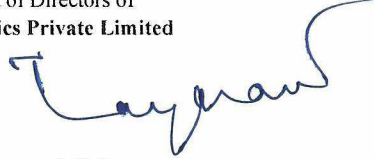
For S R Batliboi & Associates LLP
Chartered Accountants
Firm Registration no. 101049W/E300004


per Chirag Shah
Partner
Membership No. 121648



for and on behalf of Board of Directors of
Avon Solutions & Logistics Private Limited


P D Rajan
Managing Director
DIN : 01919643


L B Jayaram
Director
DIN :01603927

Place: Chennai

Date : September 30, 2022

Avon Solutions & Logistics Private Limited
Statement of Changes in Equity for the year ended March 31, 2022
(All amounts are in lakhs of Indian Rupees unless otherwise stated)

(a) Equity share capital		
Particulars	No. of shares	Amount
Balance as on 31st March 2020	0.29	28.85
Add: Shares issued during the year	-	-
Balance as on 31st March 2021	0.29	28.85
Less: Buyback of equity shares	(0.04)	(4.00)
Balance as on 31st March 2022	0.25	24.85

(b) Other equity					
Particulars	Retained Earnings	General reserve	Securities Premium	Capital redemption reserve	Total
As at March 31, 2020	566.70	172.68	96.13	-	835.51
Profit for the year	1,003.19	-	-	-	1,003.19
Transfer to reserve	(93.29)	93.29	-	-	-
Other Comprehensive Income	(70.33)	-	-	-	(70.33)
As at March 31, 2021	1,406.27	265.97	96.13	-	1,768.37
Profit for the year	1,515.41	-	-	-	1,515.41
Other Comprehensive Income	(0.51)	-	-	-	(0.51)
Buyback of equity shares (refer note 13)	(345.27)	-	(96.13)	4.00	(437.40)
Income tax on buyback of equity shares (refer note 13)	(101.90)	-	-	-	(101.90)
As at March 31, 2022	2,474.00	265.97	-	4.00	2,743.98

Summary of significant accounting policies 2
The accompanying notes form an integral part of the Financial Statements 3 to 44

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

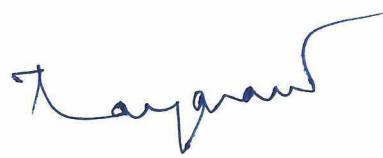

per Chirag Shah
Partner
Membership No. 121648



Place: Chennai
Date : September 30, 2022

For and on behalf of Board of Directors
Avon Solutions & Logistics Private Limited


P D Rajan
Managing Director
DIN : 01919643



L B Jayaram
Director
DIN : 01603927

1 Corporate Information

Avon Solutions & Logistics Private Limited ("the Company") was incorporated on December 2, 2002. The Company is a private company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the company is located at Deepak Complex, 3rd Floor, No. 1, Bharathi Nagar 4th street, T Nagar, Chennai - 600017, Chennai. The Company is primarily into rendering integrated mailroom management solutions across diverse industries such as banking, insurance, consultancy, technology and manufacturing. The Company is engaged in three types of services - Mailroom operations, mail logistics and pickup & delivery services. The Company is a subsidiary of Updater Services Private Limited.

2 Significant accounting policies

2.1 Basis of preparation

The Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013.

These financial statements have been prepared on historical cost convention and on an accrual basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency and all values are rounded to the nearest lacs (INR 00,000), except when otherwise stated.

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

- Certain financial assets and liabilities measured at fair value as explained in the accounting policies; and
- Defined benefit plan assets measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2.2 Summary of Significant Accounting Policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in normal operating cycle
- it is held primarily for the purpose of trading
- it is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

For depreciation purposes, the Company identifies and determines cost of asset significant to the total cost of the asset having useful life that is materially different from that of the life of the principal asset and depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied and the same is depreciated based on their specific useful lives. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure, are charged to the statement of profit and loss for the period during which such expenses are incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.



Two handwritten signatures in blue ink, one on the left and one on the right, appearing to be initials or names.

Depreciation

The Company, based on technical assessment made by experts and management estimates, depreciates certain items of property, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The Company has used the following years to provide depreciation on its property, plant and equipment.

Block of assets	Useful life
Computer	3 years
Furniture & Fixtures	10 years
Office equipments	5 years
Vehicle - Motor cars	8 years
Vehicle - Motor cycles	10 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial end and adjusted prospectively, if appropriate.

c. Intangible assets

Intangible assets that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Costs incurred towards purchase of software are depreciated using the straight-line method over a period of 3 years based on management's estimate of useful lives of such software, or over the license period of the software, whichever is shorter.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gain or loss arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Asset Classification	Useful Life (Years)	Amortisation method	Internally generated or acquired
Software	Finite - 3 years	Amortised on a straight-line basis over the life	Acquired

d. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less cost of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation / amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss.

e. Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Goods and service tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.



Handwritten signatures in blue ink.

Income from Mailroom services / Courier services

Mailroom services consist of in-house operations of mail room and mail delivery including inter-office mails. It involves MIS generation, cost management, vendor management, inbound and outbound mail management and pre-processing of mails. Revenue from mailroom services are accounted as and when the related services are rendered and is net of discounts and taxes.

Mail logistics / Courier services and pickup & delivery services refer to packing and delivery of goods/ articles. Revenue from such services are recognized as the related services are rendered in accordance with the terms and conditions of the contract/agreement with the customer.

Interest income

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

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract Assets (Unbilled revenue) represents revenue in excess of billing.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

f. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories.

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 11.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b. The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method. The Company does not have any debt instrument as at FVTOCI.

Debt instrument at FVTPL



Two handwritten signatures in blue ink, one on the left and one on the right, appearing to be initials or names.

- FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI is classified as at FVTPL.
- In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.
- Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L. The Company does not have any debt instrument at FVTPL.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of profit and loss.

g. Impairment of financial assets

The Company applies expected credit loss model for recognising impairment loss on financial assets measured at amortised cost.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL, which results from default events that are possible within 12 months after the reporting date.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expenses in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortized cost, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, bank overdrafts and statutory payables.

Subsequent measurement

All financial liabilities except derivatives are subsequently measured at amortised cost using the effective interest rate method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

h. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.



Two handwritten signatures in blue ink, one on the left and one on the right, appearing to be initials or names.

i. Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Asset Classification	Estimated Useful Life (Years)
Building	1-3 years
Vehicle	5 years
Furniture and fittings	1-2 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (d) Impairment of non-financial assets.

ii. Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in interest-bearing loans and borrowings.

iii. Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

As a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

i. Employee benefits

i. Defined Contribution Scheme

Provident Fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

ii. Defined Benefit Scheme

Gratuity

Gratuity liability under the Payment of Gratuity Act, 1972 is a defined benefit obligation. The Plan provides payment to vested employees at retirement, death or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. The Company provides the gratuity benefit through annual contribution to a fund managed by the Life Insurance Corporation of India (LIC). Under this scheme the settlement obligation remains with the Company although the LIC administers the scheme and determines the contribution premium required to be paid by the Company. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.



[Handwritten signatures]

iii. Other employment benefits

Compensated absence

The Company operates the following post-employment schemes:

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

j. Taxes on Income

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and written off to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.



Two handwritten signatures in blue ink, one on the left and one on the right, appearing to be initials or names.

k. Foreign currencies

The financial statements of the Company is presented in Indian Rupees (Rs.) which is also the Company's functional currency.

Initial Recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at the average rates that closely approximate the rate at the date of the transaction

Conversion

Foreign currency monetary items are translated using the exchange rate prevailing at the reporting date. Non-monetary items which are measured in terms of historical cost denominated in a foreign currency are translated using the exchange rate at the date of the transaction, and non-monetary items which are carried at fair value denominated in a foreign currency are translated using the exchange rates that existed when the values were determined.

Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting such monetary items of company at rates different from those at which they were initially recorded during the year/period, or reported in previous financial statements, are recognized as income or expenses in the year in which they arise. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

l. Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period

Involvement of external valuers is decided upon annually by the Company. At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. Other fair value related disclosures are given in the relevant notes (Refer Note 34).

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above (Refer Note 39).

m. Segment reporting

Based on internal reporting provided to the chief operating decision maker, sale of services is the only operating segment for the Company. The Company operates only in one geographical segment, since its entire income is derived from services provided in India.

n. Earnings per share

Earnings per share is calculated by dividing the net profit or loss before OCI for the year by the weighted average number of equity shares outstanding during the period.

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



Two handwritten signatures in blue ink, one on the left and one on the right, appearing to be initials or names.

o. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle present obligation at the end of reporting period, taking into account the risk and uncertainty surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of these cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

p. Contingent liabilities & Contingent Assets

Contingent liability is disclosed for:

- (i) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or
- (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognised in the financial statements.

Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

q. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise of cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

r. Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year. Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed in Note 34. Accounting estimates could change from period to period. Actual results could differ from these estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed. Transfers have occurred between levels in

s. Standards Issued but not effective

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after April 01, 2021. The Company has not early adopted any other standard or amendment that has been issued but is not yet effective:

(i) Conceptual framework for financial reporting under Ind AS issued by ICAI

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1 April 2021. These amendments had no impact on the financial statements of the Company.

(ii) Ind AS 116: COVID-19 related rent concessions

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021. The amendment applies to annual reporting periods beginning on or after 1 April 2021. In case a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after 1 April 2021.

These amendments had no impact on the financial statements of the Company.

(iii) Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no impact on the financial statements of the Company.



3. Property, plant and equipment and 3A. Intangible assets

Particulars	Office equipments	Computer and accessories	Furniture and fixtures	Vehicles	Total	Note 3A. Intangibles assets	
						Computer software	Total
Cost:*							
At 31st March, 2020	25.24	17.21	24.81	10.60	77.86	13.41	13.41
Additions	4.12	1.72	5.67	-	11.51	4.29	4.29
Disposals	(10.31)	(2.69)	(11.89)	(10.60)	(35.49)	-	-
Adjustments	2.60	3.14	-	-	5.74	-	-
At 31st March, 2021	21.65	19.38	18.59	-	59.62	17.69	17.69
Additions	3.09	15.50	4.78	-	23.37	6.50	6.50
Disposals	(1.34)	(1.51)	(0.86)	-	(3.71)	-	-
At 31st March, 2022	23.40	33.37	22.51	-	79.28	24.19	24.19
Depreciation & Amortisation							
At 31st March, 2020	14.85	13.17	10.21	10.60	48.83	11.22	11.22
Charge for the year	4.56	2.69	2.69	-	9.94	1.27	1.27
Disposals	(6.75)	(2.44)	(6.08)	(10.60)	(25.87)	-	-
Adjustments	2.60	3.14	-	-	5.74	-	-
At 31st March, 2021	15.25	16.56	6.82	-	38.64	12.49	12.49
Charge for the period	2.94	5.53	4.59	-	13.06	2.91	2.91
Disposals	(1.26)	(1.51)	(0.86)	-	(3.63)	-	-
At 31st March, 2022	16.92	20.58	10.55	-	48.07	15.39	15.39
Net Block							
At 31 March, 2021	6.40	2.82	11.77	-	20.99	5.20	5.20
At 31 March, 2022	6.48	12.79	11.96	-	31.22	8.80	8.80

*On transition to Ind AS (i.e. 1 April 2017), the Company had elected to continue with the carrying value of all Property, plant and equipment and Intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment and Intangible assets.

4. Leases

The Company has lease contracts for building, vehicles and furniture and fittings used in its operations. Leases of building generally have lease terms between 1-3 years, vehicles have lease terms of 5 years and furniture and fittings have lease terms between 1-2 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

The Company also has certain leases of building and furniture and fittings with lease terms of 12 months or less. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Particulars of Right-of-use assets	Building	Vehicle	Furniture and fittings	Total
As at March 31, 2020	37.46	10.99	0.18	48.63
Additions	-	-	-	-
Depreciation expense	(17.56)	(1.65)	(0.18)	(19.40)
Disposals	-	(9.34)	-	(9.34)
As at March 31, 2021	19.90	0.01	-	19.91
Additions	-	-	-	-
Depreciation expense	(17.04)	(0.01)	-	(17.05)
As at March 31, 2022	2.86	-	-	2.86

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

Particulars	As at March 31, 2022	As at March 31, 2021
As at April 01	22.50	49.98
Additions	-	-
Accretion of interest	1.23	3.44
Payments [Total cash outflows]	(19.58)	(30.92)
As at March 31	4.15	22.50
Current	4.15	19.11
Non-current	-	3.38

The maturity analysis of lease liabilities are disclosed in Note 37 (Financial risk management objectives and policies). The effective interest rate for lease liabilities is 8.84%, with maturity between 2021-2023.

The following are the amounts recognised in profit or loss:

Particulars	As at March 31, 2022	As at March 31, 2021
Depreciation expense of right-of-use assets	17.05	19.40
Interest expense on lease liabilities	1.23	3.44
Expense relating to short-term leases (included in other expenses)	3.69	10.61
Total amount recognised in profit or loss	21.97	39.45



Handwritten signatures and initials in blue ink.

Avon Solutions & Logistics Private Limited

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Note	Particulars	As at 31-Mar-2022	As at 31-Mar-2021
	Other financial assets		
5	Non-current (At amortised Cost)		
	<i>(Considered good, Unsecured unless stated otherwise)</i>		
	Rental deposits	23.30	17.12
	Other deposits	0.09	0.09
		23.39	17.21
	Other financial assets		
6	Current (At amortised cost)		
	<i>(Considered good, Unsecured unless stated otherwise)</i>		
	Interest accrued	27.94	10.13
	Rental deposits	31.61	32.98
	Unbilled Revenue	822.08	1,226.40
		881.63	1,269.51
	Other assets		
7	Non-current		
	<i>(Considered good, Unsecured unless stated otherwise)</i>		
	Prepaid Expenses	3.57	4.07
		3.57	4.07
	Other assets		
8	Current Asset		
	<i>(Considered good, Unsecured unless stated otherwise)</i>		
	Prepaid expenses (refer note A below)	10.21	5.70
	Other advances	0.05	0.05
	Balance with government authorities	0.18	0.05
	Advances for supply of goods	18.83	16.17
	Advance recoverable in cash or kind	16.21	7.91
		45.48	29.88
	Note A.		
	Includes expenditure incurred towards Corporate Social Responsibility in excess of related obligation till year-end, Also refer note 28A.		
9	Deferred tax asset (Net)		
	Provision for employee benefits	96.95	82.95
	Provision for litigations	9.76	7.13
	Expenditure covered by section 43B of Income tax Act, 1961	102.57	97.51
	Excess of depreciation / amortisation on fixed assets under income tax law over the depreciation / amortisation provided in accounts	9.81	10.62
	Other disallowances under Income-tax Act, 1961	18.47	13.93
		237.56	212.14
10	Income tax asset (Net)		
	Advance income tax (net of provision)	130.99	130.99
		130.99	130.99



(Handwritten signatures)

Avon Solutions & Logistics Private Limited

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Note	Particulars	As at 31-Mar-2022	As at 31-Mar-2021
11	Trade Receivables (At Amortised Cost)		
	Trade receivables	1,495.48	1,145.61
	Trade receivable from related parties (Note 36)	1.18	-
		1,496.66	1,145.61
	Security details		
	Unsecured, considered good	1,496.66	1,145.61
	Trade Receivables - credit impaired	74.81	55.02
		1,571.47	1,200.63
	Impairment allowance (allowance for bad and doubtful debts)		
	Trade Receivables - credit impaired	(74.81)	(55.02)
		(74.81)	(55.02)
		1,496.66	1,145.61
	Trade receivables ageing schedule		
	Trade Receivables (At Amortised Cost)		
	(i) Undisputed Trade Receivables – considered good		
	- Not due	69.41	116.16
	- Less than 6 months	1,416.95	1,023.63
	- 6 months - 1 year	9.24	5.73
	- 1-2 years	0.92	0.08
	- 2-3 years	0.14	-
	- More than 3 years	-	-
		1,496.66	1,145.61
	(ii) Undisputed Trade Receivables – credit impaired		
	- Not due	-	-
	- Less than 6 months	-	-
	- 6 months - 1 year	33.99	26.64
	- 1-2 years	16.36	25.44
	- 2-3 years	23.22	2.95
	- More than 3 years	1.24	-
		74.81	55.02
12	Cash and cash equivalents		
	Balances with banks:		
	- On current accounts	12.14	61.62
	Cash in hand	0.07	0.05
		12.21	61.67
	Bank balances other than cash and cash equivalents (Non-current)		
	- In deposit accounts (original maturity more than 12 months)	1,759.16	501.85
		1,759.16	501.85
	For the purpose of statement of cashflows, cash and cash equivalents comprise the following:		
	On current accounts	12.14	61.62
	Cash in hand	0.07	0.05
		12.21	61.67

This space has been intentionally left blank

[Handwritten signatures]



13 Share capital

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised 30,000 (March 31, 2021: 30,000) equity shares of Rs 100 each	30.00	30.00
Issued, subscribed and paid up 24,845 (March 31, 2021: 28,845) equity shares of Rs 100 each fully paid up	24.85	28.85

a) Reconciliation of shares outstanding at the beginning and at the end of the reporting year:

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
At the beginning of the year	28,845	28.85	28,345	28.85
Add: Shares issued during the year	-	-	-	-
Less: Buyback of equity shares (refer note below)	(4,000)	(0.40)	-	-
Outstanding at the end of the year	24,845	28.45	28,345	28.85

Note:
 The Board of Directors at its meeting held on December 18, 2021, approved a proposal to buy-back upto 4,000 equity shares of the Company for an aggregate amount not exceeding Rs. 441.40 lakhs, being 13.87% of the total paid up equity share capital at Rs. 11,035 per equity share. The shareholders approved the same on December 22, 2021, by way of a special resolution. The Company bought back 4,000 equity shares out of the shares that were tendered by eligible shareholders and extinguished the equity shares on December 29, 2021. Capital redemption reserve was created to the extent of share capital extinguished (Rs. 4 lakhs). The corresponding tax on buy-back of Rs. 101.96 Lakhs were offset from retained earnings.

b) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.100 per share. Each holder of equity shares is entitled to one vote per share. The Company declares dividend in Indian Rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

c) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

Particulars	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017
Equity shares allotted as fully paid bonus shares by capitalization of securities premium	-	-	-	-	-
Equity shares bought back by the company	-	-	-	-	-

d) Details of shareholders holding more than 5% shares in the company:

Name of shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of shares held	% of holding	No. of shares held	% of holding
Equity shares				
Updater Services Private Limited	18,883	76.00%	21,923	76.00%
K. Krishna Kumar	-	0.00%	5,427	18.81%
Latha Krishna Kumar	5,962	24.00%	1,495	5.19%
Total	24,845	100.00%	28,845	100.00%

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

e) Shares held by holding company and / or their subsidiaries / associates:

Particulars	As at March 31, 2022	As at March 31, 2021
Updater Services Private Limited, the holding company 18,883 equity shares of Rs 100 each (March 31, 2022: 21,923 shares)	18.85	21.92

f) Shareholding of promoter:

Name of promoter	As at March 31, 2022			As at March 31, 2021		
	No. of shares held	% of total share	% change during the year	No. of shares held	% of total share	% change during the year
Equity shares						
K. Krishna Kumar	-	-	-100.00%	5,427	18.81%	0.00%
Latha Krishna Kumar	5,962	24.00%	208.80%	1,495	5.18%	0.00%
Total	5,962	24.00%		6,922	24.00%	



Handwritten signatures in blue ink.

Avon Solutions & Logistics Private Limited
Notes to the financial statements for the year ended March 31, 2022
(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Note	Particulars	As at	As at
		31-Mar-2022	31-Mar-2021
14	Other equity		
	Retained earnings	2,474.06	1,406.27
	General reserve	265.97	265.97
	Capital redemption reserve	4.00	-
	Securities premium	-	96.13
		<u>2,743.97</u>	<u>1,768.37</u>
	Nature and purpose of other reserves		
	(i) General Reserve		
	Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.		
	(ii) Securities Premium		
	Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.		
	(iii) Capital redemption reserve		
	As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.		
	(iv) Retained earnings		
	The amount can be distributed by the Company as dividends to its equity shareholders is determined based on the financial statements of the Company and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported above may not be distributable in entirety.		
	Provisions		
15	Non-current		
	Provision for gratuity (refer note 35)	168.56	161.64
	Provision for Leave Benefits	87.97	61.81
		<u>256.53</u>	<u>223.45</u>
16	Current		
	Provision for gratuity (refer note 35)	74.52	57.05
	Provision for Leave Benefits	54.16	35.97
		<u>128.68</u>	<u>104.02</u>
17	Borrowings (At Amortised Cost)		
	Cash credit from banks (secured)	108.78	-
		<u>108.78</u>	<u>-</u>

Current borrowings refer to overdraft facility availed from HDFC and Kotak bank at an interest rate ranging from 8.60% to 10.10% (March 2021 - 11.15%). The overdraft facility limits to INR 200.50 lakhs and the same is secured by lien on fixed deposits of INR 155 Lakhs.



(Handwritten signatures)

Avon Solutions & Logistics Private Limited
Notes to the financial statements for the year ended March 31, 2022
(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Note	Particulars	As at	As at
		31-Mar-2022	31-Mar-2021
18	Trade payables (At Amortised Cost)		
	Trade Payables		
	Dues to Micro, Small & Medium Enterprises	2.61	0.45
	Dues to other than Micro, Small & Medium Enterprises	336.21	267.19
	Dues to related parties (refer note 33)	4.85	0.68
		<u>343.67</u>	<u>268.32</u>
	Trade payables are non-interest bearing and are normally settled on 30-60-days term. For terms and conditions with related parties, refer to Note 33.		
	Trade payables ageing schedule		
	(i) Micro, Small & Medium Enterprises		
	a) Undisputed		
	- Not due	-	-
	- Less than 1 year	2.61	0.45
	- 1-2 years	-	-
	- 2-3 years	-	-
	- More than 3 years	-	-
		<u>2.61</u>	<u>0.45</u>
	(ii) Related parties		
	a) Undisputed		
	- Not due	4.48	0.68
	- Less than 1 year	0.37	-
	- 1-2 years	-	-
	- 2-3 years	-	-
	- More than 3 years	-	-
		<u>4.85</u>	<u>0.68</u>
	(iii) Other than Micro, Small & Medium Enterprises		
	a) Undisputed		
	- Not due	89.17	68.63
	- Less than 1 year	241.41	194.90
	- 1-2 years	1.50	2.56
	- 2-3 years	3.00	1.04
	- More than 3 years	1.13	0.06
		<u>336.21</u>	<u>267.19</u>
19	Other current financial liabilities (At Amortised Cost)		
	Employee benefits payable	697.42	478.19
	Incentive payable	-	100.00
	Advance from customers	19.37	19.37
	Others	9.00	9.00
		<u>725.79</u>	<u>606.57</u>
20	Other current liabilities		
	Statutory dues and related liabilities	119.90	118.88
	Provision against PF order (refer note below)	38.77	28.31
		<u>158.67</u>	<u>147.19</u>

Note

The Company received an order from the High Court (against the appeal made by the PF department) directing the Company to pay PF on certain allowances to be considered for PF computation for the salary paid for the period FY 2007-12. Based on the High court order and in compliance with Supreme Court judgement in 2019, the Company has created provision amounting for INR 28.31 Lakhs (March 31, 2021: INR 28.31 lakhs). Further, the Company has also accrued for interest during the year amounting to INR 10.46 lakhs (March 31, 2021: Nil)

21 Liabilities for current tax (net)

Liabilities for current tax (net)	138.44	249.79
	<u>138.44</u>	<u>249.79</u>



[Handwritten signature]

Avon Solutions & Logistics Private Limited
Notes to the financial statements for the year ended March 31, 2022
(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Note	Particulars	Year ended 31-Mar-2022	Year ended 31-Mar-2021
22	Revenue from operations		
	Sale of services	7,754.54	5,714.03
		<u>7,754.54</u>	<u>5,714.03</u>
	Other disclosures		
	Disaggregated revenue information		
	Sale of Mailroom management services	1,666.13	1,868.42
	Sale of Courier services	5,875.11	3,692.34
	Others	213.30	153.27
		<u>7,754.54</u>	<u>5,714.03</u>
	Timing of revenue recognition		
	Services transferred at a point in time	5,875.11	3,692.34
	Services transferred over time	1,879.43	2,021.69
	Total revenue from contracts with customers	<u>7,754.54</u>	<u>5,714.03</u>
	Contract Balances		
	Contract Assets - Trade Receivables	1,496.66	1,145.61
	Contract Assets - Unbilled Revenue	822.08	1,226.40
23	Other income		
	Other non-operating income	4.82	3.49
		<u>4.82</u>	<u>3.49</u>
24	Finance income		
	Interest income - Bank deposits	42.76	16.73
	Interest income - Others	1.49	2.70
		<u>44.25</u>	<u>19.43</u>
25	Employee benefit expenses		
	Salaries and wages	2,112.23	2,035.60
	Contribution to provident and other fund	170.08	167.83
	Gratuity expense (refer note 35)	38.80	38.17
	Staff welfare expenses	24.49	10.63
		<u>2,345.60</u>	<u>2,252.23</u>
26	Finance costs		
	Other borrowing costs	2.79	5.44
	Interest on lease liabilities	1.23	3.44
		<u>4.02</u>	<u>8.88</u>
27	Depreciation and amortization expense		
	Depreciation of property, plant & equipment (Refer Note 3)	13.06	9.94
	Amortization of intangible assets (Refer Note 3A)	2.91	1.27
	Depreciation of Right-of-use assets (Refer note 4)	17.05	19.40
		<u>33.02</u>	<u>30.61</u>



Handwritten signatures in blue ink.

Avon Solutions & Logistics Private Limited
Notes to the financial statements for the year ended March 31, 2022
(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Note	Particulars	Year ended 31-Mar-2022	Year ended 31-Mar-2021
28	Other expenses		
	Communication expenses	5.30	4.83
	Clearing and freight forwarding charges	4.91	3.43
	CSR (refer note A below)	11.95	-
	Insurance	231.07	140.97
	Legal and professional fees	31.24	26.99
	Postage and courier charges	2,559.05	1,639.12
	Power and fuel	7.60	4.81
	Printing and stationery	164.83	74.91
	Payment to auditor (Refer note B below)	8.00	4.50
	Rates and taxes	47.98	38.15
	Rent	63.25	45.06
	Repairs and maintenance - others	10.40	9.65
	Travelling and conveyance	107.13	47.73
	Provision for Bad and Doubtful debts	19.79	27.36
	Miscellaneous expenses	77.54	32.16
		3,350.04	2,099.67
	A Details of CSR expenditure:		
	a) Gross amount required to be spent by the Company during the year	11.95	-
	b) Amount approved by the Board to be spent during the year	13.21	-
	c) Amount spent during the year (In cash)		
	(i) Construction/acquisition of any asset	-	-
	(ii) On purposes other than (i) above	13.21	-
	d) Details related to spent / unspent obligations:		
	(i) Others	13.21	-
	(ii) Unspent amount in relation to:		
	- Ongoing project	-	-
	- Other than ongoing project	-	-
	e) Shortfall at the end of the year	-	-
	f) Reason for shortfall	NA	NA
	g) Nature of CSR activities undertaken by the company	Promotion of health and education	
	g) Details of related party transactions in relation to CSR expenditure	NA	NA
	h) Details of excess amount spent by the company:		
	The Company has an excess CSR spent of INR 1.27 lakhs for it proposes to offset against future obligations and has recognised the same as an asset in the balance sheet:		
	Opening Balance	-	-
	Amount required to be spent during the year	11.95	-
	Amount spent during the year	13.21	-
	Closing Balance	1.26	-
	B. Payment to auditors:		
	As auditors :		
	Audit fee	8.00	4.50
	In other capacity :		
	Reimbursement of expenses	-	-
		8.00	4.50



(Handwritten signatures)

Avon Solutions & Logistics Private Limited
Notes to the financial statements for the year ended March 31, 2022
(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Note	Particulars	Year ended 31-Mar-2022	Year ended 31-Mar-2021
------	-------------	---------------------------	---------------------------

29 Earnings per equity share

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

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

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

Particulars	Year Ended 31-Mar-2022	Year Ended 31-Mar-2021
Profit after tax	1,515.42	1,003.19
Weighted average number of equity shares		
- Basic & Diluted	27,716	28,845
Earning per share of Rs 10 each		
- Basic & Diluted	5,467.62	3,477.87

30 Income Tax Expense

The major components of income tax expense for the year ended March 31, 2022 and March 31, 2021

Profit and Loss Section

Current income tax:

Current income tax charge	557.91	383.19
Tax related to earlier years	22.85	-

Deferred tax:

Relating to origination and reversal of temporary differences	(25.25)	(40.82)
Total Income tax expense reported in the statement of profit or loss	555.51	342.37

Other Comprehensive income (OCI) Section

Deferred tax related to items recognised in OCI during in the period:

Re-measurement gains and (losses) on defined benefit obligations (net)	0.17	23.65
Income tax charged to OCI	0.17	23.65

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2022 and March 31, 2021

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the standard rate of corporation tax in India for the Company as follows:

	Year Ended 31-Mar-2022	Year Ended 31-Mar-2021
Accounting Profit before income tax	2,070.93	1,345.56
Enacted tax rate in India	25.17%	25.17%
Profit before income tax multiplied by enacted tax rate	521.21	338.65
Effects of:		
Interest on income tax	8.59	6.89
Tax related to earlier years	22.85	-
Contribution to CSR	3.32	-
Effect of change in substantively enacted tax rates on deferred tax	-	(4.09)
Others	(0.46)	0.92
Net effective income tax	555.51	342.37



(Handwritten signature)

31 Commitments and Contingencies

There are no open commitments for the Company or contingent liabilities for the Company as at March 31, 2022 or in the previous years thereon.

32 Segment information

The Company is engaged in mailroom management and associated services and the operation primarily caters to the domestic market. The Managing Director of the company has been identified as being the chief operating decision maker (CODM) evaluates the company's performance, allocate resources based on the analysis of the various performance indicator of the company as a single unit. Therefore, there is no reportable segment for the company as per the requirement of Ind-AS 108 "Operating Segments". The Company's operations are only in one geographical segment, since its entire income is derived from sales made in India.

33 Details of dues to Micro, Small and Medium Enterprises

Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2022 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company:

Particulars	As at	As at
	March 31, 2022	March 31, 2021
(a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	2.61	0.45
Interest due on above	0.01	-
(b) Payment made to suppliers (other than interest) beyond the appointed day, during the year	2.61	-
(c) Interest paid to suppliers under MSMED Act (Section 16)	-	-
(d) Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
(e) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	0.01	-

34 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. 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 company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

Particulars	As at March 31, 2022	As at March 31, 2021
Debt		
- Borrowings	108.78	-
- Lease Liabilities	4.15	22.49
Less: cash and cash equivalents & Other bank balance	(12.21)	(61.67)
Net debt	100.72	(39.18)
Total equity	2,768.82	1,797.22
Capital and net debt	2,869.54	1,758.04
Gearing ratio	4%	-2%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call for loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2022 and 31 March 2021.



Handwritten signatures and initials in blue ink.

35 Disclosure pursuant to Ind AS 19 "Employee benefits":

(i) Defined contribution plan:

The Company's provident fund are the defined contribution plan. An amount of Rs. 135.41 lakhs being contribution made to recognised provident fund is recognised as expense for the year ended March 31, 2022 (March 31, 2021: Rs. 129.55 lakhs) and included under Employee benefit expense (Note 25) in the Statement of Profit and loss.

(ii) Defined benefit plans:

The Company has defined benefit gratuity plan for its employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, every employee who has completed 4 years and 240 days of service are eligible for gratuity on departure at 15 days salary (last drawn) for each completed year of service. The level of benefits provided depends on the member's length of service and salary at retirement.

A. The amounts recognised in Balance Sheet are as follows:

Particulars	Gratuity plan	
	As at March 31, 2022	As at March 31, 2021
A) Present value of Defined Benefit Obligation	253.18	240.83
Fair value of plan assets	10.10	12.14
Amount to be recognised as liability or (asset)	243.08	228.69
B) Amounts reflected in the Balance Sheet		
Liabilities	243.08	228.69
Assets	-	-
Net Liability / (asset)	243.08	228.69
Current	74.52	67.05
Non - Current	168.56	161.64

B. The amounts recognised in the Statement of Profit and Loss are as follows:

Particulars	Gratuity plan	
	Year ended March 31, 2022	Year ended March 31, 2021
Service cost :		
Current service cost	25.56	25.93
Past service cost and loss/ (gain) on curtailments and settlement	-	-
Net interest cost :		
Interest Expense on Defined Benefit Obligation	13.94	12.81
Interest income on Plan Assets	(0.70)	(0.57)
Total included in 'Employee Benefit Expense'	38.80	38.17

C. Remeasurement recognized in other comprehensive income

Particulars	Gratuity plan	
	Year ended March 31, 2022	Year ended March 31, 2021
Components of actuarial gain/losses on obligations due to change in financial assumptions / demographic assumption / experience adjustments	0.40	(94.21)
Return on plan assets	0.29	0.23
Total	0.69	(93.98)

D. The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

Particulars	Gratuity plan	
	Year ended March 31, 2022	Year ended March 31, 2021
Opening defined benefit obligation	240.83	242.52
Current service cost	25.56	25.93
Interest cost	13.94	12.81
Actuarial losses/(gains) due to change in financial assumptions / demographic assumption / experience adjustments	0.40	94.21
Past Service Cost	-	-
Benefit Paid	(27.55)	(134.64)
Closing balance of the present value of defined benefit obligation	253.18	240.83



Handwritten signature in blue ink.

35 Disclosure pursuant to Ind AS 19 "Employee benefits": (continued)

E. Reconciliation of Net Liability / (Asset)

Particulars	Gratuity plan	
	As at March 31, 2022	As at March 31, 2021
Net Liability / (Asset) at the beginning of the period	228.70	231.70
Defined Benefit cost included in the Profit / Loss	38.80	38.17
Defined Benefit cost included in Other Comprehensive Income	0.69	93.98
Benefit Paid	(27.55)	(135.16)
Net Liability / (Asset) at the end of the period	240.64	228.70

F. Principal actuarial assumptions at the Balance Sheet date:

Particulars	Gratuity plan	
	As at March 31, 2022	As at March 31, 2021
Discount rate	6.19%	5.79%
Salary growth rate	7.37%	8.92%
Attrition rate	31.33% at all ages	37.39% at all ages
Retirement age	58.00	58.00
Maturity tables	Indian Assured Lives Mortality (2012-14) Ultimate Table	

G. Quantitative sensitivity analysis for significant assumptions:

Particulars	As at March 31, 2022	
	Change	Obligation
Discount rate	+0.5%	250.40
	-0.5%	256.65
Salary growth rate	+1.0%	258.90
	-1.0%	247.70
Attrition	+5.0%	248.55
	-5.0%	258.60

Particulars	As at March 31, 2021	
	Change	Obligation
Discount rate	+0.5%	258.19
	-0.5%	243.54
Salary growth rate	+1.0%	246.13
	-1.0%	235.73
Attrition	+5.0%	234.16
	-5.0%	249.06

H. Expected cashflows based on past service liability

Particulars	Gratuity plan	
	As at March 31, 2022	As at March 31, 2021
Year 1	74.85	67.05
Year 2	53.36	52.23
Year 3	43.40	43.53
Year 4	32.50	31.53
Year 5	24.81	23.29
Next 5 years	67.29	60.65

I. The major categories of plan assets of the fair value of the total plan assets:

Particulars	Gratuity plan	
	As at March 31, 2022	As at March 31, 2021
Investment Details		
Others	10.10	12.14



[Handwritten signatures]

36 Related party transactions

a) Names of related parties and nature of relationship are as follows:

Holding company	Updater Services Private Limited
Key Management Personnel (KMP)	Mr. P.D.Rajan (Managing Director) Mr. Raghunadana T (Director) Mr. Jayarama LB (Director)
Entities under common control	Avon Mobility Solutions Private Limited Updater Services (UDS) Foundation
Subsidiaries of Holding company	Zappy Home Solutions Private Limited Stanworth Management Private Limited Global Flight Handling Services Private Limited Tangy Supplies and Solutions Private Limited Integrated Technical Staffing and Solutions Private Limited Fusion Foods & Catering Services Private Limited Matrix Business Services India Private Limited Washroom Hygiene Concept Private Limited

b) Related party transactions

Particulars	Year ended 31-03-2022	Year ended 31-03-2021
Sale of services		
Updater Services Private Limited	9.00	0.93
Tangy Supplies and Solutions Private Limited	-	0.67
Washroom Hygiene Concept Private Limited	8.16	0.68
Matrix Business Services India Private Limited	0.06	-
Purchase of Material		
Tangy Supplies and Solutions Private Limited	-	0.29
Purchase of Fixed assets		
Washroom Hygiene Concept Private Limited	0.82	-
Tangy Supplies and Solutions Private Limited	0.02	-
Other Expenses		
Updater Services Private Limited	35.68	-
Matrix Business Services India Private Limited	0.56	-
Managerial remuneration		
Mr. P.D.Rajan	71.75	39.86

c) Balances outstanding as at year/period end:

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Payable		
Matrix Business Services India Private Limited	0.37	-
Updater Services Private Limited	4.48	0.68
Trade receivable		
Washroom Hygiene Concept Private Limited	1.18	-
Updater Services Private Limited	0.60	-
Managerial remuneration Payable		
Mr. P.D.Rajan	2.15	2.91

The breakup of compensation to key managerial personnel is follows:

Consideration of key management personnel	Year ended 31-03-2022	Year ended 31-03-2021
Short term benefits	71.75	39.86
Post employment benefits*	-	-
Other long term benefits*	-	-

*The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as these are determined on an actuarial basis for the company as a whole.

Terms and conditions of transactions with related parties:

The sales to and purchases from related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended March 31, 2022, the company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2021: INR Nil). This assessment is undertaken, each financial year through examining the financial position of the related party and the market in which the related party operates.



(Handwritten signatures)

37 Significant accounting judgements, estimates and assumptions

The preparation of the Company's 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.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation 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 financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a) Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment leave encashment benefit 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 rate of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation. The mortality rate is based on publicly available mortality table in India. The 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.

38 Fair values

The carrying amount of financial assets and financial liabilities in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that eventually be received or settled.

39 Fair value hierarchy

There have been no transfers between the levels during the year/period.

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities:

Particulars	Fair Value Hierarchy	Carrying Values		Fair Values	
		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Financial Assets					
Trade Receivables	Level - 3	1,496.66	1,145.61	1,496.66	1,145.61
Cash and cash equivalents	Level - 1	12.21	61.67	12.21	61.67
Bank balances other than cash and cash equivalents	Level - 1	1,759.16	501.85	1,759.16	501.85
Other financial assets - Non current	Level - 3	23.39	17.21	23.39	17.21
Other financial assets - Current	Level - 3	881.63	1,269.51	881.63	1,269.51
		4,173.05	2,995.85	4,173.05	2,995.85
Financial Liabilities					
Trade Payables	Level - 3	343.67	268.32	343.67	268.32
Borrowing	Level - 2	108.78	-	108.78	-
Lease Liabilities - Non Current	Level - 3	-	3.38	-	3.38
Lease Liabilities - Current	Level - 3	4.15	19.11	4.15	19.11
Other financial liabilities	Level - 3	725.79	606.57	725.79	606.57
		1,182.39	897.38	1,182.39	897.38

The management assessed that cash and cash equivalents, trade receivables, loans, other current financial assets, short term borrowings, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Notes

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.



Handwritten signatures and initials.

40 Financial risk management objectives and policies

The Company's principal financial liabilities is borrowings, trade payables and employee benefit payable. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as loan, trade and other receivables, cash and short-term deposits, which arise directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's primary risk management focus is to minimize potential adverse effects of liquidity and credit risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The following disclosures summarises the company's exposure to financial risks.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and loans receivables.

Trade and other receivables

In cases of customers where credit is allowed, the average credit period on such sale of goods ranges from 1 day to 90 days. The customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on the individual credit limits are defined in accordance with this assessment and outstanding customer receivables are regularly monitored.

Ind AS requires an entity to recognise in profit or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised in accordance with Ind AS 109. The Company assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. Expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a age wise provision matrix which is prepared considering the historical data for collection of receivables.

Exposure to credit risk.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk is Rs. 1,496.66 Lakhs and 1,145.61 Lakhs as of March 31, 2022 and March 31, 2021 respectively, being the total of the carrying amount of balances with trade receivables.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rate.

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

Effect on profit before tax	March 31, 2022	March 31, 2021
Increase in rate by 2%	0.06	0.11
Decrease in rate by 2%	(0.06)	(0.11)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company monitors its risk of a shortage of funds on a regular basis. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts.

The table below provides details regarding the contractual maturities of financial liabilities based on Contractual undiscounted payments:

Particulars	Less than 12 Months	More than 12 months	Total
As at March 31, 2022			
Borrowings	108.78	-	108.78
Other Financial Liabilities	725.79	-	725.79
Trade Payables	343.67	-	343.67
Lease Liabilities	4.27	-	4.27
	1,182.51	-	1,182.51
As at March 31, 2021			
Other Financial Liabilities	606.57	-	606.57
Trade Payables	268.32	-	268.32
Lease Liabilities	20.34	3.42	23.76
	895.23	3.42	898.65



[Handwritten signature]

41 Code on Wages, 2019 and Code on Social Security 2020

Parliament has approved the Code on Wages, 2019 and the Code on Social Security, 2020 which govern, and are likely to impact, the contributions by the Company towards certain employee benefits. The government has released draft rules for these Codes and has invited suggestions from stakeholders which are under active consideration by the concerned Ministry. The effective date of these Codes have not yet been notified and the Company will assess the impact of these codes as and when they become effective and will provide for the appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

42 Ratio Analysis and its elements

Ratio	Numerator	Denominator	As at March 31, 2022	As at March 31, 2021	% variance	Reason for Variance
a) Current ratio	Current Assets	Current Liabilities	1.51	1.80	-16%	
b) Debt-Equity ratio	Total Debt	Equity	4.08%	1.25%	226%	increase in borrowings availed during the year
c) Debt service coverage ratio	Earnings available for debt service	Debt service	107.54	44.62	141%	Profit have improved due to increase in business
d) Return on equity ratio	Net profit	Average total equity	66.36%	70.10%	-5%	
e) Trade receivables turnover ratio	Sales	Average receivable	5.87	6.18	-5%	
f) Net capital turnover ratio	Sales	Working capital	9.37	5.14	82%	Increase in revenue due to improvement in business scenario
g) Net profit ratio	Net profit	Sales	19.54%	16.33%	20%	
h) Return on capital employed	Earning before interest and taxes	Capital employed	72.00%	74.43%	-3%	

43 Other Statutory Information

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property
- (ii) The Company do not have any transactions with companies struck off.
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the period.
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the period
- (v) The Company have 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
- (vi) The Company have 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.
- (vii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

44 Previous Year Figures

Previous year's figures have been regrouped / reclassified wherever necessary

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Chirag Shah
Partner
Membership No. 121648

Place: Chennai
Date: September 30, 2022



For and on behalf of Board of Directors
Avon Solutions & Logistics Private Limited

P D Rajan
Managing Director
DIN: 01919643

L B Jayaram
Director
DIN: 01603927