

Date: September 05, 2022

To  
The Manager-Listing  
**National Stock Exchange of India Ltd,**  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex, Bandra (E),  
Mumbai-400051

To  
The Manager-Listing  
**BSE Limited**  
Phirozee Jeejeebhoy Towers  
Dalal Street,  
Mumbai-400051

**NSE Symbol: AVROIND**

**BSE Scrip Code: 543512**

**Sub: Annual Report of the Company for the Financial Year 2021-22**

**Ref: Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir/Madam,

We hereby inform you that the 26<sup>th</sup> Annual General Meeting (“AGM”) of the Company will be held on Wednesday, September 28, 2022 at 11:00 a.m. (IST) through Video Conference/Other Audio-Visual Means only.

Please find enclosed herewith Annual Report of the Company for the Financial Year 2021-22 along with the Notice of 26<sup>th</sup> AGM which is being sent through electronic mode to all the member of the Company whose email addresses are registered with the Company/Registrar and Share Transfer Agent/ Depository Participant(s) in compliance with relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

The Annual report for the financial year 2021-22 along with the Notice of AGM is available on the website of the Company at [www.avrofurniture.com](http://www.avrofurniture.com).

This is submitted pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

This is for your information and records.

Thanking You,

**For Avro India Limited**

SUMIT  
BANSAL

Digitally signed by  
SUMIT BANSAL  
Date: 2022.09.05  
17:54:04 +05'30'

**Sumit Bansal**

**(Company Secretary & Compliance Officer)**

**Membership No: A42433**

Encl: A/a

**AVRO INDIA LIMITED**

(Formerly known as AVON MOLDPLAST LIMITED)

A-7/36-39, South of G.T. Road,  
Indl. Area (Opp. Rathi Udyog Ltd.)  
Ghaziabad-201009 (UP), India

Tel: 0120-4376091  
Helpline: 9910039125  
info@avrofurniture.com

www.avrofurniture.com  
Follow us on   



मजबूत भारत  
की मजबूत कुर्सी  
कभी ना टूटे  
एवरो कुर्सी

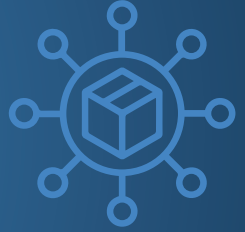




# Sustainability & Scalability

## Our Growth Drivers

**AVRO INDIA LIMITED**  
2021-2022 ANNUAL REPORT



# Sustainability & Scalability

## Our Growth Drivers

We are enhancing our strategy to broaden our view and extend our influence geographically as the economy readjusts its course. We continue to work toward our objectives in a more sustainable and responsible manner in order to advance.

At Avro, we are driven by our purpose: to deliver a sustainable future for the world through our manufacturing expertise in plastic molded furniture and collaboration with our partners. That's why we seek to be the most innovative, customer-centric, inclusive and sustainable plastic furniture company in India.

Protecting our environment is critical and will require sustainability commitments from both the public and private sectors. Environmental, social and governance (ESG) investing continues to accelerate, and consumers are increasingly demanding more sustainable products and solutions. Avro is making further progress in producing and marketing recycled and renewable-based polymers by leveraging its innovation process to manufacture products for both personal and commercial usage.

Our continued commitment and investments into building strong R&D capabilities have been a vital differentiating factor in an intensely competitive sector. Our focus is to grow business responsibly and transform ourselves across the value chain.

Together, our ambition and purpose inspire us to deliver innovative, sustainable solutions that transforms our community. They motivate us to continuously improve how we interact with our customers and partners as we strive to be easy, enjoyable and effective to work with and They command us to foster a culture where differences are an advantage.



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This Annual Report can be downloaded from our website at

[avrofurniture.com/pages/Annual-Report](http://avrofurniture.com/pages/Annual-Report)

#### FORWARD-LOOKING STATEMENT

In this Annual Report, we might have disclosed forward-looking statements that set out anticipated results based on the management's plans and assumptions. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties, and inaccurate assumptions. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.





## About AVRO

Incorporated in 1996 AVRO INDIA LIMITED is engaged into manufacturing of high quality Plastic moulded Furniture. The company is based out at Ghaziabad, Uttar Pradesh.

The company sells its products under brand names AVRO & AVON on PAN India basis through Online & Offline mode. The company is having one of the largest product range in the industry and AVRO is the first company in India which provides 3 year guarantee on selected product range



### VISION

To become an industry leader delivering affordable, durable and sustainable furniture products for industry and household.



### MISSION

To run a sustainable business for collective and inclusive growth for all stakeholders.



20+ Years  
experience



200+  
SKUs



Among  
Top 5 Plastic  
Products manufacturer



20,000+  
Retail Touch Points



PAN India  
Presence



Top Selling  
Brand on Amazon



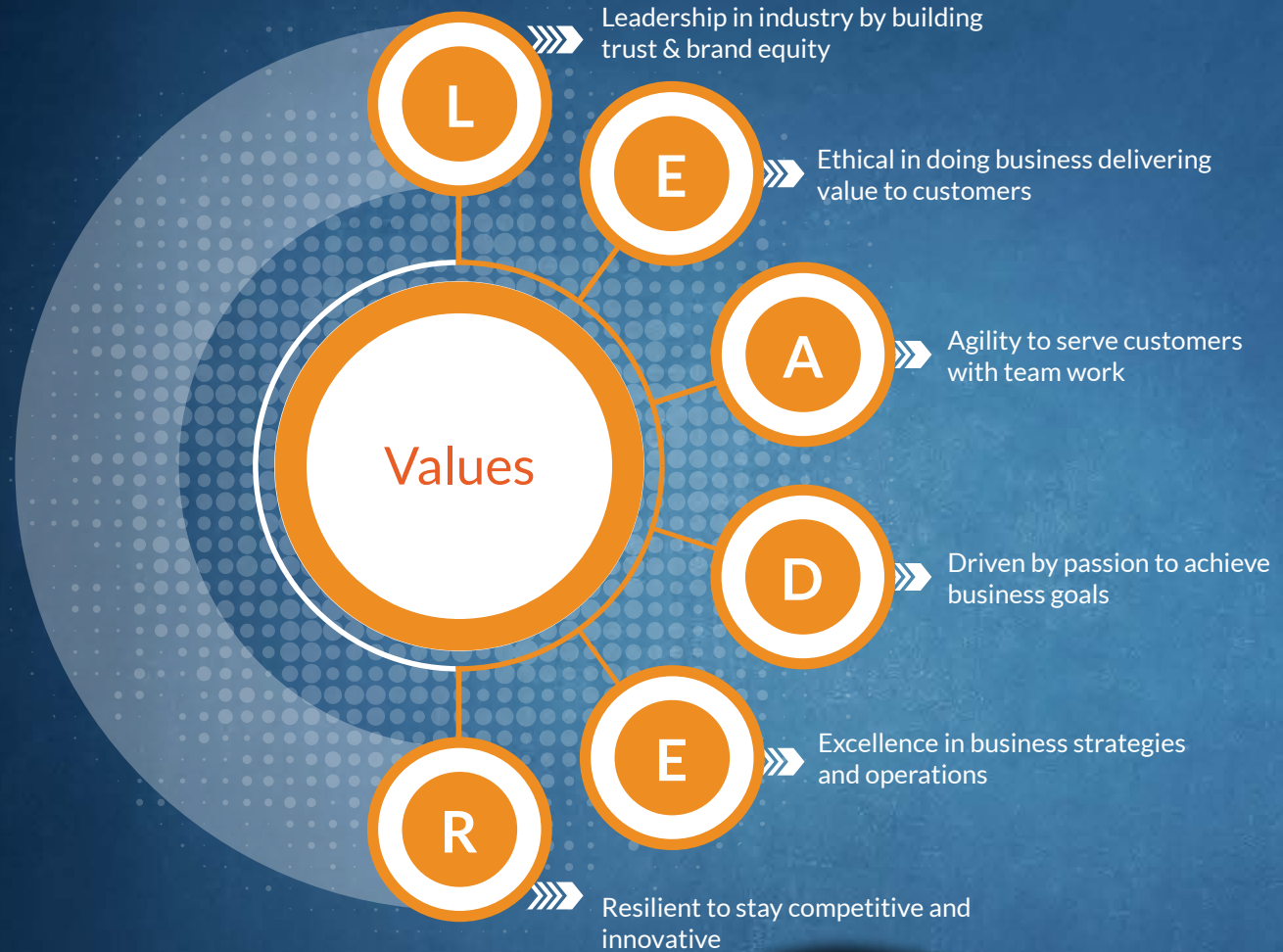
6,500+  
ZIP Code Covered



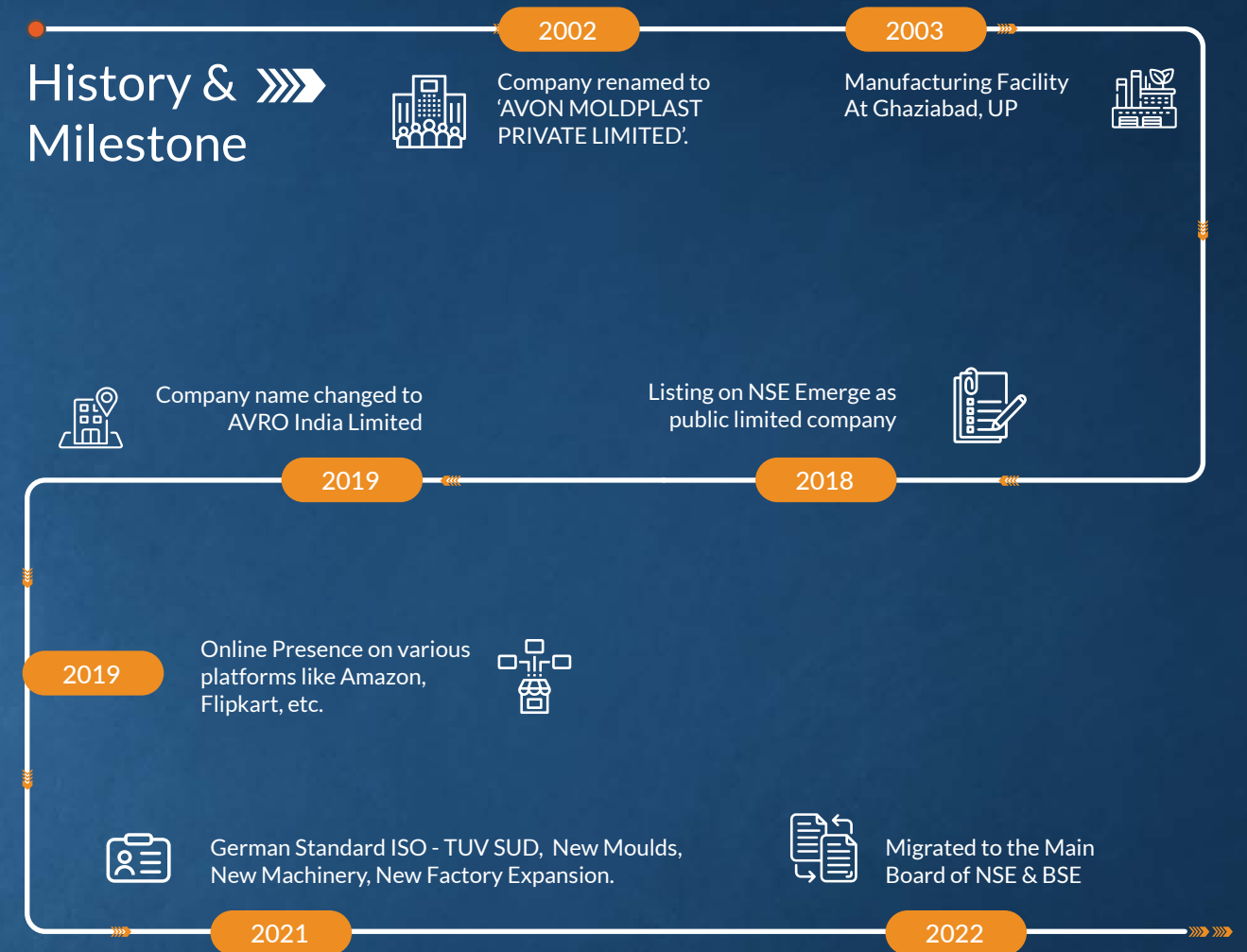
5 Cr+  
Families Served







## History & Milestone





## Manufacturing Facilities

### Infrastructure



### Registered Designs

25 products design registered from the Trademark Registry Of India



Certified by renowned world-wide organization for operational excellence by TUV SUD

Certified Quality & System of ISO 9001:2015 & TUV SUD

Use of Best In Class Injection Moulding Machines



# Product Portfolio >>>



## Best Selling Products



MAGNA



NEXA



VIVA



PLATINUM



3195

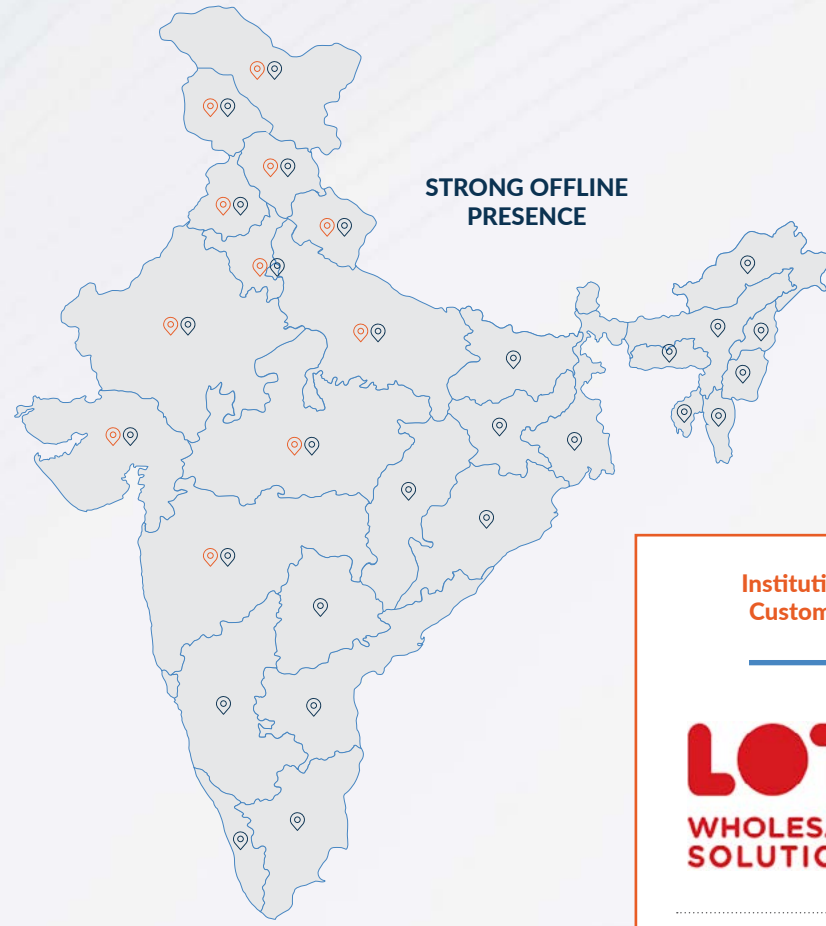


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BABY DESK

## Online & Offline Presence



Offline Online

Institutional Customers

**LOTS**  
WHOLESALE SOLUTIONS.

**METRO**  
Cash & Carry

Available across  
**North India**

**200+**  
Distributors

Present at more than  
**20,000** Furniture Dealer

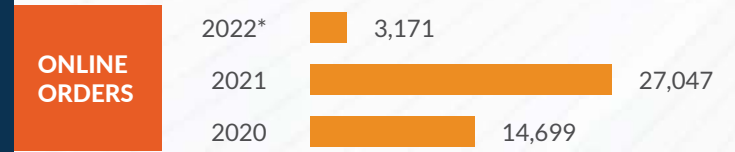
Catering to more than  
**45Cr** population

### Why Consumer Like Avro



- Very Large Product Range
- Durable Quality
- Reasonable Pricing Then Competitor
- 3 years guarantee On selected products

Orders Delivered To 6,500+ Pin Codes across 28 State & 8 Union Territories



\* Till 12 March 2022

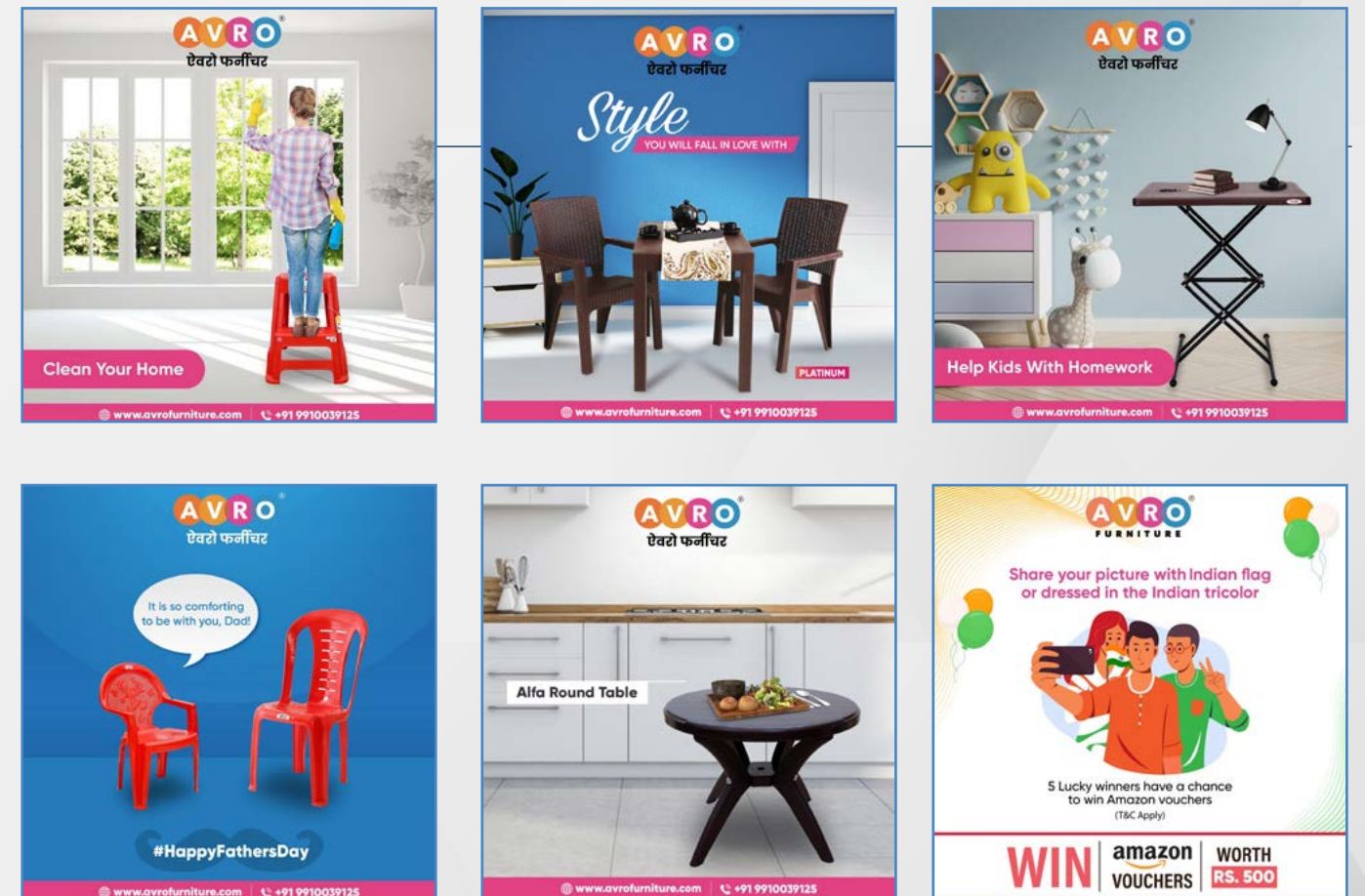
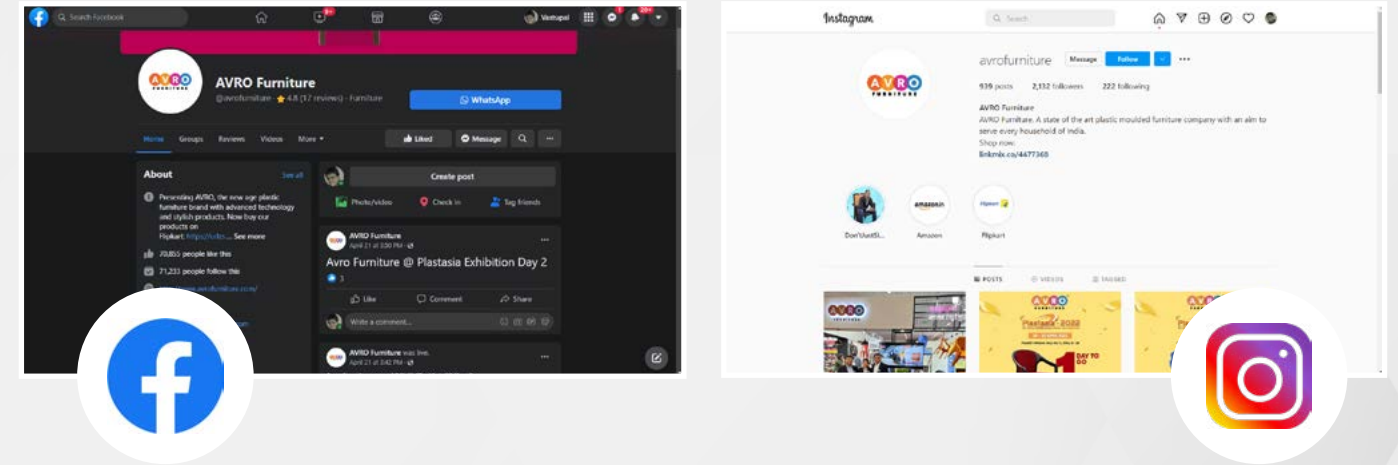


## Strong Mix of Online & Offline Marketing >>>

### Dealer Roadshows



## Marketing Activities





## Chairman's Message



Dear Stakeholders,

Opportunity and success unfold when the foundation is laid strong with principles of Integrity and ethics.

This statement sums up your company growth journey this far. It is an honour for me to write to you all about the FY22 performance of your company and to offer my thoughts on its prospects for the future. Your company has added another feather by moving to the main board of National Stock Exchange of India Limited and Bombay Stock Exchange Limited With a secondary market debut back in 2018 until this year, we have certainly come a long way with immense support from our loyal customers, investors and employees who are putting relentless efforts to turn your company vision into success and I aspire for the expansion of new growth horizons for our company.

Strong, progressive, and entrepreneurial India offers enticing growth prospects. The Indian furniture market had a \$ 17.4 billion market value in FY21. From 2020 to 2026, it is projected to expand at a double-digit CAGR of 13.37%, totalling \$ 37.7 billion. The global plastic furniture market has grown as a result of factors including quick urbanisation, rising disposable income, expanding housing real estate demand, and rising consumer demand for high-end and opulent furniture. High-quality plastic furniture is also becoming more and more popular for usage in residential and commercial settings because of features like timeless durability and aesthetics, as well as its waterproof nature.

Ongoing developments in engineering plastic recycling of plastic remains instrumental in shaping the future of the plastic furniture market. We have been the torchbearers for the

industry and every effort is made on launching innovative materials and design of plastic furniture to capitalize on lucrative sales opportunities. Avro India Ltd has set out to create a "Sustainable business" by pioneering use of "Regenerated" polymers. It is estimated that each Kilo of regenerated plastics leads to saving 2.5 kg of Green House Gas (GHG) which contribute towards climate change. The Company is supporting the Circular Economy by creating a Sustainable business model by collecting, upcycling and making products of HDPE, LDPE and PP plastic. In the first quarter of the financial year 2022-2023, the company, utilising the innovation process, began employing plastic waste in the creation of regenerated polymers. It will progressively increase this production to 500 MT per month in the following year. During FY 2022-2023, regeneration is intended to satisfy the bulk of the annual polymer requirement.

Post pandemic, this year certainly reinstated hope and your company continued to rise stronger on its mission and values with vigour. During the year under review, your company generated Net profit of ₹ 2.97 Cr reflecting a growth of appx. 70% from the previous year. Further 5-year (FY2018-FY22) CAGR for revenue and PAT stood at 25% and 37% respectively. Revenue from operations for FY22 totalled ₹ 64.74 Cr, an increase of 21.53%, reflecting the strong growth brought on by the methodical implementation of our plan. Despite obstacles brought on by supply-side difficulties, we expanded in all areas of our business and produced a good and stable EBITDA margin of 8.62% for FY22 compared to 7.65% for FY21. The EBITDA increased from ₹ 4.10 in FY 21 to ₹ 5.62 in FY 22., The net profit increased by 70.69% to ₹ 2.97 Cr in FY22 from ₹ 1.74 Cr in FY21.



The development and success of a company rely greatly on sustainability and expansion, both of which can only occur when the appropriate forces are applied.



On the distribution front, the company has a strong online and offline presence. Besides more than 20,000 retail touch points spread across North India, your company is expanding its network and gradually making its presence even stronger and distinct at pan India level. The company is planning to expand its retail and distribution networks in states besides its stronghold of Uttar Pradesh along with exploring opportunities in new states. The company has also started to place more emphasis on branding and plans to launch robust advertising operations in FY23. The business intends to advertise via FM Radios, Newspapers, and posters on moving vehicles. Throughout the year, the company also began extending its distribution network outside of north India by aggressive pricing and utilising the acquisitions vacuum left by major brands. The company regularly conducts Dealer & Distributor Roadshows in various parts of India to inspire and onboard channel partners. Today, big box stores like Metro & Lots also sell our products.

**More than 200 distributors constitute the company's robust distributorship, which has enabled it to effectively deliver orders to 6,500+ Pin Codes across 28 States and 8 Union Territories.**

With utmost focus on manufacturing high-quality and durable products, your company continues to create a strong mark amongst its market competitors. The production process is well integrated in a way that there are zero emissions, zero material waste, zero water waste which certainly proves to be boon for the environment. We take pride in the level of our customer satisfaction which primarily is driven by extending a highly cost-effective price which is approx. 30% to 40% more affordable than national/known brands due to low overhead costs. Your company has strong growth plans which includes backward integration, quality assurance, retail & distribution network expansion and new product launches along with the capacity expansion.

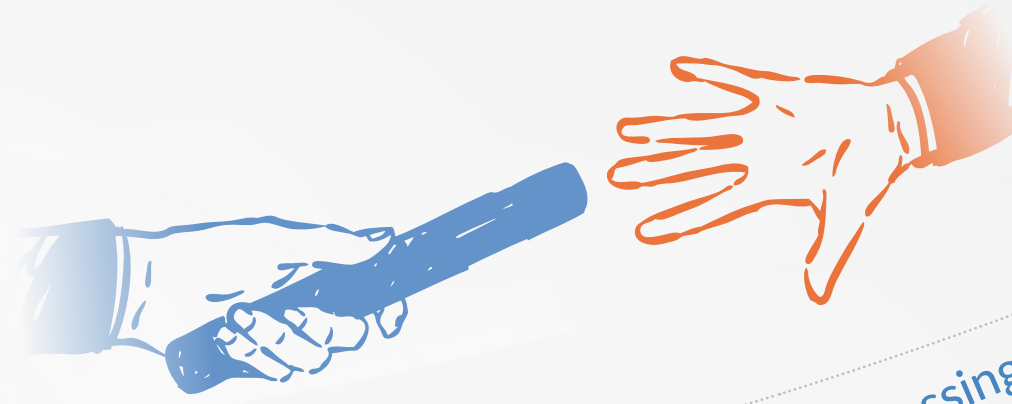
I would like to take this occasion to express my gratitude to our employees, stockholders, investors, bankers, board members, and all other supporters. In the years to come, we anticipate only improvement for our association. I am certain that now we are well prepared for our venture into the future given the foundation of everything we have done in the last year to diversify and improve our business, make it more sustainable, and move it forward on the path of innovation.

Yours sincerely,

**Sushil Kumar Aggarwal**  
Chairman & WholeTime Director



## Leadership Team



Passing the Baton to our Young Flagbearers

## Pioneer....



**Mr. Sushil Kumar Aggarwal**  
Chairman & WholeTime Director

Mr. Sushil Kumar Aggarwal is the promoter and chairman of AVRO INDIA LIMITED, one of the top 5 companies in India and one of the largest manufacturer of plastic-moulded furniture in North India.

He is a visionary entrepreneur and a philanthropist. His vision has been crucial to the growth of Company. The business has expanded significantly over the past couple of years and is now listed publicly on National Stock Exchange of India Limited and BSE Limited.

He is passionate about imparting knowledge and teaching others. He is also a motivational speaker, successful entrepreneur and modern thought leader. He has won numerous accolades for his work in the MSME sector. He was honoured in 2018 by Entrepreneur Magazine as the "Entrepreneur of the Year in Product Manufacturing Business-Plastic & Polymers" (US- based). Over the past two years, he has addressed more than 5,000,00+ people across the nation on entrepreneurship and inspired college students on the topics of "BUILDING FUTURE ETHICALLY, A LIFE ENGINEERING PROCESS" and "VUCA WORLD."

He is currently the Chairman of Confederation of Indian Industry (CII), western UP zone, National President of All India Plastic Moulded Furniture Manufacturers Association and acts as an advisor to the World Association for Small and Medium enterprises (WASME). He serves as a governor and advisor to numerous management and engineering universities. In order to interact with individuals from various Indian states, he speaks a variety of vernacular languages.

He is also closely affiliated with groups that support the education and development of girls in order to promote the Girl child Education and encourage their inclusion in society. He is a well-known Rotarian and recipient of the esteemed Paul Harris Fellowship. Mr. Aggarwal firmly believes in "Organ Donation" and is a committed body donor himself. More than 15000 people have pledged to donate their organs in the previous year owing to his extended travels to spread awareness about the issue.



**Mr. Sahil Aggarwal**  
Managing Director

Mr. Sahil Aggarwal, a post-graduate in business management from Singapore, joined the family business in 2009. During the past decade with the company, he has developed exceptional managerial skills and has an eye for details. His dedication and knowledge of his field has given AVRO an operational edge over its competitors. He's currently responsible for implementing the recycling plant, which is part of AVRO's backward integration plan, along with ongoing operations



**Mr. Nikhil Aggarwal**  
WholeTime Director

Mr. Nikil Aggarwal completed a Bachelor of Science in Business Administration from Ohio State University in 2015 with a specialisation in operations management and logistics management.

His areas of expertise include operations-related tasks, six sigma, process improvement, lean approaches, forecasting, and other related topics. He joined the company in 2020 and has strong aspirations to bring value to the organization and make an impact. He worked with Scarlet and Gray Financial, Buckeye Undergraduate Consulting Club, Clippard Instrument Laboratory, Inc., before joining AVRO.



**Ms. Akshita Aggarwal**  
Head of Branding and Communication

Ms. Akshita Aggarwal graduated with a Bachelor's degree in Commerce from Singapore, (major in management and marketing). She graduated from ISDI Parsons in Mumbai with a Master's in Fashion Management. She joined AVRO India Ltd. after launching her own fashion line, handling the company's branding and publicity.



## A vision for innovation, growth and sustainability. >>>

### Going green appears to be the guiding principle for many companies choosing sustainable packaging for their goods.

Sustainability is fundamental to our operations because it pervades everything we do. The sustainability impact test applies to all business decisions and actions, from our core strategy to even the smallest ones. We have started along the path to sustained growth due to our innovative portfolio and our optimised platforms and procedures. Innovation, consumer-centeredness and sustainability will all be crucial considerations for growth over the next few years.

The consumers are preferring plastic furniture over conventional wooden or metal furniture due to the rising demand for affordable, lightweight, and durable plastic furniture in a variety of end-use sectors. The plastic furniture industry helps preserve forests since it saves trees from being cut down. As part of our environmental propaganda, we are utilising recycled products to our benefit. Avro has started out on a mission to create a "Sustainable business" in order to pioneer the use of "Regenerated" polymers as opposed to "Virgin" polymers, which is a significant Raw Material necessary for the creation of plastic moulded furniture. For every kilogramme of recycled plastic used, it is estimated that 2.5 kg less greenhouse gases (GHG) that contribute to climate change are produced. The company is advancing the circular economy by collecting, upcycling, and creating final products from HDPE, LDPE, and PP plastic—some of the most frequently used plastics in India for both private use and commercial sale.

To address some of the highest emitting sectors of the economy, the transition to a lower-emission future necessitates numerous solutions that may be put into place on a large scale. We are concentrating on this area while drawing on our past success in overcoming significant, complicated problems. We continuously innovate and adopt sector-leading technology to create energy resources with fewer emissions in a safe manner, allowing us

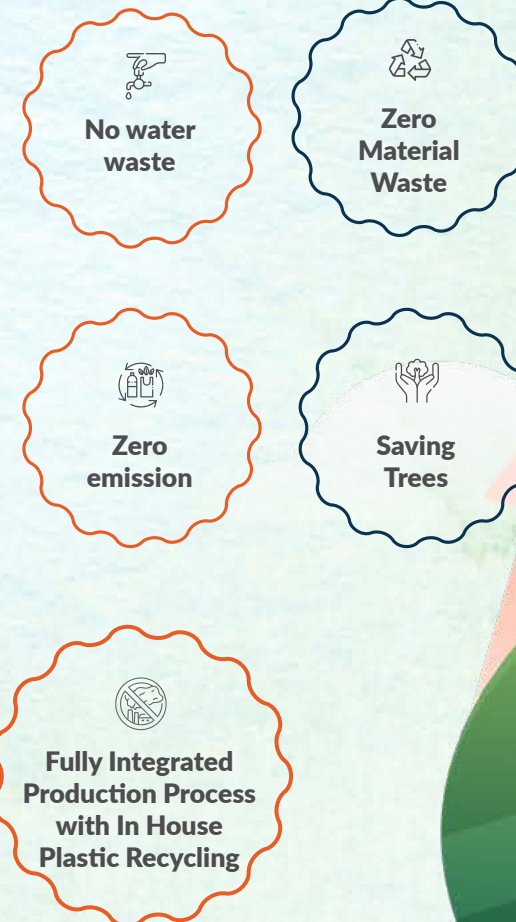
to reliably and inexpensively meet the basic requirements of people all around the world.

In order to advance sustainability in general and specifically as it applies to our value chains, we are actively involved in a number of environmental policies. Additionally, we carry out a variety of projects, frequently in collaboration with partners, to advance circularity in the economy or enhance supply chain sustainability.

### Another promising area is Recycling, but for it to be successful, community involvement is required.

Leveraging the innovation process, the Company has started using plastic waste and, within the first quarter of the financial year 2022–2023, outsourced the production of more than 300 MT of regenerated polymers, which it would progressively increase to 500 MT per month in the following year. During FY 2022–2023, it is intended to use regeneration to meet the bulk of the yearly polymer requirement. The company is moving toward the new business model by gathering, upcycling, and creating end products from HDPE, LDPE, and PP plastic, some of the most commonly used plastics in India for both personal use and commercial sale.

By minimising waste and air, water, and soil emissions, we operate our manufacturing plants responsibly and reduce any adverse effects on the environment. There is absolutely no water waste and no material waste as a consequence of the manufacturing process. The business uses a fully integrated production process, and no emissions are released that would harm the environment. To help create the world of tomorrow even better than the one we live in today, we are changing everything we do, the way we do it, and our interactions with all of our stakeholders.



Sustainability has elevated to a strategic priority for our organisations due to growing worries about climate change and environmental deterioration.



## Awards >>>



## Corporate Information >>>

### BOARD OF DIRECTORS

- Mr. Sushil Kumar Aggarwal**  
Chairman & Whole Time Director
- Mr. Sahil Aggarwal**  
Managing Director
- Ms. Anita Aggarwal**  
Non-Executive Director
- Ms. Vandana Gupta**  
Independent Director
- Mrs. Iti Goyal**  
Independent Director (Ceased to be director w.e.f. July 31, 2022)
- Mrs. Richa Kalra**  
Independent Director (Appointed w.e.f. April 14, 2022)
- Mr. Nikhil Aggarwal**  
Whole Time Director (Appointed w.e.f. April 14, 2022)
- Mr. Sushil Kumar Goyal**  
Additional (Independent) Director (Appointed w.e.f. August 29, 2022)

### CHIEF FINANCIAL OFFICER

**Mr. Ghanshyam Singh**

### COMPANY SECRETARY & COMPLIANCE OFFICER

**Mr. Sumit Bansal**

### STATUTORY AUDITOR

**M/s S A A R K AND CO.**  
Chartered Accountants  
203, 301-302, Plot No. 7, 2nd & 3rd Floor Aggarwal Plaza,  
LSC-1 Mixed Housing Complex, Mayur Vihar - III,  
Delhi - 110096

### INTERNAL AUDITOR

**M/s NSH & Co.**  
Chartered Accountants  
Plot No.133, Lane No.1, Near Saket Metro Station,  
Saket-110017, Delhi

### REGISTRAR & SHARE TRANSFER AGENT MAS SERVICES LIMITED

T-34, 11nd Floor, Okhla Industrial Area,  
Electrosteel Casting Compound, Ghaziabad,  
Uttar Pradesh-201009

### SHARES LISTED AT

National Stock Exchange of India Limited (Upto April 06,  
2022 on NSE Emerge and from April 07, 2022 migrated to  
Main Board of NSE)  
BSE Limited (w.e.f. April 07, 2022)

### BANKERS TO THE COMPANY

**IDFC Bank**  
G-61 & G-62, Sector - 18  
Noida - 201301

**Punjab National Bank**  
K.M Trade Tower Near Hotel Radisson,  
Kaushambi Ghaziabad - 201010

### BOARD COMMITTEES

#### AUDIT COMMITTEE

- Mrs. Vandana Gupta**  
Chairperson
- Mr. Sahil Aggarwal**  
Member
- Mrs. Iti Goyal**  
Member (Ceased to be director w.e.f. July 31, 2022)
- Mr. Pawan Dixit**  
Member (Appointed as Member w.e.f. July 29, 2022)

#### NOMINATION & REMUNERATION COMMITTEE

- Mrs. Vandana Gupta**  
Chairperson
- Mrs. Anita Aggarwal**  
Member
- Mrs. Iti Goyal**  
Member (Ceased to be director w.e.f. July 31, 2022)
- Mr. Pawan Dixit**  
Member (Appointed as Member w.e.f. July 29, 2022)

#### STAKEHOLDER RELATIONSHIP COMMITTEE

- Mrs. Vandana Gupta**  
Chairperson
- Mr. Sushil Kumar Aggarwal**  
Member
- Mrs. Iti Goyal**  
Member (Ceased to be director w.e.f. July 31, 2022)
- Mr. Pawan Dixit**  
Member (Appointed as Member w.e.f. July 29, 2022)

### WEBSITE

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

### CONTACT DETAILS

Ph. No: 0120-4376091  
cs@avrofurniture.com

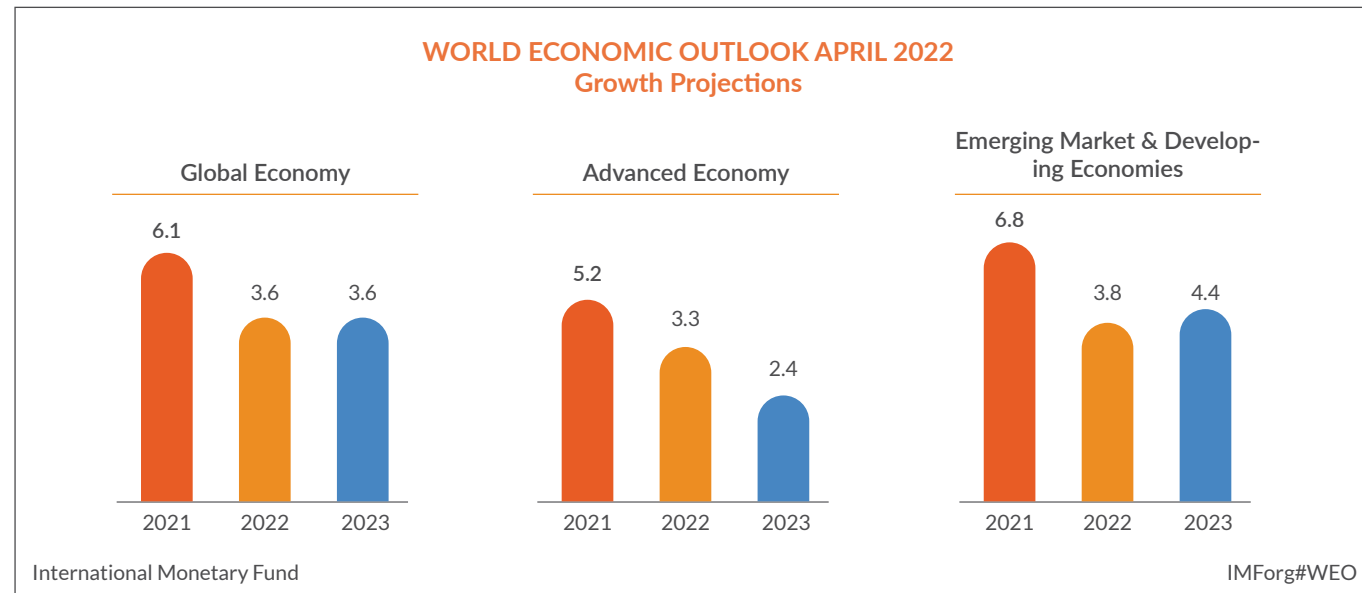


# Management Discussion and Analysis Report



## Global Economic overview

Following a protracted fight against the COVID-19 epidemic, the world economy began to grow in the financial year 2021. This development was driven by a more rapid immunisation campaign and prompt interest rate reduction. According to the International Monetary Fund (IMF), the global economy has expanded by 6.1% in FY2021 after contracting by 3.3% in FY2020. Additionally, there are indications that nations with historically low savings rates preferred to raise up following the epidemic, providing their finances with a stronger foundation moving ahead. By the end of FY2021-22, the geo-political conflict had become a major concern for the world economy. It caused the price of crude oil to increase and cross the USD 120 per barrel mark, pushing up the cost of basic goods and escalating inflationary pressures. For FY 2022-23, the IMF has predicted the world economy to grow at the rate of 3.6%. Global interest rates rose as a result of significant inflation and monetary policy tightening by various central banks. Global political unrest further hampered trade flows by halting production, imposing sanctions, and restricting access to international financial networks. After that, there was a significant impact on the availability and cost of food and energy, and these issues are still very important.



Source: <https://www.imf.org/en/Publications/WEO/Issues/2022/04/19/world-economic-outlook-april-2022>

## Indian Economic overview

The Indian economy has proven to be rather resilient, despite the challenges brought on by the pandemic last year. The third wave of COVID-19 and geopolitical conflicts are expected to have a small impact on the GDP growth rate for FY 2022, which is estimated by the National Statistics Office (NSO) to be 8.7%. In the medium term, however, risks to growth include rising global inflationary pressure, supply chain bottlenecks brought on by geopolitical tensions, and the resurgence of a high viral load in China and other nations. The RBI projects that India's GDP would increase by 7.2% in FY 2023, underpinned by a number of innovative changes that the government has implemented during the previous two years. Geopolitical tensions, high inflation and novel coronavirus variants-induced waves of infections are the main challenges.

Going forward, the government's increasing focus on developing new infrastructure and modernising existing assets will benefit the economy. With a nearly 35% year-over-year rise in capital spending and a targeted infrastructure spend of over Rs.10 lakh crore in the Union Budget 2022-23, the government has reaffirmed its commitment to utilising infrastructure as a force multiplier for sustainable economic growth. Direct tax collections for the first quarter of the current fiscal year as of June 16, 2022, indicate net collections of ₹3,39,225 crore as opposed to ₹2,33,651 crore in the prior year, reflecting an increase of 45% over the collections of the prior year. This is encouraging for the nation's speedy economic recovery.

Outlook: India is one of the world's fastest-growing economies and the fourth-largest retail market, driven by robust macroeconomic conditions. Consumers, distributors, producers, and supporting industries like transportation, logistics, cold chains, etc. can all benefit from the solid base it offers. The GDP is expected to increase as a result of rising disposable incomes, a growing middle class, fast urbanisation, an increase in the number of dual-income households, and a demographic profile that is skewed toward youth.

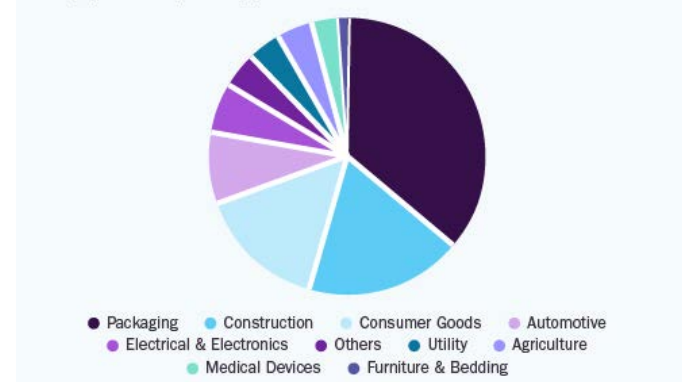
The RBI has tightened its monetary policy in response to rising consumer inflation in order to keep inflation and growth under check. Retail inflation reached 6.95%, the highest level in 17 months, as a result of rising geopolitical tension, and the Wholesale Price Index (WPI) reached 14.55% in March 2022 as a result of rising gasoline and food prices. Along with inflation, the marginal cost of borrowing money is increasing as interest rates tighten. The epidemic and geopolitical turmoil caused an increase in inflation throughout the course of the year, which was mostly driven by rising food and crude oil prices. In terms of exchange rates, the Indian rupee depreciated at the start of the fiscal year, but a stronger current account position has helped the currency in the following quarters.

## Industry structure and developments

### Global:

In 2021, the size of the world plastic market was estimated at USD 593.00 billion. From 2022 to 2030, it is anticipated to increase at a compound annual growth rate (CAGR) of 3.7%. During the projection period, it is anticipated that rising plastic use in the construction, automotive, and electrical & electronics industries will boost market expansion. Plastic is increasingly being used as a substitute for metals, such as aluminium and steel, in the production of automobile components in response to regulations aiming to lower gross vehicle weight in order to increase fuel efficiency and eventually reduce carbon emissions. The expansion of the building sector in developing nations like Brazil, China, India, and Mexico has significantly increased demand for plastics. Because of loosened FDI regulations and demands for better public and industrial infrastructure, there has been an increase in foreign investment in certain domestic construction markets.

Global Plastic Market share, by end use, 2021 (%)



**\$593.0B**  
Global Market Size, 2021

(Source: <https://www.grandviewresearch.com/industry-analysis/global-plastics-market>)

The plastic furniture market is segmented into type, end user, distribution channel, and region. On the basis of type, the market is divided into kitchen furniture, living & dining room furniture, bathroom furniture, and outdoor furniture. By end user, it is bifurcated into residential and commercial. On the basis of distribution channel, it is categorized into modern trade, specialty stores, e-commerce, and direct-to-customers. Region wise, the market is studied across North America, Europe, Asia-Pacific, and LAMEA. On the basis of type, the kitchen furniture segment constituted a major share in 2019; however, the



bathroom furniture segment is projected to experience growth at the highest CAGR during the forecast period. Rise in the trend of modular kitchen and kitchen cabinets significantly contributes to the global market.

#### INDIAN FURNITURE INDUSTRY:

During the forecast period, which runs from 2018 to 2023, it is predicted that the India furniture market by commercial sector will have a CAGR of 11.97%. Commercial activity is further divided into contracting and non-contracting activities. It has been noted that northern and southern India account for the majority of the demand for furniture. India is the fourth-largest consumer of furniture worldwide and the fifth-largest producer of furniture. In FY21, the Indian furniture market was worth \$ 17.4 billion. It is anticipated to grow at a double-digit CAGR of 13.37% from 2020 to 2026, reaching \$ 37.7 billion. With a CAGR of 32%, the size of the online furniture retail market increased from \$ 300 Mn in 2017 to \$ 920 Mn in 2020. The Indian furniture rental market was valued at \$4.1 billion in 2020 and is expected to increase to \$13 billion by 2025, with a 26% CAGR.

It has been noted that northern and southern India account for the majority of the demand for furniture. Other elements influencing the expansion of the Indian furniture sector include:

1	There will be a 2.5x Increase in income per capita from 2016 to 2027
2	The rate of growth of wages is significantly lower and the rate of growth of productivity is relatively higher compared to other low-cost countries like China, Vietnam and Thailand
3	Growing Expenditure: consumption expenditures will rise by a factor of three to reach 4 trillion by 2025
4	Continued Urbanisation: 40% of India's population will be living in urban areas by 2025 up from 31% in 2010, and will account for more than 60% of consumption
5	Changing Family Structures: The proportion of nuclear households has reached 70% and is projected to increase to 74% by 2025. They spend 30% more per capita than joint families

Source - <https://www.investindia.gov.in/sector/consumer-goods/furniture>

#### Extended Producers Responsibility (EPR)

Extended producer responsibility (EPR), which holds the producer accountable for the entirety of the product's lifecycle, is a critical policy tool for advancing the circular economy, minimising a product's environmental impact, and reinforcing the "polluter pays" principle. Extended producer responsibility (EPR), which holds the producer accountable for the entirety of the product's lifecycle, is an essential instrument for advancing the circular economy, minimising the environmental impact of a product and its packaging, and reinforcing the "polluter pays" principle. The Ministry of Environment, Forest, and Climate Change has published Guidelines on Extended Producers Responsibility on plastic packaging. In accordance with the 2016 Plastic Waste Management Rules, the government has published a framework to improve the cycle economy of plastic packaging waste. A ban on specific single-use plastic products with low utility and littering potential will come into effect from July 1, 2022.

The objectives of EPR are as follows:

- Integration of environmental costs
- Improved waste management
- Reduction of disposal
- Reduction of burden on municipalities
- Design of environmentally sound products

#### Opportunities and Threats

Opportunities:

- The production of biodegradable plastics has a lot of potential given the government's emphasis on environmental protection, and as people become more conscious of the harm that plastic pollution causes to the environment, recycled plastic will likely become more popular in plastic furniture.
- The company is continually attempting to expand its footprint in the unexplored market despite the fierce competition from the unorganised sector.
- The Company is aiming to become a key player with its high-quality products and sound corporate governance by concentrating on adding new items for the industrial sector.

Threats:

- Uncertain government policies and fluctuating market conditions
- Technological developments
- Increasing Competition
- The unorganised small-scale sector is a competitor
- Stagnation phase or economic slowdown due to various factors

#### Company Overview

Our Company is engaged in the manufacturing of high-quality Plastic molded furniture. The company sells its products under brand names AVRO & AVON on PAN India basis through Online & Offline mode.

The company has one of the largest product ranges in the industry at very affordable prices and AVRO is the first company in India which provides a 3 year guarantee on selected product ranges. Our brand AVRO, is one of the leading brands in the plastic furniture market in India. The Company with its constant endeavour for innovation will continue to introduce many new and innovative products.

#### BUSINESS OVERVIEW

The year 2021-22 was a tough year for furniture business owing to steep increase in Polymer prices. The prices of PP increased by almost 20% from October 2021 onwards. The Company registered value growth of 26.02% in the FY22 & volume growth of 7.23% in FY22.

The company has seen huge growth in online channel demand for its products starting in FY20 now the company has grown its business four-fold in online sales from ₹ 0.85 Cr in FY20 to ₹ 3.47 Cr in FY22. We are selling our products on a PAN India basis. Due to its high-quality and reasonably-priced product line, combined with its best in class 3-year warranty in some product ranges, the company is among the most well-liked companies on platforms like Amazon and Flipkart when compared to major names in terms of ratings and reviews. As demand for the company's products grows, we want to establish a warehouse in southern India to facilitate efficient logistics. The company now sells its items through the Amazon Fulfilled and Flipkart Assured programmes. The company is concentrating on growing online sales and establishing a presence on other portals, such as Meesho, Pepperfry, Indiamart, Jio Mart, Snapdeal, Shopclues, and Just Dial, among others. In the coming years, one of the company's main growth drivers will be online sales.

During the year, the company has also started expanding its distribution network out of north India through competitive pricing and using the vacuum created by big brands is helping us in acquisitions. To motivate and onboard channel partners, the Company is doing Dealer & Distributor Roadshows on a regular basis in different pockets of India. Now our products are also available at big box retailers like Metro & Lots.

The company is active on social media for marketing of its products. We have a strong presence on platforms like facebook and youtube. We do product marketing and product reviews on youtube for highlighting key features of our products. Also on social media, we also do contests on various occasions to promote our products through coupons.

During the year, the Company introduced new models in

different products categories like Chairs, Tables, Almirah etc in the market which has received very positive response from our customers and can be a growth driver for following years.

#### Segment wise performance

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and CFO of the Company. The company has identified one reportable segment based on the information reviewed by CODM.

#### Growth strategy and outlook

One of the top brands in India's plastic furniture market is ours, under the brand name AVRO. The company manufactures furniture made of plastic that has been moulded. It will fulfil its obligation to society as a whole by providing high-quality goods at the lowest possible cost. The company is devoted to making their products available across India and is actively seeking to enhance its retail penetration. Our network of more than 200 distributors currently provides assistance to more than 20,000 stores that sell furnishings for the business.

The company has pioneered the use of "Regenerated" polymers as opposed to "Virgin" polymers, which is a primary Raw Material used for the production of plastic moulded furniture, in an effort to build a sustainable business while keeping the environment in mind. By collecting, upcycling, and producing end products from HDPE, LDPE, and PP plastic—some of the most commonly used plastics in India for both personal use and commercial sale—the company is promoting the circular economy. In order to meet its demand for the polymers and boost sales, the company is also preparing for backward integration in plastic regeneration.

The company is planning to expand its current product line into other product categories, such as rotating chairs, matters, other plastic furniture products, etc. The Company will only handle the marketing of these products; outsourcing will be used for production. The company intends to increase its retail and distribution networks in states besides its stronghold of Uttar Pradesh. The business intends to advertise via FM Radios, Newspapers, and by posters on moving vehicles.

#### Financials

The year 2021-22 was a tough year for furniture business owing to steep increase in Polymer prices. The prices of PP increased by almost 20% from October 2021 onwards. Since the beginning of FY20, the company has experienced a significant increase in the demand for its products through the online channel. As a result, online sales have increased fourfold, from ₹ 0.85 million in FY20 to ₹ 3.47 million in FY22. We offer our goods throughout all of India.



Particulars (Rs. Crore)	FY22	FY21	YoY Change
Revenue From Operations	64.74	53.27	⬆️ 21.53%
Total Income	65.20	53.57	⬆️ 21.71%
EBITDA	5.62	4.10	⬆️ 37.07%
EBITDA Margin	8.62%	7.65%	⬆️ 97 bps
PBT	3.92	2.40	⬆️ 63.33%
Net Profit	2.97	1.74	⬆️ 70.69%
Net Profit Margin	4.56%	3.25%	⬆️ 131 bps
EPS (Rs.)	2.95	1.73	⬆️ 70.52%

The Company's revenue from operations increased to ₹ 64.74 Cr in FY 2022 compared to ₹ 53.27 Cr in FY 2021. The EBITDA has grown from ₹ 4.10 Cr to ₹ 5.62 Cr. EBITDA in FY2022 is approx. 37% higher than the previous financial year. The Revenue from Operations in FY2022 have been approx. 21% higher than FY2021. PBT for FY 2022 is appx.63% higher than FY 2021 and PAT numbers are appx.70.% higher than FY 2021.

For FY22 Offline sales contributed ₹ 61.27 Cr to the revenue which is approx. 95% of the revenue. while Online sales has contributed ₹ 3.47 Cr to the revenue which is approx. 5% of the revenue.

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations 2018, the Company is required to provide details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations. The following list of important financial ratios:

Ratio	As at 31 March, 2022	As at 31 March, 2021	% variance	Reason for variance
Current Ratio (in times)	1.62	2.14	24.30	Decrease in the ratio is due to increase in current liabilities
Debt-Equity Ratio (in times)	0.37	0.23	(60.87)	Increase in the ratio is due to increase in non-current borrowings and utilization of working capital during the year
Debt-Service Coverage Ratio (in times)	0.69	0.93	25.81	Decrease in the ratio is due to increase in borrowings during the year.
Return on Equity (in %)	0.16	0.10	(60.00)	Increase in ratio due to increase in profit during the year
Inventory Turnover Ratio (in times)	16.69	30.08	44.51	The ratio is decreasing due to increase in closing inventory
Trade Receivables Turnover Ratio (in times)	4.39	5.63	22.02	
Trade payables turnover ratio (in times)	9.97	21.76	54.18	The ratio is decreasing due to Increase in trade payables during the current year
Net Capital Turnover Ratio (in times)	7.60	8.09	6.06	
Net Profit Ratio (in %)	4.60	3.28	(40.24)	The increase in ratio is due to increase in profit during the year.
Return on Capital Employed (in %)	0.15	0.12	(25.00)	Increase in ratio is due to increase in earnings during the year
Return on Investment (in %)	11.72	2.65	(342.26)	Increase in ratio is due to increase in income from investments during the year

## Risks and concerns

The Company is susceptible to a number of possible hazards, including product distribution from both internal and external sources, government policies, and technical changes. Identification, analysis, and mitigation of risk through suitable control measures are crucial for our company's long-term performance. The identified risks are continuously reviewed and assessed, and appropriate measures are promptly taken to mitigate them. The use of various measures to reduce the risk is periodically evaluated. Periodically, the Board evaluates the Risk Management procedure. The Company is exposed to foreign exchange as it has to pay for the import of machinery and moulds in foreign exchange. The result and financial condition of the Company could be negatively impacted by the fluctuation in the exchange rate between the US Dollar and the Indian Rupee.

The Company is subject to the risk of changing prices for both finished items and raw materials. The business addresses these risks in inventory management, for example, in addition to passing the cost forward to the customer. Additionally, the exposure of the pandemic could have a negative influence on the Company's activities. Changes in consumer behaviour and decreased production as a result of lockdowns or quarantines could have an impact on demand for the company's goods.

The Company is committed to managing risks proactively and effectively because it understands that risk is a necessary component of doing business. The Company evaluates risks in both the internal and external environments on a regular basis. These risks are always changing, both in terms of their potential impact and likelihood of happening. The Company continuously examines the external environment for new threats and evaluates their potential influence on corporate goals. The Board of Directors oversees and assesses the Company's enterprise-wide risk management framework. The Company examines a variety of risks for mitigation and to maintain business operations, including competition risk, safety and sustainability risk, compliance risk, information security risk, raw material availability risk, and pandemic risk.

## Human resources

Since Avro Limited views its employees as one of its most precious assets, the company is committed to fostering and developing its human resources. The Company focuses its human resource efforts in the following areas: communication, learning and development, performance management and review,

and recruitment. To help the employee achieve operational excellence, productivity, and compliance with quality and safety standards, they receive regular training.

The Company will keep putting a lot of effort into developing and sustaining a remarkable working culture focused on human performance. The Company put in place pro-active procedures to encourage a calm and pleasant workplace. The business feels that its rapid growth, a welcoming workplace, and high employee satisfaction rate have all contributed to its success in luring a large pool of brilliant individuals.

## Internal control systems and their adequacy

The Company has the Internal Control systems in place, adequate for the size of the Company and the nature of its business. The Primary function of our internal control systems is to ensure efficiency in business operations, safeguarding of Company's assets, adherence to policies and procedures, protecting and detecting errors and frauds, compliance with applicable laws and ensuring the reliability of financial statements and reporting. In addition, the compliance of corporate policies is duly monitored.

The Internal Audits are carried out by the Internal Auditor of the Company. Internal Audits are conducted at regular intervals to assure the management of fair transactions. Efficacy of Internal Control systems are tested periodically by the Internal Auditors and internal control over financial reporting is tested and certified by statutory auditors.

The Company also has an Audit Committee to interact with Statutory Auditors, Internal Auditors and Management in dealing with matters including financial reporting and internal controls.

## Cautionary statement

The above-mentioned statements in Management Discussions and Analysis is based on information that is currently available as well as a number of assumptions regarding the economy, factors affecting raw material prices, selling prices, trends in consumer demand and preference, governing and applicable laws, and other economic and political factors. The management cannot guarantee that the company's future performance projections and assumptions are accurate. Therefore, it is advised that the results may not match those stated and indicated therein.



## AVRO INDIA LIMITED

CIN: L25200UP1996PLC101013

Regd. Office: A-7/36-39, South of G.T Road Industrial Area, Electrosteel Casting Compound,  
Ghaziabad-201009, Uttar Pradesh, Phone: 0120-4376091

Email: info@avrofurniture.com, Website: www.avrofurniture.com

### NOTICE OF 26<sup>TH</sup> ANNUAL GENERAL MEETING

NOTICE is hereby given that the 26<sup>th</sup> Annual General Meeting ("AGM") of the members of Avro India Limited will be held on Wednesday, 28<sup>th</sup> day of September, 2022 at 11:00 a.m. through Video Conferencing ("VC")/other Audio-Visual means ("OAVM") facility to transact the following businesses:

#### ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2022 together with the Reports of Board of Directors and Auditors thereon and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as **Ordinary Resolution**:
- To appoint Mrs. Anita Aggarwal (DIN: 00248972), Non-Executive Director, who retires by rotation and being eligible offers herself for re-appointment and in this regard to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, the approval of the members of the Company be and is hereby accorded to the reappointment of Mrs. Anita Aggarwal (DIN: 00248972) who retires by rotation and being eligible has offered herself for re-appointment as a Non-Executive Director of the Company.

#### SPECIAL BUSINESS:

- To appoint Mr. Sushil Kumar Goyal (DIN: 09719226) as an Independent Director of the Company and in this regard to consider and if thought fit, to pass with or without modification, if any, the following resolution as an **Special Resolution**:

"RESOLVED THAT pursuant to Section 149, 152 and other applicable provisions, if any of the Companies Act, 2013 ("the

Act") read with Schedule IV to the Act, and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any modification or re-enactment thereof for the time being in force), and pursuant to applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modification or re-enactment thereof and in accordance with the Articles of Association, Mr. Sushil Kumar Goyal (DIN: 09719226) who was appointed as an Additional Director in the capacity of Independent Director with effect from August 29, 2022 under Section 161 of the Companies Act, 2013 and who holds office as such up to the date of this Annual General Meeting and in respect of whom, the Company has received in writing from a member under Section 160 of the Act proposing his candidature for the office of the Director of the Company be and is hereby appointed as a Independent Director of the Company, not liable to retire by rotation, to hold office for a period of five consecutive years for a term up to August 28, 2027.

**RESOLVED FURTHER THAT** Mr. Sushil Kumar Aggarwal (DIN: 00248707), Whole Time Director, Mr. Sahil Aggarwal (DIN: 02515025), Managing Director and Company Secretary of the Company be and are hereby severally authorized to do all such acts, matters, deeds and things as may be necessary or desirable in connection with or incidental to give effect to the above resolution, including but not limited to filing of necessary forms with relevant statutory bodies, and to comply with all other requirements in this regard."

For & on behalf of the Board of Directors  
Avro India Limited

Sd/-  
Sumit Bansal  
(Company Secretary and Compliance Officer)  
M.No.: A42433

#### NOTES:

- In view of the continuing COVID-19 pandemic and in light of social distancing norms and in terms of the General Circulars No.14/2020 April 08, 2020; 17/2020 dated April 13, 2020; 20/2020 dated May 05, 2020; 02/2021 dated January 13, 2021; 19/2021 dated December 8, 2021; 21/2021 dated December 14, 2021 and General Circular No. 2/2022 dated May 5, 2022 respectively issued by the Ministry of Corporate Affairs ("MCA") (hereinafter referred to as "MCA Circulars") and Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and Circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 issued by the Securities and Exchange Board of India ("SEBI") (hereinafter referred to as "SEBI Circulars"), Companies are permitted to conduct the Annual General Meeting through Video Conferencing/Other Audio Visual Means ("VC"/"OAVM") without the physical presence of members. Hence, in accordance with the MCA Circulars and SEBI Circulars, provisions of the Companies Act, 2013 ("the Act"), and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), 26<sup>th</sup> AGM of the Company is being held through VC/OAVM which does not require physical presence of members at a common venue. The proceedings of the AGM will be deemed to be conducted at the Registered office of the Company which shall be deemed venue of the AGM.
- The Explanatory Statement pursuant to Section 102 of the Act setting out the material facts concerning the Special Business under Item No. 3 of this Notice is annexed hereto.
- Brief Details of Director seeking appointment/re-appointment, along with details of his other Directorship, shareholding in the Company, nature of his expertise in specific functional area pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meeting (SS-2) issued by ICSI forms part of this Notice and is annexed hereto as **Annexure-I**.
- Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM facility, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members under Section 105 of the Act will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- Institutional/Corporate Shareholders (i.e. other than Individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body resolution/Authorisation etc. authorizing its representative to attend the Annual General Meeting through VC/OAVM facility on its behalf and to vote through remote e-voting. The said Resolution/Authorisation shall be sent to the Scrutinizer by email through their registered email address to chaturvediandcompany@gmail.com with a copy marked to the Company to evoting@nsdl.co.in.
- The attendance of the Members participating in the AGM through VC/OAVM facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- The Members can login and join the AGM 30 minutes prior to the scheduled time to start the AGM and the window for joining shall be kept open till the expiry of 15 minutes after the scheduled time to start the AGM. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members, on first-come-first-served basis. However, the participation of large members (members holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Auditors can attend the AGM without restriction of first-come-first served basis. Instructions and other information for members for attending the AGM through VC/OAVM are given in this Notice.
- In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the aforesaid MCA and SEBI Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.

10. For ease of conduct, members who would like to ask questions/express their views on the items of the business to be transacted at the meeting can send in their questions/comments in advance mentioning their name, demat account number/ folio number, email id, mobile number at [cs@avrofurniture.com](mailto:cs@avrofurniture.com). The same will be replied by the Company suitably. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
11. Voting rights shall be reckoned on the paid-up value of shares registered in the name of member/beneficial owners (in case of electronic shareholding) as on the Cut-off date i.e. Wednesday, 21<sup>st</sup> September, 2022.
12. Pursuant to Section 91 of the Companies Act, 2013 and Regulation 42 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 22<sup>nd</sup> September 2022 to Wednesday, 28<sup>th</sup> September 2022 (both days inclusive) for the purpose of 26<sup>th</sup> AGM of the Company.
13. Since AGM will be held through VC/OAVM facility, the Route Map is not annexed in this Notice.
14. In compliance with aforesaid MCA Circular and SEBI Circulars, the Notice of 26<sup>th</sup> AGM along with Annual Report 2021-22 is being sent through electronic mode to those Members whose email addresses are registered with the Company/ Registrar and Share Transfer Agent/ Depository Participants. Members may note that the Notice calling AGM along with the explanatory statement and Annual Report 2021-22 are available on the website of the Company at [www.avrofurniture.com](http://www.avrofurniture.com) and on the website of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com), National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) and on the website of National Securities Depository Limited (NSDL) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com) (the Authorised agency for providing voting through electronic means and AGM through VC/OAVM).
15. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of the listed Companies can be transferred only in dematerialized form with effect from April 01, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company Secretary or Mas Services Limited, Company's Registrar and Share Transfer Agent ("RTA") (Tel. No. 011 26387281/82/83) for assistance in this regard.
16. Members who have not yet registered their e-mail addresses are requested to register the same with their Depository Participants ("DP") in case the shares are held by them in electronic form and with the Company/RTA in case the shares are held by them in physical form.
17. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone / mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, etc., to their DPs if the shares are held by them in electronic form and to the Company/RTA if the shares are held by them in physical form.
18. For receiving all future correspondence (including Annual Report) from the Company electronically-
- In case you have not registered your email ID with the Company/ Depository, please follow below instructions to register your email ID for obtaining Annual Report for FY 2021-2022 and login details for e-voting.
- Physical Holding**
- Send a signed request letter to Registrar and Transfer Agents of the Company, MAS Services Limited at [investor@masserv.com](mailto:investor@masserv.com) providing Folio Number, Name of the Shareholder, scanned copy of the Share Certificate (Front and Back), PAN( Self attested scanned copy of PAN Card), AADHAR ( Self attested scanned copy of Aadhar Card) with subject line (Register E-mail ID Folio No (Mention Folio No) of Avro India Limited.
- Demat Holding**
- Please contact your Depository Participant (DP) and register your email address as per the process advised by DP.
19. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2021-22 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Registrar and Share Transfer Agent/Depository Participants.
- Further, those members who have not registered their e-mail addresses and mobile nos. and in consequence could not be served the Notice of the AGM and Annual Report may temporarily get themselves registered with RTA by emailing for obtaining the same. Members are requested to support our commitment to environmental protection by choosing to receive the Company's communications through e-mail going forward.
- Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website [www.avrofurniture.com](http://www.avrofurniture.com), websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com), [www.nseindia.com](http://www.nseindia.com) and on the website of NSDL <https://www.evoting.nsdl.com>.
20. In case a person has become a member of the Company after dispatch of the AGM Notice, but on or before the cut-off date for e-voting i.e. **Wednesday, September 21, 2022**, such person may obtain the User ID and Password from RTA by e-mail request on [investor@masserv.com](mailto:investor@masserv.com).
21. With a view to helping us serve the members better, members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Company to consolidate their holdings in one folio.
22. In terms of Section 72 of the Companies Act, 2013 and the applicable provisions, the shareholders of the Company may nominate a person in whose name the shares held by him/ them shall vest in the event of his/their death. Shareholders desirous of availing this facility may submit the requisite nomination form.
23. In terms of SEBI Circular dated 09/12/2020, the depository shall send SMS/email alerts regarding the details of the upcoming AGM to the demat holders atleast 2 days prior to the date of commencement of e-voting. Hence members are requested to update the mobile no./email ID with their respective depository participants.
24. Relevant documents as referred to in the Notice and Explanatory Statement are available on the website of the Company at [www.avrofurniture.com](http://www.avrofurniture.com) for inspection by the members electronically without any fees up to the date of the AGM.
25. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 & the Register of Contracts or Arrangements, in which directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available electronically for inspection by the members during the ensuing Annual General Meeting.
26. In case of joint holders attending the AGM, the Members whose name appears as the first holder in the order of names as per the Registrar of Members of the Company will be entitled to vote.
27. The Board of Directors has appointed Mr. Lalit Chaturvedi (C.P. No. 13708), Practicing Company Secretary, proprietor of **M/s Chaturvedi & Company**, as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.
28. The Scrutinizer shall immediately after the conclusion of voting at AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same. The resolutions, if passed by the requisite majority, shall be deemed to be have been passed on the date of the AGM i.e. September 28, 2022.
29. The Results along with the report of the Scrutinizer shall be forwarded to National Stock Exchange of India Limited and BSE Limited within 48 hours of the conclusion of Annual General Meeting and shall be uploaded on the website of the Company. ([www.avrofurniture.com](http://www.avrofurniture.com))
30. The Company has not declared any dividend. Further, the Company does not have any unpaid or unclaimed dividend amount outstanding as on the closure of financial year 2021-22. Therefore, the Company is not required to upload the details of Unpaid and unclaimed dividend amounts.
- Further, during the year, the Company has not transferred any amount to fund established under Section 125 of the Companies Act, 2013.
31. Instructions for e-voting and joining the AGM are as follows:
- In terms of the provisions of section 108 of the Act, read with rule 20 of the Companies (Management and Administration) Rules, 2014, as amended (hereinafter called 'the Rules' for the purpose of this section of the Notice) and regulation 44 of the SEBI Listing Regulations, the Company is providing facility of remote e-voting to exercise votes on the items of business given in the Notice 26<sup>th</sup> Annual General Meeting



(AGM) through electronic voting system, to members holding shares as on **Wednesday, September 21, 2022** (end of day), being the cut-off date fixed for determining voting rights of members, entitled to participate in the remote e-voting process, through the e-voting platform provided by NSDL or to vote at the e-AGM.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

The remote e-voting period begins on Sunday, September, 25, 2022 at 9:00 A.M. and ends on Tuesday, September, 27, 2022 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Wednesday, September 21, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Wednesday, September 21, 2022.

advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or <b>e-Voting service provider – NSDL</b> and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS” Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>

The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on resolution is casted by the Member, he shall not be allowed to change it subsequently as well as person who is not a member as on Cut-off date should treat this Notice for information purpose only.

**How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or <b>e-Voting service provider-NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.

- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsd.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

- Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DPID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

- Password details for shareholders other than Individual shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?
  - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox.

Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

- If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - Physical User Reset Password? (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- Now, you will have to click on "Login" button.
- After you click on the "Login" button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

- Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [chaturvediandcompanycs@gmail.com](mailto:chaturvediandcompanycs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsd.com](http://www.evoting.nsd.com) to reset the password.
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsd.com](http://www.evoting.nsd.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Amit Vishal at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

- In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [investor@masserv.com](mailto:investor@masserv.com) or [cs@avrofurniture.com](mailto:cs@avrofurniture.com).
- In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [investor@masserv.com](mailto:investor@masserv.com) or [cs@avrofurniture.com](mailto:cs@avrofurniture.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
- Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
- In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:**

- The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.



**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the EGM/ AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [cs@avrofurniture.com](mailto:cs@avrofurniture.com). The same will be replied by the company suitably.

For & on behalf of the Board of Directors  
Avro India Limited

Sd/-  
Sumit Bansal  
(Company Secretary and Compliance Officer)  
M.No.: A42433

Date: 29/08/2022  
Place: Ghaziabad

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**ITEM NO.3**

On the recommendation of Nomination and Remuneration Committee, the Board of Directors in its meeting held on August 29, 2022 appointed Mr. Sushil Kumar Goyal (DIN: 09719226) as an Additional Director in the capacity of Independent Director to hold office for a period of five years effective from August 29, 2022, not liable to retire by rotation, subject to the approval of shareholders of the Company.

Pursuant to Regulation 17(IC) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the listed Company shall ensure that approval of shareholders for appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.

As per Reg. 25(2A) of Listing Regulations, the appointment, re-appointment or removal of an independent director of a listed company shall be subject to the approval of shareholders by way of a special resolution.

The Company has received a notice under Section 160(1) of the Companies Act from a member signifying his intention to propose the appointment of Mr. Sushil Kumar Goyal as a Director of the Company. Mr. Sushil Kumar Goyal has also given a declaration under Section 149(7) of the Act that he meets the criteria for independence as specified under Section 149(6) of the Act and fulfil the conditions specified in the Act and the rules framed thereunder and Regulation 16 (1)(b) of the Listing Regulations for his appointment as an Independent Director and he is independent of the management. He holds valid registration certificate with the Databank of Independent Directors.

The Company has received consent in Form DIR-2 to act as Director and intimation in DIR-8 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

Mr. Sushil Kumar Goyal is having exhaustive experience of more than three decades with public sector banks spanning across access credit portfolio management, resolution/restructuring plans, process improvement, vigilance, fraud prevention and ethics etc.

Details of his profile, qualification, experience and the information pursuant to regulation 36(3) of Listing Regulations and Secretarial Standards on General Meeting are disclosed herein as part of **Annexure-I**.

The Board considers that induction of Mr. Sushil Kumar Goyal would benefit the Company and therefore, recommends obtaining approval of the members as a Special Resolution for appointment of Mr. Sushil Kumar Goyal for a term of five years with effect from August 29, 2022 to August 28, 2027. Mr. Sushil Kumar Goyal is not disqualified from being appointed as Director in terms of Section 164 of the Act.

Mr. Sushil Kumar Goyal is not debarred from holding the office of Director by virtue of any SEBI Order or any other such authority pursuant to circulars dated 20<sup>th</sup> June 2018 issued by BSE Limited and National Stock Exchange of India Limited pursuant to enforcement of SEBI Orders regarding appointment of Director by listed companies.

Mr. Sushil Kumar Goyal is said to be concerned or interested in the proposed resolution as it relates to his own appointment. None of the Directors or Key Managerial Personnel or their relatives are, in anyway, concerned or interested, financially or otherwise in the said special resolution set out at Item No. 3 of this Notice

## ANNEXURE TO THE NOTICE

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD-2

Name of Director	Anita Aggarwal	Sushil Kumar Goyal
DIN	00248972	09719226
Age	57 Years	64 Years
Date of Appointment	March 21, 2018	August 29, 2022
Brief Resume including experience	She has done B.B.A from Kasturba Gandhi College, Telangana. She is having vast experience in General Administration.	He has done Master of Arts from MD University, Rohtak. He is having rich experience of more than three decades in Banking operations
Nature of Expertise in specific functional areas	Administration operations	Credit Portfolio Management, Restructuring Plans, Vigilance and Fraud Prevention etc.
No. of Equity Shares held as on 31 <sup>st</sup> March, 2022	22,13,400 Shares	Nil
Relationship with directors and KMP's	Mrs. Anita Aggarwal is the spouse of Mr. Sushil Kumar Aggarwal, Chairman & WholeTime Director and is the mother of Mr. Sahil Aggarwal, Managing Director & Mr. Nikhil Aggarwal, Whole Time Director.	Not related to any of the Director and KMP's.
Remuneration Last drawn by such person, if any	12,000 (Sitting Fees)	Not Applicable
No. of Meeting of the Board attended during the year	10	N.A.
Terms and Conditions of Appointment	Mrs. Anita Aggarwal was appointed as an Additional Director w.e.f. December 26, 2017 and designated as Non-Executive Director of the Company w.e.f. March 22, 2018.	Mr. Sushil Kumar Goyal was appointed as Additional Director and designated as Independent Director for a period of five years August 29, 2022.
Directorships of other listed Companies	Nil	Nil
Chairman / Member of the Committees* of the Board of Directors of other listed company	Nil	Nil
Listed Companies from which the Director has resigned in the past three years	Nil	Nil
In case of Independent Directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	N.A.	Understanding of Corporate Governance is required and through Board procedures, he will meet such requirements.

\*Includes only Audit Committee and Stakeholders Relationship Committee

## BOARD'S REPORT

To  
The Members,

Your Directors are pleased to present to the valued stakeholders, the 26<sup>th</sup> Annual Report of AVRO INDIA LIMITED along with the Audited Financial Statements of the Company for the Year ended March 31, 2022.

### 1. FINANCIAL HIGHLIGHTS

(Amount in Lakhs)

PARTICULARS	Standalone	
	2021-22	2020-21
Income from Business Operations	6,474.08	5,327.10
Other Income	46.40	30.08
<b>Total Income</b>	<b>6,520.48</b>	<b>5,357.18</b>
Less: Expenditure except Depreciation & Finance cost	5,958.17	4,946.75
<b>Profit before Interest, Depreciation and Tax</b>	<b>562.31</b>	<b>410.43</b>
Less: Interest and other Financial Charge(s)	41.53	26.19
<b>Profit/Loss before Depreciation and Tax</b>	<b>520.78</b>	<b>384.24</b>
Less: Depreciation	128.28	143.57
<b>Profit/Loss before Tax before Exceptional &amp; Extraordinary item</b>	<b>392.50</b>	<b>240.67</b>
Less: Exceptional Item	-	-
Less: Extraordinary item	-	-
<b>Profit/Loss before Tax</b>	<b>392.50</b>	<b>240.67</b>
Less: Tax Expense	95.87	65.14
Add/Less: Deferred Tax	(0.97)	0.82
<b>Net Profit/Loss after Tax</b>	<b>297.6</b>	<b>174.71</b>
<b>Other Comprehensive Income, net of tax</b>	<b>1.78</b>	<b>(1.40)</b>
<b>Total Comprehensive Income</b>	<b>299.38</b>	<b>173.31</b>
Earnings per share:		
Basic	2.95	1.73
Diluted	2.95	1.73

Turnover of your company for the year ended March 31, 2022 was ₹ 6,474.08 Lakhs as compared to ₹ 5327.10 lakhs during the previous year ended March 31, 2021.

The Profit after tax for the year under review was ₹ 297.6 lakhs as compared to ₹ 174.71 lakhs for the previous year.

Basic Earning per Share was 2.95 for the year ended March 31, 2022 as compared to 1.73 during the previous year ended March 31, 2021.



## 2. STATE OF COMPANY'S AFFAIR

Avro India Limited is a plastic Molded Furniture entity and having one of the largest product range offering three years guarantee on selected products manufactured with imported machines.

During the financial year under review, the Company has launched Almirahs and new models of plastic chairs and tables which has received a positive response from distributors and customers. Despite increase in prices of raw materials, the revenue of the Company has increased as compared to last financial year. Also, the Company has increased its presence on various online platforms due to which there has been considerable increase in online sales of the Company.

## 3. DIVIDEND

With a view to conserve the resources of Company for future growth, the Board has decided to retain the profits generated and has not recommended any dividend for the financial year ended March 31, 2022.

Pursuant to provisions of Section 124 and 125 of the Act, there is no amount of Dividend remaining unclaimed/unpaid for a period of 7 (seven) years and/or unclaimed equity shares which are required to be transferred to the Investor Education and Protection Fund (IEPF).

## 4. CHANGE IN THE NATURE OF BUSINESS

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

## 5. RESERVES

The Profit earned during the year has been carried to the Reserves of the Company.

## 6. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THIS REPORT

The equity shares of the Company have migrated from emerge platform of National Stock Exchange of India Ltd. to Main Board of National Stock Exchange of India Limited and BSE Limited w.e.f. April 07, 2022.

## 7. DEPOSITS

Your Company has neither accepted nor renewed any deposits within the meaning of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014. There were no deposits which remained unpaid or unclaimed by the Company as on March 31, 2022. The Company has not made any default in repayment of deposits or payment of interest thereon during the year.

## 8. SHARE CAPITAL

### Authorised Capital:

During the year under review, the Authorized Share Capital was increased from ₹ 5,00,00,000 (Rupees Five Crore) divided into 50,00,000 equity shares of ₹ 10/- each to ₹ 11,00,00,000 (Rupees Eleven Crores) divided into 1,10,00,000 equity shares ₹ 10/- each.

### Issued, Subscribed & Paid-up Capital:

During the year under review, the Company in its board meeting held on January 29, 2022 allotted 68,33,400 bonus equity shares in ratio of 21:10.

As on 31<sup>st</sup> March, 2022, the issued and Paid-up Share Capital of the Company stood at ₹ 10,08,74,000/- divided into 1,00,87,400 Equity Shares of ₹ 10/- each.

## 9. SUBSIDIARY / ASSOCIATE/ JOINT VENTURES COMPANIES

The Company does not have any subsidiary, joint-venture or associate companies.

## 10. LISTING

During the year under review i.e. financial year ended March 31, 2022, the Company was listed on NSE SME Emerge Platform. The Board of Directors at its meeting held on December 17, 2021 approved the migration of the Company from Emerge platform of National Stock Exchange of India Ltd. to Main Board of National Stock Exchange of India Ltd. and listing of equity shares of Company on BSE Limited and the same was approved by the Shareholders on January 18, 2022 through Postal Ballot. Requisite application was made to National Stock Exchange of India Ltd. for migration and listing on BSE Limited and the approval for listing & trading was granted by National Stock Exchange of India Ltd & BSE Ltd. w.e.f. April 07, 2022.

The Listing Fee for the financial year 2021-22 has been paid to NSE. The ISIN No. of the Company is INE652Z01017.

## 11. ANNUAL RETURN

Pursuant to Section 134(3(a) and Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return for FY 2021-22 is available on Company's website and can be accessed through the link [https://cdn.shopify.com/s/files/1/0031/8809/7069/files/Annual\\_Return\\_2021-22.pdf?v=1661344845](https://cdn.shopify.com/s/files/1/0031/8809/7069/files/Annual_Return_2021-22.pdf?v=1661344845)

## 12. CREDIT RATING

During the year under review, your Company has no outstanding instruments for which the credit rating needs to be obtained.

## 13. DIRECTORS AND KEY MANAGERIAL PERSONNEL

### DIRECTORS

The Board of Directors of the Company has optimum combination of executive and non-executive directors including independent directors and women directors in compliance with the applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As on 31<sup>st</sup> March, 2022, the Board comprises following Directors;

Name of Director	Category Cum Designation	Date of Appointment at Current Term	Total Directorship <sup>1</sup>	No. of Committee <sup>2</sup>		No. of Shares held as on March 31, 2022
				in which Director is Member	in which Director is Chairman	
Mr. Sushil Kumar Aggarwal	Chairman & Whole Time Director	21/03/2018	2	1	-	2560600
Mr. Sahil Aggarwal	Managing Director	21/03/2018	1	1	-	1395000
Mrs. Anita Aggarwal	Non-Executive Director	26/12/2017	2	-	-	2213400
Mrs. Vandana Gupta	Independent Director	21/03/2018	6	5	5	0
Mrs. Iti Goyal	Independent Director	14/12/2020	3	2	-	0
Mr. Pawan Dixit	Independent Director	11/02/2022	1	0	0	0

<sup>1</sup> Excluding LLPs, Section 8 Company & struck off Companies

<sup>2</sup> Committee includes Audit Committee and Shareholders' Grievances Committee across all Public Companies.

None of the Directors of Board was a member of more than ten Committees or Chairman of more than five committees across all the public companies in which they are Director. The necessary disclosures regarding Committee positions have been made by all the Directors.

Further, all the Directors of the Company have affirmed that they are not debarred from holding the office of a Director by virtue of any SEBI Order or any other such authority.

#### Director Retire by Rotation

Pursuant to Section 152 of Companies Act, 2013 and in accordance with the Articles of Association of the Company, Mrs. Anita Aggarwal, Non-Executive Director of the company retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment. The Board of Directors recommends her re-appointment.

The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-III issued by Institute of Company Secretaries of India, of the person seeking appointment/re-appointment as Director is annexed to the Notice convening the twenty sixth annual general meeting.

#### Changes during the year

During the financial year 2021-22, based on the recommendations of Nomination and Remuneration Committee, the Board of Directors in their meeting held on 11<sup>th</sup> February, 2022 appointed Mr. Pawan Dixit (DIN: 09502555) as an Additional (Independent) Director w.e.f. 11<sup>th</sup> February 2022.

#### Change in Designation

During the financial year 2021-22, the appointment of Mrs. Iti Goyal (DIN:07983845), who was appointed as an Additional Director in the Board Meeting held on 14<sup>th</sup> December, 2020 was confirmed by the members of the Company as an Independent Director in the 25<sup>th</sup> Annual General Meeting of the Company.

#### Key Managerial Personnel

During the financial year 2021-22, there were no changes in Key Managerial Personnel.

#### 14. DECLARATION OF INDEPENDENCE BY INDEPENDENT DIRECTORS & ADHERENCE TO THE COMPANY'S CODE OF CONDUCT FOR INDEPENDENT DIRECTORS

All the Independent Directors have confirmed to the Board that they meet the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 and that they qualify to be independent directors pursuant to Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014. They have also confirmed that they meet the requirements of 'Independent Director' as mentioned under Regulation 16(1)(b) of SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015.

Further, in the opinion of Board, the independent directors fulfill the conditions specified in Listing Regulations and they are independent of the management. All the Independent Directors have affirmed that they have adhered and complied with the Company's Code of Conduct for Independent Directors prescribed in Schedule IV to the Act.

Further, the Independent Directors have confirmed that they are not aware of any circumstance, situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

It may be noted that all the Independent Directors on the Board of the Company as on March 31, 2022 have been registered in the data bank of Independent Directors as per Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014. Further, in terms of Section 150 of the Companies Act, 2013 read with the Companies (Appointment & Qualification of Directors) Rules, 2014, Mrs. Vandana Gupta and Mr. Pawan Dixit, Independent Directors of the Company have passed the online proficiency self-assessment test and Mrs. Iti Goyal is exempted and not required to undertake online proficiency self-assessment test.

The Board is of the opinion that the Independent Directors on the Board of the Company possess requisite qualifications, experience and expertise and that they hold highest standards of integrity and are independent of management.

#### 15. NUMBER OF MEETINGS OF THE BOARD

The Board of Directors met 10 (ten) times during the financial year ended March 31, 2022 in accordance with the provisions of Companies Act 2013 and rules made thereunder. The intervening gap between two board meetings was within the period as prescribed under Companies Act 2013 and Secretarial Standard-1. The requisite quorum was present at all the meetings and Directors have actively participated in the meetings and contributed valuable inputs on the matters brought before the board of Directors from time to time.

Date of Board meetings i.e. 09.06.2021, 28.06.2021, 20.08.2021, 13.11.2021, 17.12.2021, 03.01.2022, 17.01.2022, 29.01.2022, 11.02.2022 & 08.03.2022.

The details of attendance of Directors at the Board Meeting are as under:-

Sr. No	Name of Directors	No. of Board Meetings	
		Held	Attended
1.	Sushil Kumar Aggarwal	10	8
2.	Sahil Aggarwal	10	10
3.	Anita Aggarwal	10	10
4.	Vandana Gupta	10	10
5.	Iti Goyal	10	10
6.	Pawan Dixit*	1	1

\* Mr. Pawan Dixit was appointed as an Additional Non-Executive Independent Director w.e.f. February 11, 2022.

#### 16. COMMITTEES OF THE BOARD

The Board Committees play vital role in strengthening the Corporate Governance practices of the Company and focus effectively on the issues and expedient resolution of the diverse matters. The Committees also make specific recommendations to the Board on various matters as and when required. All observations, recommendations and decisions of the Committee were placed before the Board for information, noting and approval.

As on March 31, 2022, the following Committees have been constituted in terms of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and the Companies Act, 2013:

##### AUDIT COMMITTEE

Your Company has constituted an Audit Committee in compliance with the provisions of Section 177 of the Companies Act 2013 & Regulation 18 of the SEBI Listing Regulations.

#### A. Meetings during the year

During the year under review, the Audit Committee of the Company met 5 (five times) viz 09/06/2021, 28/06/2021, 20/08/2021, 13/11/2021 & 08/03/2022.

#### B. Composition and Attendance of Audit Committee as on March 31, 2022

The composition of the Audit Committee of the Board of the Company along with details of the meetings held and attended during the financial year 2021-22 are detailed below:

S. No	Name of Members	Category	Designation	No. of Meetings	
				Held	Attended
1.	Vandana Gupta	Independent Director	Chairman	5	5
2.	Sahil Aggarwal	Managing Director	Member	5	5
3.	Iti Goyal	Independent Director	Member	5	5



## STAKEHOLDERS RELATIONSHIP COMMITTEE

Your Company has constituted a Stakeholders Relationship Committee in compliance with the provisions of Section 178(5) of Companies Act 2013 and Regulation 20 of Listing Regulations.

### A. Meetings during the year

During the year under review, the Stakeholders Relationship Committee of the Company met 4 (four) times on 28/06/2021, 20/08/2021, 13/11/2021 & 29/01/2022.

### B. Composition and Attendance of Stakeholders Relationship Committee as on March 31, 2022.

The composition of the Stakeholders Relationship Committee of the Board of the Company along with details of the meetings held and attended during the financial year 2021-22 are detailed below:

S. No	Name of Members	Category	Designation	No. of Meetings	
				Held	Attended
1.	Vandana Gupta	Independent Director	Chairperson	4	4
2.	Sushil Kumar Aggarwal	Whole Time Director	Member	4	3
3.	Iti Goyal	Independent Director	Member	4	4

## NOMINATION AND REMUNERATION COMMITTEE

The Nomination & Remuneration Committee has been constituted in compliance with the provisions of Section 178(1) of the Companies Act 2013 and Regulation 19 of Listing Regulations.

### A. Meetings during the year

During the year under review, Committee members met twice i.e. 20/08/2021, 11/02/ 2022 respectively.

### B. Composition and Attendance of Nomination and Remuneration Committee as on March 31, 2022.

The composition of the Nomination & Remuneration Committee of the Board of the Company along with details of the meetings held and attended during the financial year 2021-22 are detailed below:

S. No	Name of Members	Designation	Category	No. of Meetings	
				Held	Attended
1.	Vandana Gupta	Independent Director	Chairman	2	2
2.	Anita Aggarwal	Non-Executive Director	Member	2	2
4.	Iti Goyal	Independent Director	Member	2	2

## 17. FINANCIAL STATEMENTS

The Financial Statements for the year ended March 31, 2022 has been prepared in accordance with Indian Accounting Standards ("Ind AS") as issued by the Institute of Chartered Accountants of India and as specified in Section 133 of the Act and the relevant rules thereof and in accordance with Regulation 33 of the SEBI LODR Regulations. The estimates and judgements relating to the Financial Statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs as at March 31, 2022, and its profits and its cash flow statements for the year ended 31<sup>st</sup> March, 2022.

## 18. PERFORMANCE EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS.

In terms of the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a formal annual performance evaluation has been done by the Board of its own performance, the Directors individually as well as the evaluation of its committees.

The performance of the Board was evaluated by the Board after seeking feedback from all the Directors on the basis of parameters/criteria such as Board Composition & Quality, Board Meetings and procedures, Board strategy and Risk Management, Board and Management Relations, Succession planning. The performance evaluation of the Chairman was also carried out. The Performance evaluation of the Directors was carried out by the entire Board (excluding the director being evaluated). The Directors expressed their satisfaction with the evaluation process.

The performance of the Committees was evaluated by the Board after seeking feedback from committee members on the basis of parameters/criteria such as functions and duties of Committees, adequacy of committee composition, effectiveness of meetings, etc.

Independent Directors of the Company in their separate meeting held on 22<sup>nd</sup> March, 2022 reviewed the performance of the Non-Independent Directors and the Board as a whole. They also reviewed the performance of the Chairperson of the Company.

## 19. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The company does not fall under the criteria of net worth, turnover or profit for applicability of Corporate Social

Responsibility (CSR) provisions as per Section 135 of the Companies Act, 2013, hence the same are not applicable to the company for the period under review.

## 20. VIGIL MECHANISM/WHISTLE BLOWER POLICY

Your Company believes in ethical and lawful business conduct and strives to carry on its business activities in fair, transparent and professional manner. Pursuant to the provisions of Section 177 of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted a Vigil Mechanism/Whistle Blower Policy for securing/reporting/deterring/punishing/rectifying any unethical, unlawful acts, behavior, leak/suspected leak of Unpublished Price Sensitive Information etc. and to address bona fide concern of malpractice, deviation from the policies of the Company internally in an effective and systematic manner after its discovery.

The Policy also provide for adequate safeguards against victimization of persons who use such mechanism and also make provisions for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. The functioning of the vigil mechanism is reviewed by the Audit Committee from time to time. During the year under review, no complaint pertaining to the company was received under the Whistle Blower Policy/Vigil mechanism.

The said policy is available on the Company's website and can be accessed through the link <https://cdn.shopify.com/s/files/1/0031/8809/7069/files/Whistle-Blower-Policy.pdf?v=1583300200>.

## 21. RISK MANAGEMENT

The Board of Directors of the Company has evaluated a risk management to monitor the risk management plan for the Company. The audit Committee has additional oversight in the area of financial risks and control. Major risks identified by the business and functions are systematically address mitigating actions on a continuing basis.

The development and implementation of risk management has been convened in the Management Discussion and Analysis, which forms part of Annual Report.

## 22. BOARD DIVERSITY

The Board comprises of adequate number of members with diverse experience and skills, such that it best serves the governance and strategic needs of the Company. The

Directors are persons of eminence in areas such as finance, accounting and corporate law etc. and bring with them experience and skills which add value to the performance of the Board. The Directors are selected purely on the basis of merit with no discrimination on race, colour, religion, gender or nationality.

## 23. PARTICULAR OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

During the financial year ended 31<sup>st</sup> March, 2022, no loan and guarantee was given by the Company in terms of Section 186 of the Companies Act, 2013 and rules made thereunder. The Company has made investments in mutual funds, the details of which are given in notes to financial statements.

## 24. AUDITORS

### A. STATUTORY AUDITORS

M/s S A A R K AND CO, Chartered Accountants (formerly known as Sushil Lal & Associates), (Firm Reg. No. 021758N), a Firm peer reviewed by ICAI, was appointed as a Statutory Auditors of the Company at the Annual General Meeting held on September 29, 2018 for a term of 5 consecutive years from the conclusion of the 22<sup>nd</sup> Annual General Meeting of the Company till the conclusion of 27<sup>th</sup> Annual General Meeting of the Company to be held in the year 2023.

A written consent/certificate regarding eligibility for their appointment as Statutory Auditor in accordance with the Rule 4 of the Companies (Audit and Auditors) Rule, 2014 read with the provisions of section 139(2) of the Companies Act, 2013 was received by the company.

There were no adverse remarks or qualification on accounts of the Company from the Statutory Auditors. The notes on financial statements referred to in the Auditor's Report are self-explanatory and need no further comments.

### B. SECRETARIAL AUDITOR

The Secretarial Audit for the financial year 2021-22 was undertaken by M/s Chaturvedi & Company, the Secretarial Auditor of the Company.

The Secretarial Audit report for the financial year ended 31<sup>st</sup> March, 2022 under the Companies Act, 2013 read with

rules made thereunder is annexed herewith as **Annexure-A**.

Pursuant to provision of section 204 of the Companies act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014, the Board of Directors on the recommendation of the Audit Committee has re-appointed M/s. Chaturvedi & Company, a Firm peer reviewed by ICSI as a Secretarial Auditor to conduct the Secretarial Audit for financial year 2022-23. They have confirmed their eligibility for the re-appointment. The Secretarial Audit Report does not contain any qualification, reservation and adverse remark for the period under review.

### C. INTERNAL AUDITOR

The Board of Directors in their meeting held on 14<sup>th</sup> November, 2019 appointed M/s NSH & Co, Chartered Accountant (Firm Registration No: 033184N) as an Internal Auditor of the Company w.e.f. 06<sup>th</sup> September, 2019 till the time power revoked by the Board of Directors.

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and rules made thereunder, M/s. NSH & Co., Chartered Accountants, the Internal Auditor of the Company carried out the Internal Audit of the Company on half yearly basis for financial year 2021-22

## 25. COMPLIANCE WITH SECRETARIAL STANDARDS

During the financial year under review, the Company has complied with applicable Secretarial Standards on Board and General Meetings specified by the Institute of Company Secretaries of India pursuant to Section 118 of the Companies Act, 2013.

## 26. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company has zero tolerance towards sexual harassment at the Workplace and have a policy on prevention, prohibition and redressal of sexual harassment of women at Workplace in line with the provisions of Sexual Harassment of Woman at Workplace [Prevention, Prohibition and Redressal] Act, 2013 and the Rules made thereunder. As required under the law, an internal compliant committee has been constituted for reporting and conducting inquiry into the complaints made by the victim on the harassments at the work place. During the financial year under review, the Company has not received complaint of sexual harassment of Women at Workplace.

## 27. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has an adequate Internal Control System, commensurate with size, scale and complexity of its operations. They have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization and ensure compliance of corporate policies. It has continued its efforts to align all its process and controls with global best practices.

## 28. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188 OF THE COMPANIES ACT, 2013.

All transactions entered into with related parties during the financial year under review were in ordinary course of business and on an arm's length basis. The details of the transactions with related parties are provided in the notes to accompanying financial statements. Details of transactions pursuant to compliance of section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014 are annexed herewith as per **Annexure-B** in the Form AOC-2.

All Related Party transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature. A statement giving details of all related party transactions entered into pursuant to the omnibus approval so granted is placed before the Audit Committee for their review on a periodical basis. The policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions, as approved by the Board, is available on the Company's website and can be accessed through the link [https://cdn.shopify.com/s/files/1/0031/8809/7069/files/Policy\\_on\\_materiality\\_of\\_Related\\_Party\\_Transactions\\_and\\_on\\_dealing\\_with\\_Related\\_Party\\_Transactions.pdf?v=1660211181](https://cdn.shopify.com/s/files/1/0031/8809/7069/files/Policy_on_materiality_of_Related_Party_Transactions_and_on_dealing_with_Related_Party_Transactions.pdf?v=1660211181)

## 29. MAINTENANCE OF COST RECORDS

The Company has maintained Cost records as required to be maintained as specified by the Central Government under sub section (1) of section 148 of the Companies Act ,2013.

## 30. PARTICULARS OF EMPLOYEES

The Company has no employee who is in receipt of remuneration of ₹ 8,50,000 per month/- or ₹ 1,02,00,000 per annum and hence, the company is not required to give information as required under the provisions of Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

Further the details pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached herewith as **Annexure-C** and names of top ten employees in terms of remuneration drawn by them pursuant to Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached herewith as **Annexure-D**.

## 31. NOMINATION AND REMUNERATION POLICY

The Board has adopted Nomination and Remuneration Policy relating to remuneration of the Directors, Key Managerial Personnel, Senior Management Personnel and other employees, alongwith the criteria for appointment and removal of Directors, Key Managerial personnel and Senior Management Personnel of the Company. The Nomination and Remuneration Committee is fully empowered to determine/ approve and revise, subject to necessary approvals, the remuneration of managerial personnel, after taking into account the financial position of the Company, trends in industry, qualification, experience, past performance etc. The Non-Executive Directors are paid sitting fees for every meeting of the Board and its committee attended by them. The Nomination and Remuneration Policy of the Company is available on the website of the Company at [https://cdn.shopify.com/s/files/1/0031/8809/7069/files/Nomination\\_and\\_Remuneration\\_Policy\\_1.pdf?v=1661409671](https://cdn.shopify.com/s/files/1/0031/8809/7069/files/Nomination_and_Remuneration_Policy_1.pdf?v=1661409671)

## 32. REPORTING OF FRAUDS U/S 143(12) OF THE COMPANIES ACT, 2013

During the year under review, the Statutory Auditors and the Secretarial Auditor have not reported any instances of fraud committed by the Company or its officers or employees to the Audit Committee under Section 143(12) of the Act. Therefore, no details are required to be disclosed under Section 134(3)(ca) of the Act.



### 33. MANAGEMENT DISCUSSION & ANALYSIS REPORT

Management Discussion and Analysis Report for the financial year 2021-22, as stipulated under Regulation 34 and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented in a separate section of this Annual Report as "Annexure-E"

### 34. CORPORATE GOVERNANCE

Your Company's Corporate Governance philosophy is governed by its commitment to run its business in legal, ethical and transparent manner. The Company believes that sound corporate governance is critical in enhancing and retaining investor trust. Transparency, accountability, fairness and intensive communication with stakeholders are integral to our functioning.

The Board has framed Code of Conduct for all Board Members and Senior Management of the Company and they have affirmed the compliance for the financial year ended March 31, 2022.

Since your Company has moved from NSE Emerge platform to the Main Board of NSE and BSE Ltd w.e.f. April 07, 2022 i.e. after the financial year ended March 31, 2022, by virtue of Regulation 15 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the compliance with corporate governance provisions as specified in regulations 17 to 27 and clauses (b) to (i) sub regulation (2) of Regulation 46 and Para C, D and E of Schedule V were not applicable to the Company for the financial year 2021-22. Hence, Corporate Governance Report does not form part of this Annual Report.

### 35. POLICY OF PRESERVATION OF DOCUMENTS

Pursuant to the Regulation 9 of SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015, the company has adopted the policy of preservation of documents to preserve the documents as per regulation 9(a) & 9(b) of SEBI (LODR) Regulations, 2015. The said policy is available on the website of the Company and can be accessed through the link [https://cdn.shopify.com/s/files/1/0031/8809/7069/files/POLICY\\_ON\\_PRESERVATION\\_OF\\_DOCUMENTS\\_905190ca-7e3d-4da7-8052-07b34cc79d9b.pdf?v=1662199205](https://cdn.shopify.com/s/files/1/0031/8809/7069/files/POLICY_ON_PRESERVATION_OF_DOCUMENTS_905190ca-7e3d-4da7-8052-07b34cc79d9b.pdf?v=1662199205).

### 36. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the year 2021-22, no significant and material orders were passed by Regulators or Courts or Tribunals which could impact the going concern status and company's operation in future.

### 37. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONG WITH THEIR STATUS AT THE END OF THE FINANCIAL YEAR.

The Prayag Polytech Private Limited filed an application under Section 9 of the Insolvency and Bankruptcy Code, 2016 against the Company i.e. Avro India Limited (formerly known as Avon Moldplast Limited) on August 08, 2019 with Hon'ble National Company Law Tribunal, Allahabad Bench, Prayagraj ("NCLT") for a claim of Rs. 9,21,287 (Rupees Nine Lakh Twenty One Thousand Two Hundred Eighty Seven) along with interest @ 24% p.a. as on February 28, 2019 amounting to Rs. 12,65,405 (Rupees Twelve Lakh Sixty Five Thousand Four Hundred Five) against the supply of raw material in financial year 2017-18. However, the Company made a counter claim of Rs. 17,64,000 (Seventeen Lakh Sixty Four Thousand) due to supply of inferior quality of raw materials which was authenticated by authorized representative of M/s Prayag Polytech Private Limited vide letter dated August 11, 2017. As at March 31, 2022, the matter was at the stage of final arguments before Hon'ble Bench of NCLT at Allahabad. The Hon'ble Bench of NCLT, Allahabad vide its order dated 13th June, 2022 admitted the application CP (IB) No. 312/ALD/2019 under Section 9 of the Insolvency and Bankruptcy Code, 2016 and initiated the Corporate Insolvency Resolution Process against the Company and appointed Mr. Parag Singhal as Interim Resolution Professional. Consequent on settlement in full and final vide settlement agreement dated 15th June, 2022, Hon'ble National Company Law Appellate Tribunal, Delhi ("NCLAT") vide its order dated 22th June, 2022 granted Interim Stay against the implementation of impugned order of Hon'ble NCLT. The Hon'ble NCLT, Allahabad Bench, Prayagraj vide its order dated 06th July, 2018 disposed the application CP (IB) No. 312/ALD/2019 in response to application IA No. 181/2022 filed by Interim Resolution Professional for withdrawn of CIRP proceedings against the Company. The application stood dismissed as withdrawn and Interim Resolution Professional was discharged and Company was released from rigours of law and allowed to function independently through Board of Directors.

### 38. DETAILS OF DIFFERENCE BETWEEN THE AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF.

Not Applicable

### 39. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUT-GO

The requisite information with regard to conservation of energy, technology absorption and foreign exchange earnings and outgo, in terms of the Section 134(3)(m) of the Companies Act, 2013, read with Companies (Accounts) Rules, 2014 are mentioned below:

#### A) Conservation of Energy

##### (i) Steps taken or impact on Conservation of Energy:

The Company has been already using high end imported machines in manufacturing of plastic furniture, hence the consumption of energy is at minimal level. However, the Company has taken necessary steps in order to reduce the consumption of energy as much as it can and reduce the damage to the environment.

##### (ii) The Steps taken by the Company for utilizing alternate sources of energy:

During the financial year 2021-22, the Company has not utilized alternate source of energy.

##### (iii) The Capital Investment on energy conservation equipments: During the financial year 2021-22, the company has not made any capital investment on energy conservation equipments.

#### B) Technology Absorption:

- i. The efforts made towards technology absorption: The Company operates in an industry where the technology plays a major role in its output. We try to adopt the advance technology as per the need of the hour and teach the employees to implement it in the operations of the Company to increase the output and accuracy of its services.
- ii. The benefits derived like product improvement, cost reduction, product development or import substitution:

Improvement in overall productivity, quality of the services and reduced process scrap and cost.

##### iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

- (a) The details of technology imported: Not Applicable
- (b) The date of import: Not Applicable
- (c) Whether the technology has been fully absorbed: Not Applicable
- (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable
- iv. Expenditure incurred on Research and Development: Nil

#### C) Foreign Exchange Earnings and Outgo:

- i. The foreign exchange earned in terms of actual inflows during the year: Nil
- ii. The foreign exchange outgo during the year in terms of actual outflow: ₹ 23,35,285

### 40. DIRECTOR'S RESPONSIBILITY STATEMENT

In terms of Section 134(3) of the Companies Act 2013, the Directors state that:

- (a) In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) Appropriate accounting policies have been selected and applied consistently and have made judgments & estimates that are reasonable and prudent so as to give a true & fair view of the state of affairs of the company at March 31, 2022 and of the profit of the Company for the year ended March 31, 2022;
- (c) Proper & sufficient care has been taken care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the company and for preventing & detecting fraud & other irregularities;
- (d) The Annual Accounts have been prepared on a going concern basis;

- (e) Proper Internal Financial Controls were followed by the Company and such internal financial controls are adequate and were operating effectively;
- (f) Proper systems are devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### 41. ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation for assistance and co-operation received from the various stake holders including Banks, Governmental authorities and other business associates who have extended their valuable support and encouragement during the year under review.

Your Directors take the opportunity to place on record their deep appreciation of the committed services rendered by the employees at all levels of the Company, who have contributed significantly towards Company's performance and for enhancing its inherent strength. Your Directors also acknowledge with gratitude the encouragement and support extended by our valued stakeholders.

On behalf of the Board of Directors  
For Avro India Limited

Sd/-  
**Sushil Kumar Aggarwal**  
(Chairman & WholeTime Director)  
DIN: 00248707

Sd/-  
**Sahil Aggarwal**  
(Managing Director)  
DIN: 02515025

Place: Ghaziabad  
Date: August 29, 2022

## Annexure-A

### Form No. MR-3 Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2022

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

To  
The Members  
**Avro India Limited**  
(CIN-L25200UP1996PLC101013)  
A-7/36-39, South of G.T.Road Industrial Area Electrosteel  
Casting Compound Ghaziabad UP 201009

I/We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Avro India Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s Avro India Limited ("The Company") for the period ended on 31<sup>st</sup> March, 2022 according to the provisions of:

- I. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the Rules made there under;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **NA**
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**') to the extent applicable to the Company :-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock purchase Scheme) Guideline, 1999. **NA**
  - e. The Securities and Exchange Board of India ( Issue and Listing of Debt Securities) Regulations, 2008. **NA**
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; the Company is not registered as Registrar to an Issue & Share Transfer Agent. However the Company has appointed Mas Services Limited as Registrar & Share Transfer Agent as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **NA**
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **NA**
  - I. Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements Regulations), 2015
- VI. The management has identified and confirmed the following laws as specifically applicable to Company.
  1. The Factories Act, 1948.
  2. The Water (Prevention and Control of Pollution) Act, 1974
  3. The Air (Prevention and Control of Pollution) Act, 1981
  4. The Environment (Protection) Act, 1986
  5. The Legal Metrology Act, 2009.



6. The Sexual Harassment of Woman at work place (Prevention, Prohibition and Redressal) Act, 2013.
7. The Trade & Merchandise Marks Act, 1958
8. The Indian Design Act, 2000
9. The Contract Labour (Regulation and Abolition) Act, 1970
10. The Employees Provident Fund & Miscellaneous Provisions Act, 1952
11. The Employees State Insurance Act, 1948
12. The Maternity Benefit Act, 1961
13. The Payment of Wages Act, 1936
14. The Payment of Bonus Act, 1965
15. The Workman's Compensation Act, 1923
16. The Payment of Gratuity Act, 1972

We further report that the Compliance by the Company of applicable financial laws like Direct & Indirect tax laws have not been reviewed in this audit since the same was subject to review by the Statutory Auditors and other designated professionals. We have relied on the representations made by the Company, its Officers and Reports issued by the Statutory Auditors.

We have also examined compliance with the applicable clauses of the following:

- I. Secretarial Standards issued by The Institute of Company Secretaries of India.;
- II. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as 'SEBI LODR 2015') and the Listing Agreement entered into by the Company with the National Stock Exchange of India Limited (hereinafter referred as 'NSE') and BSE Limited (hereinafter referred as 'BSE')

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to our following observations.

1. *The Company had filed a suo moto compounding application under section 441 of the Companies Act, 2013 in Form no. GNL 1 vide SRN no T48833487 for compounding of offence under section 166(2) of the Companies Act, 1956 and Section 96(2) of the Companies Act, 2013 before the Hon'ble Regional Director, Department of Company Affairs Northern Region, New Delhi. Adjudication authority vide their order dated 15.07.2022 have compounded the offence.*

2. *The company had applied for Migration of listing of its Equity shares from Emerge platform of NSE to main board of NSE and main board platform of BSE. Such Migration has been approved and effective w.e.f. April 7, 2022.*

We further report that during the period under review, the Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all directors to schedule the Board Meetings. Notice of Board Meeting was sent at least seven days in advance and where any Board Meeting was held on shorter notice, the same was conducted in compliance with the Act. A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings for their meaningful participation at the meetings.

Decisions of Board/Committee were carried through majority. We are informed that there was no dissenting members' view on any of the matters during the year that were required to be captured and recorded as part of minutes.

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

We further report that during the Audit period there were no specific event/actions having a major bearing on Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

**For Chaturvedi & Company**

Sd/-  
Lalit Chaturvedi  
Practicing Company Secretaries  
CP No. 13708  
Membership No. F 5961  
UDIN: F005961D000843809  
Place : Noida  
Date : 25.08.2022

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

## Annexure- A to the Secretarial Audit Report

To  
The Members  
**Avro India Limited**  
A-7/36-39, South of G.T.Road Industrial Area Electrosteel  
Casting Compound Ghaziabad UP 201009

**Management Responsibility:**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in the secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company or verified compliance of laws other than those mentioned above;
4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis;
5. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of event etc.
6. The Secretarial audit report is neither as assurance to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Chaturvedi & Company

Sd/-  
Lalit Chaturvedi  
Practicing Company Secretaries  
CP No. 13708  
Membership No. F 5961  
UDIN: F005961D000843809  
Place : Noida  
Date : 25.08.2022

## Annexure-B

### FORM NO. AOC-2

(Pursuant to Clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

#### 1. Details of contracts or arrangements or transactions not at arm's length basis:

The Company has not entered into contract/arrangement/transaction with its related parties which is not in ordinary course of business or at arm's length basis during FY 2021-22.

- Name(s) of the related party and nature of relationship- Not Applicable
- Nature of contracts/arrangements/transactions- Not Applicable
- Duration of the contracts/arrangements/transactions-Not Applicable
- Salient terms of the contracts or arrangements or transactions including the value, if any- Not Applicable
- Justification for entering into such contracts or arrangements or transactions- Not Applicable
- Date(s) of approval by the Board- Not Applicable
- Amount paid as advances, if any- Not Applicable
- Date on which the Special Resolution was passed in general meeting as required under first proviso to section 188- Not Applicable

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

- Name(s) of the related party and nature of relationship- Not Applicable
- Nature of contracts/arrangements/transactions- Not Applicable
- Duration of the contracts/arrangements/transactions-Not Applicable
- Salient terms of the contracts or arrangements or transactions including the value, if any- Not Applicable
- Justification for entering into such contracts or arrangements or transactions- Not Applicable
- Date(s) of approval by the Board- Not Applicable

On Behalf of the Board of Directors  
For Avro India Limited

Sd/-  
Sushil Kumar Aggarwal  
(Chairman & WholeTime Director)  
DIN: 00248707

Sd/-  
Sahil Aggarwal  
(Managing Director)  
DIN: 02515025

Place: Ghaziabad  
Date: August 29, 2022

## Annexure-C

Disclosures pursuant to Section 197(12) of the Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

#### a) The ratio of remuneration of each director to the median remuneration of employees for the financial year:

Sr. No.	Name	Designation	Ratio against median employee's remuneration*
1.	Mr. Sahil Aggarwal	Managing Director	6.88
2.	Mr. Sushil Kumar Aggarwal	Whole-Time Director	6.88
3.	Mrs. Anita Aggarwal	Non-Executive Director	0.07
4.	Mrs. Vandana Gupta	Independent Director	0.13
5.	Mrs. Iti Goyal	Independent Director	0.13
6.	Mr. Pawan Dixit**	Additional (Independent) Director	0.01

\*For calculating the Median of employee's remuneration, the remuneration paid to all the employees has been considered irrespective of their date of joining and date of leaving.

\*\* Mr. Pawan Dixit was appointed as Additional Director (in the capacity of Independent Director) w.e.f. February 11, 2022.

#### b) The Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

S. No.	Name of the Director/CFO/CS/Manager	Category	% Increase in Remuneration in the financial year
1.	Mr. Sahil Aggarwal	Managing Director	0.00%
2.	Mr. Sushil Kumar Aggarwal	Whole-Time Director	0.00%
3.	Mrs. Anita Aggarwal*	Non-Executive Director	N.A.
4.	Mrs. Vandana Gupta*	Independent Director	N.A.
5.	Mrs. Iti Goyal*	Independent Director	N.A.
6.	Mr. Pawan Dixit*	Independent Director	N.A.
7.	Mr. Ghanshyam Singh	Chief Financial Officer	14.66%
8.	Mr. Sumit Bansal**	Company Secretary	N.A. (He was appointed as Company Secretary on 21.08.2020, therefore% increase has not been computed)

\* Since Independent Director and Non-Executive Directors received no remuneration except sitting fees for attending Board/Committee meetings, the required details are not applicable.



c) The percentage increase in the median remuneration of employees in the financial year:

The Percentage increase in median remuneration of Employees in the financial year was 51.77%\*.

\*For calculating the median remuneration of employees for both financial year 2021-22 and 2020-21, the remuneration paid to all the employees has been considered irrespective of their date of joining and date of leaving.

d) The number of permanent employees on the rolls of the Company: 35 Employees as on March 31, 2022.

e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average increase in remuneration of the employees is 26.87%\*. The average increase in overall managerial remuneration is 0.00%.

\*For calculating the Percentage increase in remuneration of the employees, the remuneration paid to all employees during the year has been considered irrespective of date of joining and date of leaving.

f) Affirmation that remuneration is as per the remuneration policy of the Company.

The Company affirms that the remuneration is as per the remuneration policy of the Company.

**Note-** For the above calculations, the provisions for Gratuity has not been consider as part of remuneration of directors and employees.

On Behalf of the Board of Directors  
For Avro India Limited

Sd/-  
Sushil Kumar Aggarwal  
(Chairman & WholeTime Director)  
DIN: 00248707

Sd/-  
Sahil Aggarwal  
(Managing Director)  
DIN: 02515025

Place: Ghaziabad  
Date: August 29, 2022

## Annexure-D

Information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Director's Report for the year ended March 31, 2021.

Name of top ten employees in terms of remuneration drawn:

Employee Name	Designation	Qualifications and experience of the employee	Date of Commencement of employment	Remuneration Received#	Age	Last employment held by employee
Sahil Aggarwal	Managing Director	Graduate & 13 years	02/12/2009	12,00,000	32	N.A.
Sushil Kumar Aggarwal	Whole Time Director	Graduate & More than 30 years	28/09/2002	12,00,000	61	N.A.
Nikhil Aggarwal	Chief Marketing Officer	Graduate & 6 Years	21/08/2020	5,98,898	29	Clippard Instrument Laboratory Inc.
Ghanshyam Singh	Chief Financial officer	B.Com & 15 years	18/11/2011	5,57,595	35	Advance Stilmul Engineering Pvt Ltd.
Sumit Bansal	Company Secretary & Compliance Officer	CS, L.L.B, B.Com(H) & 6 years	15/01/2020	4,66,408	32	Trina NRE Transportation Pvt. Ltd.
Vikas Bhatia	Sales Head	MBA-Marketing & 23 Years	07/11/2013	4,84,456	48	Kellogs India Private Limited
Kanika Goel*	Finance Head	C.A., B.Com(H) & 3 years	08/03/2020	4,78,464	26	Caterpillar India Pvt. Ltd
Sah Arvindbhai Sandeep	Area Sales Manager	B.Com & 26 years	01/07/2021	3,92,057	53	Mould Injection Technology Pvt. Ltd.
Sunil Bisht	Area Sales Manager	Graduate & 11 years	01/04/2018	3,90,045	41	Varmora Plastic Private Limited
Vijay Pratap Singh	Area Sales Manager	M.B.A Marketing & 10 Years	01/01/2018	3,44,871	35	Varmora Plastic Private Limited

\* Ms. Kanika Goel resigned from the post of finance head of the Company w.e.f. February 15, 2022.

#The remuneration received mentioned above does not include provision for gratuity.

## INDEPENDENT AUDITOR'S REPORT

### Notes:

- 1) There was no such employee employed throughout the financial year who was in receipt of remuneration for that year which, in the aggregate, not less than one crore and two lakh rupees.
- 2) There was no such employee employed for a part of the financial year who was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, not less than eight lakh and fifty thousand rupees per month.
- 3) None of the employees were in receipt of remuneration which in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager.
- 4) The equity shareholding of above employees in the Company does not exceed 2 percent except for Mr. Sushil Kumar Aggarwal, who holds 25,60,600 equity shares (25.38%), Mr. Sahil Aggarwal, who holds 13,95,000 equity shares (13.83%) and Mr. Nikhil Aggarwal, who holds 2,32,500 equity shares (2.30%) in the Company as on March 31, 2022.
- 5) None of the employees mentioned above are relative of any Director of the Company except Mr. Nikhil Aggarwal, Chief Marketing Officer and Mr. Sahil Aggarwal, Managing Director and Mr. Sushil Kumar Aggarwal, Whole Time Director of the Company. Mr. Nikhil Aggarwal, Chief Marketing Officer and Mr. Sahil Aggarwal, Managing Director are the sons of Mr. Sushil Kumar Aggarwal, Whole Time Director and Mrs. Anita Aggarwal, Non-Executive Director of the Company. Mr. Sushil Kumar Aggarwal, Whole Time Director of the Company is the husband of Mrs. Anita Aggarwal, Non-Executive Director of the Company.

### On Behalf of the Board of Directors For Avro India Limited

Sd/-  
Sushil Kumar Aggarwal  
(Chairman & WholeTime Director)  
DIN: 00248707

Sd/-  
Sahil Aggarwal  
(Managing Director)  
DIN: 02515025

Place: Ghaziabad  
Date: August 29, 2022

### To the Members of AVRO India Limited (Formerly known as Avon Moldplast Limited)

### Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying Standalone financial statements of **AVRO India Limited** ("the Company"), which comprises the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone 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 standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its profit, total 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 standalone financial statements in accordance with the Standards on Auditing (SAs) 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 Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's 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 standalone financial statements.

### Key Audit Matters

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

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters.

### Key Audit Matters

#### Revenue Recognition:

The Company recognises revenue from sale of goods when control of the goods has been transferred and when there are no longer any unfulfilled obligations to the customer and the amount of revenue can be measured reliably and recovery of the consideration is probable.

The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for evaluation of performance.

Refer Note 1.18 to the significant accounting policies and Note 2.16 to the standalone financial statements.

### Auditor's response

In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:

- Evaluating the Company's accounting policies for revenue recognition, in terms of applicable accounting standards.
- Testing the design, implementation and operating effectiveness of the Company's general IT controls and Key IT/manual controls. These are in respect of the Company's controls which govern timing of recognition of revenue including creation of new customers in system.
- Tested, by selecting statistical samples, underlying documentation and records i.e., invoices, and receipts for sales transactions recorded throughout the year and at year end to determine the existence of revenue.



Key Audit Matters	Auditor's response
	<ul style="list-style-type: none"> <li>• Tested, by selecting statistical samples, the underlying documentation related to credit notes such as invoices and sales return.</li> <li>• Performing cut - off procedures at year end by verifying underlying invoices and the transit time to deliver the goods and its revenue recognition.</li> </ul>
<p><b>Related Party transactions:</b></p> <p>The company has entered into several transactions with related parties during the year 2021-2022. We identified related party transactions as a key audit matter because of risks with respect to completeness of disclosures made in the financial statements; non-compliance with statutory regulations governing related party relationships such as the Companies Act, 2013 and SEBI Regulations and the judgment involved in assessing whether transactions with related parties are undertaken at arm's length.</p> <p>Refer to the note no. 2.24(37) of the standalone financial statements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• We carried out an assessment of the key controls to identify and disclose related party relationships and transactions in accordance with the relevant accounting standard.</li> <li>• We carried out an assessment of compliance with the listing regulations and the regulations under the Companies Act, 2013, including checking of approvals/ scrutiny as specified in sections 177 and 188 of the Companies Act, 2013 with respect to the related party transactions. In cases where the matter was subject to interpretation, we exercised judgment to rely on opinions provided by management.</li> <li>• We considered the adequacy and appropriateness of the disclosures in the financial statements, relating to the related party transactions.</li> <li>• For transactions with related parties, we inspected relevant ledgers, agreements and other information that may indicate the existence of related party relationships or transactions. We also tested completeness of related parties with reference to the various registers maintained by the company statutorily.</li> </ul>

**Emphasis of Matter**

We draw attention to the following notes to standalone financial statements:

Note no. 2.24(7) to the standalone financial statements which states that the Company has filed case against National Insurance Company Limited before consumer court for wrongful deduction of ₹ 27.42 Lakhs in the claim submitted under fire insurance.

Note no. 2.24(8) to the standalone financial statements which states that the Prayag Polytech Private Limited filed an application CP No. (IB) 312/ALD/2019 dated 08.08.2019 under Insolvency and Bankruptcy Code for a claim of ₹ 9.21 lakhs along with interest against supplies of raw materials in year 2017 with Hon'ble National Company Law Tribunal, Allahabad bench, Prayagraj. The matter was first listed on 16.08.2019. Avro India Limited (formerly known as M/s Avon Moldplast Limited) made a counterclaim via letter dated 11.08.2017 for sending

inferior quality of raw materials which was duly authenticated by M/s Prayag Polytech Private Limited. The matter is at the stage of final arguments before Hon'ble National Company Law Tribunal, Allahabad bench, Prayagraj. The Company has filed one application praying for placing additional documents on record, which is also pending consideration. The matter was last heard on 26.04.2022 and final order was reserved.

Note no. 2.24(9) to the standalone financial statements which states that the Bigfoot Retail sent a legal notice to the Company on 23.08.2021 for a claim of ₹ 2.00 Lakhs including interest and legal expenses in lieu of logistic services. On 24.09.2021, we sent a reply to them stating that our consignments were prepaid consignments and our wallet was debited by charging inappropriate amount in respect of various consignments, for which we have not been provided with dimensions in respect of weight charged.

Note no. 2.24(10) to the standalone financial statements which states that Security deposit of ₹ 2.25 Lakhs held with Mr. Virju Lal & ors. for Patna depot as lying in the books of Company has not been refunded to the Company after the termination of the agreement by Mr. Virju Lal & ors. The Company issued a legal notice to them for the recovery of said deposit. Thereafter, the Company filed a Criminal complaint against Mr. Virju Lal & ors. on October 14, 2020 for the recovery of the said deposit.

Note no. 2.24(11) to the standalone financial statements which states that the design bearing registration no. 286049 which was registered in the name of Mrs. Anita Aggarwal, Director of the Company was assigned in the favour of the Company. Mrs. Anita Aggarwal through its Power of Attorney filed the application under Order 39 rule 1 & 2 read with Section 151 of the Code of Civil Procedure, 1907 for temporary Injunction against M/s Century Mouldings Pvt. Ltd. and Moonstar Furnitures with respect to infringement of Design no. 286049 in district Court of Surat and the damage of ₹ 25.00 Lakhs was claimed. On 26.03.2021, the matter was transferred to Hon'ble High Court of Gujarat.

Note no. 2.24(12) to the standalone financial statements which states that the design bearing registration no. 286049 which was registered in the name of Mrs. Anita Aggarwal, Director of the Company was assigned in the favour of the Company. Mrs. Anita Aggarwal, Director and the Company through its Power of Attorney filed the suit for permanent Injunction against M/s Radha Plastic Industries & its Proprietor Mr. Raj Kumar for infringement of said design and consequential reliefs under Section 25 of the Design Act, 2000 in district court of Ludhiana and damage of ₹ 5.00 Lakhs has been claimed. On 17.09.2021, the Court granted temporary Injunction against the infringement of design till the next date of hearing. The reply to the application under Order 39 Rule 4 CPC for setting aside the interim order dated 17.09.2021 was not filed. The case was adjourned to 12.07.2022.

Note no. 2.24(13) to the standalone financial statements which states that Company filed an application suo-motto via GNL-1 on 28.09.2021 under section 441 of the Companies Act, 2013 with reference to non-compliance of certain provisions of Section 96 of the Companies Act 2013 and Section 166 of Companies Act, 1956 for conducting Annual General Meeting at the place outside the city, town, village in which the registered office of the Company was situated from the financial year 2010 to 2017. The matter is pending before Regional Director, Northern Region.

Note no. 2.24(14) to the standalone financial statements which states that the Company filed a Criminal Complaint against Mr. Subhash Chandra Jangir, proprietor of Durga Enterprises on August 14, 2019 for various offences punishable under Section

500 & 506 of Indian Penal Code, 1860. The matter is still pending before District Court, Ghaziabad. The next date in the matter is 14.07.2022 and the same is fixed for pre summoning evidence.

Note no. 2.24(15) to the standalone financial statements which states that Kumar Sales Corporation failed to repay the dues of ₹ 2.56 Lakhs against the supply of goods. After sending legal notice, the Company initiated pre-institution mediation proceedings on 17.03.2020 before Uttar Pradesh State Legal Services Authority, District Court Complex, Ghaziabad. On 03.03.2021, the said mediation proceedings failed as it failed to participate in the said proceedings. The Company has filed suitable application bearing no. UDYAM-UP-29-0017300/S/00002 before MSME Council.

Note no. 2.24(16) to the standalone financial statements which states that V.M. Enterprises failed to repay the dues of ₹ 1.27 Lakhs against the supply of goods. The Legal Notice dated 12.02.2019 was sent to the party. The Company initiated pre-institution mediation proceedings on 17.03.2020 before Uttar Pradesh State Legal Services Authority, District Court Complex, Ghaziabad. On 03.03.2021, the said mediation proceedings failed as V. M. Enterprises failed to participate in the said proceedings. However, as on 31<sup>st</sup> March, 2022, the outstanding balance is ₹ 0.77 Lakhs.

Note no. 2.24(17) to the standalone financial statements which states that the Criminal Complaint was filed against M/s. MAA Katyayani under Section 138 of Negotiable Instrument Act for ₹ 10.14 Lakhs. Summons was submitted in court on 24.09.2021 and date fixed for appearance of opposite party on 18.02.2022, but presiding officer was absent. The case was last heard on 09.05.2022 and the next date of hearing is 26.07.2022.

Note no. 2.24(18) to the standalone financial statements which states that the Company has sent a legal notice to Mr. Amol Jadhav, proprietor of M/s Abco Iron & Steel Industries on 09.08.2021 for non-payment of outstanding dues of ₹ 7.93 Lakhs and thereafter a legal notice has been sent to him again on 11.03.2022 for non- payment of remaining balance of ₹ 3.51 Lakhs.

Note no. 2.24(19) to the standalone financial statements which states that the Company has sent a legal notice to Mr. Satish Kasudhan, proprietor of M/s S K Plastic Shop on 09.08.2021 for non-payment of outstanding dues of ₹ 6.12 Lakhs.

Note no. 2.24(20) to the standalone financial statements which states that the Company has sent a legal notice to Mr. Suresh Singh, proprietor of M/s Jai Bajrang Distributor on 03.03.2022 against cheque bounce of ₹ 5.35 Lakhs.

Note no. 2.24(22) to the standalone financial statements which states that Leasehold Land from UPSIDA was registered under the earlier name of the company "Avon Moldplast Private Limited". During the financial year 2019-20, the company applied with UPSIDA for the change in name to "Avro India Limited" and received confirmation letter from UPSIDA subject to fulfilment of conditions. However, the same is under process for updation on UPSIDC Website. As per management opinion, this lease is perpetual in nature.

Note no. 2.24 (23) to the standalone financial statements which states that some of the balances of trade payables and trade receivables appearing in the balance sheet are subject to balance confirmation/ reconciliation at the year end. The management is in the process to get confirmation of balance from the parties; therefore, the reconciliation of these balances is not updated. However, the reconciliation of these balances is not expected to result in any material adjustments in the stated balances.

Our opinion is not modified in respect of these matters.

#### Information Other than the Standalone Financial Statements and Auditor's Report thereon

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

Our opinion on the 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

#### Management's Responsibilities for the Standalone Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the 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 Ind AS specified under Section 133 of the Act read with 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative

factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.



- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on March 31<sup>st</sup>, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31<sup>st</sup>, 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
  
In our Opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed pending litigations in its Standalone Financial Statements – Refer Note No. 2.24 (8), (10), (11), (12), (14), (15), (16) and (17) to the Standalone Financial Statements.
- ii) The Company did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March, 2022.
- 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 (which

are material either individually or in the aggregate) have been advanced or loaned or invested (either borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person (s) or entity (ies) including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall 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 to or on behalf of the Ultimate Beneficiaries.

- b) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entities (funding party) 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 funding party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c) Based on the audit procedures 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 iv (a) and iv (b) contain any material misstatement.
- v) The Company has neither declared nor paid any dividend during the year.

**For S A A R K AND CO**  
**Chartered Accountants**  
FRN: 021758N

**Sd/-**  
**CA (Dr.) S. K. Lal**  
**Partner**  
**M. No.: 509185**  
**UDIN: 22509185ALPGLM9101**

Place: Ghaziabad  
Date: May 10, 2022

## "ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' section of our report to the members of AVRO India Limited of even date.

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 records showing full particulars, including quantitative details, situation of Property, Plant and Equipment. However, the fixed assets register is under updation.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The property, plant and equipment have been physically verified by the management during the year in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the Immovable properties disclosed in the financial statements are held in the name of the Company except for the following which is not held in the name of the Company:

Description of Property	Gross Carrying value (₹ In Lakhs)	Title deed held in name of	Whether title deed hold is a promoter, director or relative of promoter or employee of promoter	Property held since which date	Reason for not being held in the name of the Company
Leasehold Land	561.86	Avon Moldplast Private Limited	Mr. Sushil Kumar Aggarwal (Promoter & Director)	30.11.2002	Application has been filed by the company and received confirmation letter from UPSIDA subject to fulfilment of Conditions. However, the same is under process for updation on UPSIDC website.

- (d) The Company has not revalued its Property, Plant and Equipment during the year ended 31 March, 2022. However, these financial statements of the company are first Ind AS financial statements and accordingly Property, Plant and Equipment have been revalued as on 01 April, 2020 i.e., the transition date. The valuation has been done by the Registered Valuer. Refer note 2.1 (3) to the standalone financial statements.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. No discrepancies of 10% or more in aggregate for each class of inventory has been noticed.
- (b) According to the information and explanation given by the management and to the best of our information, the company has been sanctioned working capital limits in excess of ₹ 5 Crore, in aggregate, from IDFC First Bank on the basis of primary security by way of hypothecation of current assets including stocks & book debts and movable fixed assets of the Company and collateral on property situated at A-7/36-39, South of GT Road Industrial Area Ghaziabad, U.P. Further, the facilities have been secured by unconditional and irrevocable personal guarantee of Sushil Kumar Aggarwal, Sahil Aggarwal, Anita Aggarwal, Directors of the Company. The differences in the quarterly returns / statements filed with the bank and the books of account of the Company are as follows and hence are not in agreement.

(₹ In Lakhs)

Quarter	Particulars	As per books of account	As per stock statement submitted to bank	Difference
April 21 to June 21	Stock	307.67	307.92	(0.25)
July 21 to Sept 21	Stock	399.63	399.61	0.02
Oct 21 to Dec 21	Book debts (0-90 days)	1298.94	1301.94	(3.00)
	Creditors	904.38	904.36	0.02
Jan 22 to Mar 22	Creditors	791.49	784.56	6.93
	Sales*	7933.68	7933.75	0.07
	Stock	504.93	505.03	(0.10)

\*Inclusive of GST

- (iii) (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause (iii)(a) of the Order is not applicable.
- (b) The Company has not made investments, provided guarantees or security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties and hence not commented upon.
- (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 (iii)(c) to (iii)(f) of the Order is not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the Company has neither provided any loans to directors or to any other person in whom the director is interested or given any guarantee or provided any security in connection with loan under Section 185, nor given any loans and made investments under Section 186 of the Act, hence, the provisions of Section 185 and 186 are not applicable to the Company.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Cess and any other statutory dues, applicable to it, with the appropriate authorities.
- There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Cess and any other statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, there are no statutory dues required to be 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 (43 of 1961) as income during the year. Accordingly, the requirement to report on Clause (viii) of the Order is not applicable to the Company.

- (ix) (a) In our opinion, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) To the best of our knowledge the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, joint ventures or associates.
- (f) The company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally). However, the Company has issued bonus equity shares in the ratio 21:10 to the existing shareholders on 29.01.2022.
- (xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) There are no whistle blower complaints received by the Company during the year, hence, reporting under clause (xi)(c) of the Order is not applicable to the Company.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii)(a) to clause (xii)(c) of the Order is not applicable.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) The internal audit reports of the Company for the period under audit have been considered by us.
- (xv) In our opinion, during the year, the Company has not entered into any non-cash transactions with its director's or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, reporting under clause (xvi)(a) to clause (xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and 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 (xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 40 to the financial statements, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and 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 indicating 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) In our opinion, the provisions of the Section 135 of the Companies Act 2013 are not applicable to the Company and accordingly Clause (xx)(a) and Clause (xx)(b) is not applicable to the Company.

For S A A R K AND CO  
Chartered Accountants  
FRN: 021758N

Sd/-  
CA (Dr.) S. K. Lal  
Partner  
M. No.: 509185  
UDIN: 22509185ALPGLM9101

Place: Ghaziabad  
Date: May 10, 2022

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

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

We have audited the internal financial controls over financial reporting of AVRO India Limited ("the company") as on 31<sup>st</sup> March, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

## "ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal financial 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. 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 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 over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls both issues by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, 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 system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

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

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

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the company has, in all material

respects, adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the internal financial 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.

For S A A R K AND CO  
Chartered Accountants  
FRN: 021758N

Sd/-  
CA (Dr.) S. K. Lal  
Partner  
M. No.: 509185  
UDIN: 22509185ALPGLM9101

Place: Ghaziabad  
Date: May 10, 2022

## Balance Sheet

as at 31<sup>st</sup> March, 2022

(₹ in Lakhs)				
Particulars	Note No.	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
<b>ASSETS</b>				
<b>(1) Non-current assets</b>				
(a) Property, plant and equipment	2.1	1,214.70	1,044.92	1,109.70
(b) Capital work-in-progress		-	-	-
(c) Other Intangible assets	2.2	0.38	0.52	0.35
(d) Financial assets				
(i) Investments	2.3	-	-	-
(ii) Trade receivables	2.4	-	-	-
(iii) Other financial assets	2.5	-	-	-
(e) Deferred tax assets (net)	2.15	0.67	0.30	0.64
(f) Other non-current assets	2.6	27.57	27.65	27.51
<b>Total non-current assets</b>		<b>1,243.32</b>	<b>1,073.39</b>	<b>1,138.20</b>
<b>(2) Current assets</b>				
(a) Inventories	2.7	504.94	169.23	144.35
(b) Financial assets				
(i) Investments	2.3	35.99	78.00	37.13
(ii) Trade receivables	2.4	1,864.37	1,078.54	811.68
(iii) Cash and cash equivalents	2.8	44.60	38.67	19.80
(iv) Other financial assets	2.5	12.75	31.64	13.63
(c) Current tax assets (net)	2.15	-	6.98	2.47
(d) Other current assets	2.6	25.58	13.13	29.34
<b>Total current assets</b>		<b>2,488.23</b>	<b>1,416.18</b>	<b>1,058.40</b>
<b>Total assets</b>		<b>3,731.55</b>	<b>2,489.57</b>	<b>2,196.60</b>
<b>EQUITY AND LIABILITIES</b>				
<b>(1) EQUITY</b>				
(a) Equity share capital	2.9	1,008.74	325.40	325.40
(b) Other equity		1,059.71	1,443.67	1,270.36
<b>Total equity</b>		<b>2,068.45</b>	<b>1,769.07</b>	<b>1,595.76</b>
<b>LIABILITIES</b>				
<b>(2) Non-current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	2.10	117.35	50.05	99.45
(ii) Trade payables	2.11			
(A) total outstanding dues of micro enterprises and small enterprises; and		-	-	-



## Balance Sheet

as at 31<sup>st</sup> March, 2022

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-
(iii) Other financial liabilities	2.12	-	-	-
(b) Provisions	2.13	7.54	8.45	5.82
(c) Deferred tax liabilities (net)		-	-	-
(d) Other non-current liabilities	2.14	-	-	-
<b>Total non-current liabilities</b>		<b>124.89</b>	<b>58.50</b>	<b>105.27</b>
<b>(3) Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	2.10	651.11	364.72	160.84
(ii) Trade payables	2.11			
(A) total outstanding dues of micro enterprises and small enterprises; and		497.00	150.15	95.63
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		294.49	83.81	181.05
(iii) Other financial liabilities	2.12	13.03	17.29	13.99
(b) Other current liabilities	2.14	47.32	45.22	43.75
(c) Provisions	2.13	0.97	0.81	0.31
(d) Current tax liabilities (net)	2.15	34.29	-	-
<b>Total current liabilities</b>		<b>1,538.21</b>	<b>662.00</b>	<b>495.57</b>
<b>Total equity and liabilities</b>		<b>3,731.55</b>	<b>2,489.57</b>	<b>2,196.60</b>
Significant accounting policies	1			

The accompanying notes form an integral part of the standalone financial statements (Note No. 2.1 to 2.24).

As per our report of even date attached  
For S A A R K AND CO  
Chartered Accountants  
FRN: 021758N

For and on behalf of the Board of Directors of  
Avro India Limited

Sd/-  
CA (Dr.) S. K. Lal  
Partner  
M. No.: 509185  
UDIN: 22509185ALPGLM9101

Sd/-  
Sushil Kumar Aggarwal  
Chairman & Whole Time Director  
DIN: 00248707

Sd/-  
Sahil Aggarwal  
Managing Director  
DIN: 02515025

Place: Ghaziabad  
Date: May 10, 2022

Sd/-  
Ghanshyam Singh  
Chief Financial Officer  
PAN: CWCPS4843P

Sd/-  
Sumit Bansal  
Company Secretary  
PAN: CHKPB0878G

## Statement of Profit and Loss

for the year ended 31<sup>st</sup> March, 2022

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
I Revenue from operations	2.16	6,474.08	5,327.10
II Other income	2.17	46.40	30.08
<b>III Total income</b>		<b>6,520.48</b>	<b>5,357.18</b>
<b>IV EXPENSES</b>			
Cost of materials consumed	2.18	4,581.19	1,870.02
Purchases of stock-in-trade	2.19	228.71	2,460.27
Changes in inventories of finished goods	2.20	(35.36)	16.23
Employee benefits expense	2.21	127.68	133.28
Finance costs	2.22	41.53	26.19
Depreciation and amortization expense	2.1 & 2.2	128.28	143.57
Other expenses	2.23	1,055.95	466.95
Total expenses		6,127.98	5,116.51
<b>V Profit before exceptional items and tax (III-IV)</b>		<b>392.50</b>	<b>240.67</b>
VI Exceptional items		-	-
<b>VII Profit before tax (V-VI)</b>		<b>392.50</b>	<b>240.67</b>
<b>VIII Tax expense:</b>			
(1) Current tax	2.15	95.87	65.14
(2) Deferred tax	2.15	(0.97)	0.82
<b>IX Profit for the period ((VII-VIII))</b>		<b>297.60</b>	<b>174.71</b>
<b>X Other comprehensive income</b>			
(i) Items that will not be reclassified to profit or loss			
- Remeasurement of the net defined benefit liability/asset		2.37	(1.87)
(ii) Income tax effect		(0.59)	0.47
<b>Total other comprehensive income, net of tax</b>		<b>1.78</b>	<b>(1.40)</b>
<b>XI Total comprehensive income for the year (IX+X)</b>		<b>299.38</b>	<b>173.31</b>
<b>XII Earning per equity share of ₹ 10 each</b>			
(1) Basic (₹)		2.95	1.73
(2) Diluted (₹)		2.95	1.73
Significant accounting policies	1		

The accompanying notes form an integral part of the standalone financial statements (Note No. 2.1 to 2.24).

As per our report of even date attached  
For S A A R K AND CO  
Chartered Accountants  
FRN: 021758N

For and on behalf of the Board of Directors of  
Avro India Limited

Sd/-  
CA (Dr.) S. K. Lal  
Partner  
M. No.: 509185  
UDIN: 22509185ALPGLM9101

Sd/-  
Sushil Kumar Aggarwal  
Chairman & Whole Time Director  
DIN: 00248707

Sd/-  
Sahil Aggarwal  
Managing Director  
DIN: 02515025

Place: Ghaziabad  
Date: May 10, 2022

Sd/-  
Ghanshyam Singh  
Chief Financial Officer  
PAN: CWCPS4843P

Sd/-  
Sumit Bansal  
Company Secretary  
PAN: CHKPB0878G

## Statement of Cash Flows

for the year ended 31<sup>st</sup> March, 2022

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>A Cash flows from operating activities</b>		
Profit before taxation, and extraordinary items	392.50	240.67
Adjustments for:		
Depreciation and amortization	128.28	143.57
Finance costs	41.47	25.92
Other Comprehensive income	2.37	(1.87)
Assets written off	-	7.31
Adjustment for Carrying Value of Investment	(0.01)	0.35
Profit on sale of property, plant and equipment	(1.19)	(4.31)
Gain on redemption of mutual fund	(6.68)	(1.52)
Non-Operating Income - Govt Subsidy on loan	-	(0.01)
<b>Operating profit before working capital changes</b>	<b>556.74</b>	<b>410.11</b>
<b>Change in working capital</b>		
Decrease/(increase) in inventories	(335.70)	(24.88)
Decrease/ (increase) in trade receivables	(785.83)	(270.55)
Decrease/ (increase) in other financial assets	18.87	(18.71)
Decrease/ (increase) in other non - current assets	0.08	(0.14)
Decrease/ (increase) in other current assets	(12.45)	16.20
Increase/(Decrease) in trade payables	557.54	(42.72)
Increase/(Decrease) in other financial liabilities	(4.29)	3.63
Increase/(Decrease) in other current liabilities	2.12	1.47
Increase/(Decrease) in long term provisions	(0.91)	2.63
Increase/(Decrease) in short- term provisions	0.16	0.50
<b>Cash generated from operations</b>	<b>(560.41)</b>	<b>(332.57)</b>
Less: Income taxes paid	(54.60)	(70.11)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>(58.27)</b>	<b>7.43</b>
<b>B Cash flows from Investing activities</b>		
Purchase of property, plant and equipment	(319.23)	(83.63)
Proceeds from sale of property, plant and equipment	22.50	5.50
Purchase of investments	(36.00)	(82.52)
Proceeds from sale of investments	84.71	43.52
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(248.02)</b>	<b>(117.13)</b>
<b>C Cash flows from financing activities</b>		
Proceeds from long term borrowings	141.78	26.50
Repayment of long term borrowings	(67.57)	(36.88)

## Statement of Cash Flows

for the year ended 31<sup>st</sup> March, 2022

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	Proceeds from short term borrowings	6,432.53
Repayment of short term borrowings	(6,153.05)	(4,069.46)
Finance costs	(41.47)	(25.92)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>312.22</b>	<b>128.57</b>
<b>Net increase /(decrease) in cash and cash equivalents (A+B+C)</b>	<b>5.93</b>	<b>18.87</b>
Cash and cash equivalents at the beginning of the year	38.67	19.80
<b>Cash and cash equivalents at the end of the year</b>	<b>44.60</b>	<b>38.67</b>
<b>Reconciliation of cash and cash equivalents</b>		
Cash and cash equivalents comprise of:		
Cash on hand	1.53	2.87
Balance with banks		
(i) In current accounts	41.83	33.59
(ii) In deposit accounts	-	1.01
(iii) INR value of foreign currency in hand	1.24	1.20
<b>Total cash and cash equivalents at the end of the year</b>	<b>44.60</b>	<b>38.67</b>
<b>Significant accounting policies</b>	<b>1</b>	

The accompanying notes form an integral part of the standalone financial statements (Note No. 2.1 to 2.24).

Note: (1) The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standards (Ind AS) 7 "Statement of Cash Flows".

(2) Previous year's figures have been regrouped / recasted wherever necessary.

As per our report of even date attached  
For S A A R K AND CO  
Chartered Accountants  
FRN: 021758N

For and on behalf of the Board of Directors of  
Avro India Limited

Sd/-  
CA (Dr.) S. K. Lal  
Partner  
M. No.: 509185  
UDIN: 22509185ALPGLM9101

Sd/-  
Sushil Kumar Aggarwal  
Chairman & Whole Time Director  
DIN: 00248707

Sd/-  
Sahil Aggarwal  
Managing Director  
DIN: 02515025

Place: Ghaziabad  
Date: May 10, 2022

Sd/-  
Ghanshyam Singh  
Chief Financial Officer  
PAN: CWCP54843P

Sd/-  
Sumit Bansal  
Company Secretary  
PAN: CHKP80878G



## Statement of Changes in Equity

for the year ended 31<sup>st</sup> March, 2022

		Amount							(₹ in Lakhs)
		Amount							(₹ in Lakhs)
<b>A. Equity Share Capital</b>									<b>325.40</b>
<b>1. Current Reporting Period</b>									<b>325.40</b>
<b>Particulars</b>									<b>325.40</b>
Balance as at the beginning of the current period 1 <sup>st</sup> April 2021									325.40
Changes in Equity Share Capital due to prior period errors									-
Restated Balance at the beginning of the current reporting period									683.34
Changes in Equity Share Capital during the Current Year									1,008.74
Balance at the end of current reporting period 31 <sup>st</sup> March, 2022									1,008.74
<b>2. Previous Reporting Period</b>									<b>325.40</b>
<b>Particulars</b>									<b>325.40</b>
Balance as at the beginning of the current period 1 <sup>st</sup> April 2020									325.40
Changes in Equity Share Capital due to prior period errors									-
Restated Balance at the beginning of the current reporting period									325.40
Changes in Equity Share Capital during the Current Year									-
Balance at the end of current reporting period 31 <sup>st</sup> March, 2021									325.40
<b>B. Other Equity</b>									<b>1,270.36</b>
<b>Particulars</b>									<b>1,270.36</b>
		<b>Reserves &amp; Surplus</b>							
		<b>Debt in-</b>		<b>Equity In-</b>		<b>Other</b>			
		<b>struments</b>		<b>struments</b>		<b>items of</b>			
		<b>through</b>		<b>through</b>		<b>other com-</b>			
		<b>Other</b>		<b>Other com-</b>		<b>prehensive</b>			
		<b>Compre-</b>		<b>prehensive</b>		<b>Income</b>			
		<b>hensive</b>		<b>Income</b>		<b>Income</b>			
		<b>Income</b>		<b>Income</b>		<b>Income</b>			
		<b>289.22</b>		<b>618.70</b>		<b>618.70</b>			
Balance as at April 1, 2020		362.44		289.22		618.70		1,270.36	
Changes in equity for the year ended March 31, 2021		-		-		-		-	
Changes in accounting policy or prior period errors		-		-		-		-	
Restated balance at the beginning of the current reporting period		-		174.71		(1.40)		173.31	
Total Comprehensive income for the current year		-		-		-		-	
Dividends		-		-		-		-	
Balance as at March 31, 2021		362.44		463.93		618.70		1,443.67	
Balance as at April 1, 2021		362.44		463.93		618.70		1,443.67	
Changes in equity for the period ended March 31, 2022		-		-		-		-	
Changes in accounting policy or prior period errors		-		-		-		-	
Restated balance at the beginning of the current reporting period		-		297.60		1.78		299.38	
Total Comprehensive income for the current year		-		-		-		-	
Dividends		-		-		-		-	
Amount Capitalized for issue of Bonus Shares		-		(320.90)		-		(683.34)	
Balance as at March 31, 2022		-		440.63		0.38		1,059.71	

The accompanying notes form an integral part of the standalone financial statements (Note No. 2.1 to 2.24).

As per our report of even date attached

For S A A R K AND CO

Chartered Accountants

FRN: 021758N

For and on behalf of the Board of Directors of

Avro India Limited

Sd/-  
CA (Dr) S. K. Lal

Partner

M.No.: 509185

UDIN: 22509185ALPGLM9101

Place: Ghaziabad

Date: May 10, 2022

Sd/-  
Sushil Kumar Aggarwal

Chairman & Whole Time Director

DIN: 00248707

Sd/-  
Ghanshyam Singh

Chief Financial Officer

PAN: CWCPS4843P

Sd/-  
Sahil Aggarwal

Managing Director

DIN: 02515025

Sd/-  
Sumit Bansal

Company Secretary

PAN: CHKP0878G

## Notes to the financial statements

for the year ended 31<sup>st</sup> March, 2022

### 1. CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 Corporate Information

AVRO INDIA LIMITED is a public listed company incorporated on 01<sup>st</sup> July 1996 under Companies Act, 1956 having its registered office at A-7/36-39, South of G.T. Road Industrial Area, Electrosteel Casting Compound Ghaziabad, U.P. - 201009. The company has migrated from EMERGE Platform of National Stock Exchange of India Ltd to Main Board of National Stock Exchange of India Ltd. and BSE Ltd. with effect from 07 April, 2022, accordingly the shares of the company are listed on National Stock Exchange of India Ltd. & BSE Ltd. with effect from 07 April, 2022.

The company is engaged in manufacturing and selling of plastic moulded furniture and granules and have established the brand name "AVON FURNITURE" and "AVRO FURNITURE" besides host of other brands. The products of the Company are sold online and offline along with retailers across India and major distributors are located in the state of Uttar Pradesh.

#### 1.2 Basis of preparation of Financial Statements:

The Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act 2013 ("the Act"), read with Rule 3 of the Companies (Indian Accounting Standards) Rules 2015, and Companies (Indian Accounting Standards) Rules, 2016. These financial statements for the year ended 31<sup>st</sup> March, 2022 are first Ind AS Financial Statements and are covered by Ind AS 101, First-time adoption of Indian Accounting Standards. The transition to Ind AS has been carried out from the accounting principles generally accepted in India ("Indian GAAP") which is considered as the "Previous GAAP" for purposes of Ind AS 101. The financial statements were authorized for issue by the Company's Board of Directors on 10<sup>th</sup> May, 2022. The date of transition to Ind AS is 1<sup>st</sup> April, 2020.

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained the operating cycle to be 12 months.

#### 1.3 Functional and presentation currency:

These financial statements are presented in Indian Rupees, which is the Company's functional currency. All amounts have been rounded off to two decimal places to the nearest lakh, unless otherwise indicated.

#### 1.4 Historical cost convention:

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

- certain financial assets and liabilities (including derivative instrument) that are measured at fair value;
- defined benefit plans – plan assets measured at fair value.

#### 1.5 Use of Estimates and Judgements:

The preparation of financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the balance sheet and statement of profit and loss. The actual amounts realised may differ from these estimates.

Estimates and assumptions are required in particular for:

#### Determination of the estimated useful lives of Property Plant and Equipment

Useful lives of property plant and equipment are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II for plant and machinery and dies and molds, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

#### Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds.

## Notes to the financial statements

for the year ended 31<sup>st</sup> March, 2022

The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

### Recognition of deferred tax assets and liabilities

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

### Recognition and measurement of other provisions

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the amount included in other provisions.

### Discounting of long-term financial assets / liabilities

All financial assets / liabilities are required to be measured at fair value on initial recognition. In case of financial liabilities / assets which are required to subsequently be measured at amortised cost, interest is accrued using the effective interest method.

### Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

### Fair value of financial instruments

Derivatives are carried at fair value. Derivatives includes foreign currency forward contracts and interest rate swaps. Fair value of foreign currency forward contracts is determined using the fair value reports provided by respective bankers. Fair value of interest rate swaps is determined with respect to current market rate of interest.

### 1.6 Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values for financial instruments.

The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

### 1.7 Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification, which would have been issued but not effective till now.

### 1.8 Property, plant and equipment:

#### Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

## Notes to the financial statements

for the year ended 31<sup>st</sup> March, 2022

The cost of an item of property, plant and equipment comprises:

Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in profit or loss.

Items such as spare parts, stand-by equipment's and servicing that meets the definition of property, plant and equipment are capitalised at cost and depreciated over the useful life.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

### Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

### Depreciation

Depreciation on property plant and equipment is provided on the written down value method over the useful lives of assets as specified in Schedule II of the Companies Act, 2013. Management believes that these useful lives best represent the period over which management expects to use these assets.

Useful life of property plant and equipment are reviewed at each balance sheet date and adjusted prospectively, if appropriate.

Cost of leasehold land is not amortised over the period of lease because it is perpetual in nature.

Depreciation on addition to assets or on sale /discardment of assets, is calculated pro rata from the date of such addition or upto the date of such sale/discardment, as the case may be;

Assets like mobile phones, telephone instruments, etc. are fully depreciated in the year of purchase/acquisition;

Individual assets except assets given on lease acquired for less than ₹15,000/- are depreciated entirely in the year of acquisition.

### 1.9 Intangible Assets

Intangible assets, which are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

#### Amortisation:

Software (Intangible assets) are amortised over their estimated useful lives on a straight-line basis but not exceeding the period of 60 months.

Useful life of Intangible assets is reviewed at each balance sheet date and adjusted prospectively, if appropriate.

### 1.10 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 instruments also include derivative contracts such as foreign currency forward contracts and, interest rate swaps and currency options; and embedded derivatives in the host contract.

Financial instruments also covers contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments,



## Notes to the financial statements

for the year ended 31<sup>st</sup> March, 2022

as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

Derivatives are currently recognized at fair value on the date on which the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

### 1.11 Cash Flow Hedges

The Company uses derivative financial instrument such as forward contracts and cross currency interest rate swaps to hedge its foreign currency risks and interest rate risks. Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Statement of Profit and Loss, except for the effective portion of cash flow hedge, which is recognised in Other Comprehensive Income and accumulated in Cash Flow Hedge Reserve included in the Reserves and Surplus while any ineffective portion is recognised immediately in the Statement of Profit and Loss.

For the purpose of hedge accounting, hedges are classified as:

Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability.

Cash flow hedges when hedging exposure to variability in cash flows that is either attributable to particular risk associated with a recognised asset or liability.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable

to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedge accounting is discontinued from the last testing date when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Cumulative gain or loss on such hedging instrument recognised in Cash Flow Hedge Reserve is retained there until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in Cash Flow Hedge Reserve is transferred to Statement of Profit and Loss for the year.

### 1.12 Financial Assets

#### Classification

The Company shall classify financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

#### 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.

#### 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

## Notes to the financial statements

for the year ended 31<sup>st</sup> March, 2022

- 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.

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.

#### Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

#### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all

the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

#### Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- b) 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. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security like letters of credit, security deposit collected etc. and expectations about future cash flows.

### 1.13 Financial liabilities

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans

## Notes to the financial statements

for the year ended 31<sup>st</sup> March, 2022

and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable and incremental transaction cost.

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 as finance costs in the statement of profit and loss.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments. Borrowings are measured at amortised cost.

### 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.

### 1.14 Valuation of Inventories:

Inventories includes raw material, work-in-progress, finished goods, store & spare, packing material are valued at lower of cost and net realizable value.

Raw material and components: Cost includes cost of purchases and other costs incurred in bringing the inventories to their present location and condition. Cost is determined using first in first out (FIFO) basis.

Finished Goods: Cost includes cost of direct material, labor, other direct cost and a proportion of fixed manufacturing overhead allocated based on the normal operating capacity but excluding borrowing cost. Cost is determined on weighted average cost basis.

Store, spare parts, packing material etc.: Cost is determined on FIFO basis.

Inter divisional transfers are valued at works/factory costs of the transferor unit/ division, plus transport and other charges.

### 1.15 Employee Benefits:

#### Short Term Employee Benefits

All employee benefits payable within twelve months of rendering the service are recognised in the period in which the employee renders the related service.

#### Post Employment / Retirement Benefits

Contribution to Defined Contribution Plans such as Provident Fund, Employees' State Insurance Corporation, etc., are charged to the Statement of Profit and Loss as incurred.

Defined Benefit Plans – The present value of the obligation under such plans is determined based on an actuarial valuation by an independent actuary at the end of each year, using the Projected Unit Credit Method. In the case of gratuity, which is funded, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

Remeasurement of net defined benefit liability, which comprises actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any excluding interest), are recognized immediately in other comprehensive income.

#### Other Long Term Employee Benefits

#### Compensated Absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year-end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year-end. Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year-end are treated as other long-term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

## Notes to the financial statements

for the year ended 31<sup>st</sup> March, 2022

### 1.16 Foreign Exchange Transactions:

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate as at the date of the transaction.

### 1.17 Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is ready for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

### 1.18 Revenue Recognition:

The Company derives revenues primarily from sale of manufactured goods, traded goods and related services.

Revenue is recognised on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. The performance obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

Revenue is measured based on transaction price which is fair value of the consideration received or receivable, after deduction of any discounts, sales incentives / schemes and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and sales incentives / schemes. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

The Company recognises provision for sales return, based on the historical results, measured on net basis of the

margin of the sale. An estimate is made of goods that will be returned and a liability is recognised for this amount using a best estimate based on accumulated experience.

Dividend income is recognized in statement of profit and loss only when the right to receive payment is established.

Interest income is recognized using the effective interest rate method.

### 1.19 Leases:

At the inception it is assessed, whether a contract is a lease or contains a lease. A contract is a lease or contains a lease if it conveys the right to control the use of an identified asset, for a period of time, in exchange for consideration. If lease asset held land & building are perpetual in nature, than it will be treated as Land & Building.

To assess whether a contract conveys the right to control the use of an identified asset, Company assesses whether the contract involves the use of an identified asset. Use may be specified explicitly or implicitly.

- Use should be physically distinct or represent substantially all of the capacity of a physically distinct asset.
- If the supplier has a substantive substitution right, then the asset is not identified.
- Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use
- Company has the right to direct the use of the asset.
- In cases where the usage of the asset is predetermined, the right to direct the use of the asset is determined when Company has the right to use the asset or Company designed the asset in a way that predetermines how and for what purpose it will be used.

At the commencement or modification of a contract, that contains a lease component, Company allocates the consideration in the contract, to each lease component, on the basis of its relative standalone prices. For leases of property, it is elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.



## Notes to the financial statements

for the year ended 31<sup>st</sup> March, 2022

### As a Lessee:

Company recognizes a right-of-use asset and a lease liability at the lease commencement date.

### Right-Of-Use Asset (ROU):

The right-of-use asset is initially measured at cost. Cost comprises of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, any initial direct costs incurred by the lessee, an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received.

After the commencement date, a lessee shall measure the right-of-use asset applying cost model, which is Cost less any accumulated depreciation and any accumulated impairment losses and also adjusted for certain re-measurements of the lease liability.

Right-of-use asset is depreciated using straight-line method from the commencement date to the end of the lease term. If the lease transfers the ownership of the underlying asset to the Company at the end of the lease term or the cost of the right-of-use asset reflects Company will exercise the purchase option, ROU will be depreciated over the useful life of the underlying asset, which is determined based on the same basis as property, plant and equipment.

### Lease liability:

Lease liability is initially measured at the present value of lease payments that are not paid at the commencement date. Discounting is done using the implicit interest rate in the lease, if that rate cannot be readily determined, then using Company's incremental borrowing rate. Incremental borrowing rate is determined based on entity's borrowing rate adjusted for terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprises of fixed payments (including in substance fixed payments), variable lease payments that depends on an index or a rate, initially measured using the index or rate at the commencement date, amount expected to be payable under a residual value guarantee, the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

Lease liability is measured at amortised cost using the effective interest method. Lease liability is re-measured when there is a change in the lease term, a change in its assessment of whether it will exercise a purchase, extension or termination option or a revised in-substance fixed lease payment, a change in the amounts expected to be payable under a residual value guarantee and a change in future lease payments arising from change in an index or rate.

When the lease liability is re-measured, corresponding adjustment is made to the carrying amount of the right-of-use asset. If the carrying amount of the right-of-use asset has been reduced to zero it will be recorded in statement of profit and loss.

Right-of-use asset is presented under "Property Plant and Equipment" and lease liabilities are presented under "Financial liabilities" in the balance sheet.

Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

### Lessor

At the commencement or modification of a contract, that contains a lease component, Company allocates the consideration in the contract, to each lease component, on the basis of its relative standalone prices.

At the inception of the lease, it is determined whether it is a finance lease or an operating lease. If the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset, then it is a financial lease, otherwise it is an operating lease.

If the lease arrangement contains lease and non-lease components, then the consideration in the contract is allocated using the principles of Ind AS 115. The Company tests for the impairment losses at the year end. Payment received under operating lease is recognised as income on straight line basis, over the lease term.

The accounting policies applicable to the Company as a lessor, in the comparative period, were not different from Ind AS 116.

### 1.20 Impairment of non-financial assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any

## Notes to the financial statements

for the year ended 31<sup>st</sup> March, 2022

indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

### 1.21 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, INR Value of Foreign Currency in hand and short-term deposits with remaining 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, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

### 1.22 Taxation:

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

#### i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if, the Company:

- a) has a legally enforceable right to set off the recognised amounts; and

- b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### Uncertain Tax position:

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. The provision is estimated based on one of two methods, the expected value method (the sum of the probability weighted amounts in a range of possible outcomes) or the single most likely amount method, depending on which is expected to better predict the resolution of the uncertainty.

#### ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and associates to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available, against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

## Notes to the financial statements

for the year ended 31<sup>st</sup> March, 2022

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax assets / liabilities in respect of on temporary differences, which originate and reverse during the tax holiday period are not recognised. Deferred tax assets / liabilities in respect of temporary differences that originate during the tax holiday period but reverse after the tax holiday period are recognised.

### 1.23 Provisions, Contingent Assets and Contingent Liabilities:

A provision is recognised when the company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash

flows specific to the liability. The unwinding of the discount is recognised as finance cost.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events, but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent Assets are not recognised till the realization of the income is virtually certain. However, the same are disclosed in the financial statements where an inflow of economic benefits is probable.

### 1.24 Earnings per share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

## Notes to the financial statements

for the year ended 31<sup>st</sup> March, 2022

### Note 2.1 : Property, plant and equipment

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	Leasehold Land	Building	Plant & Equipment	Moulds	Computers	Vehicles	Furniture & Fixtures	Office Equipment	Total
Gross carrying value as at April 1, 2021	561.86	85.14	105.72	374.79	3.18	48.40	1.51	0.43	1,181.03
Additions	34.79	35.98	134.83	39.06	0.38	71.99	0.48	1.72	319.23
Deletions	-	-	-	(56.17)	-	-	-	-	(56.17)
<b>Gross carrying value as at March 31, 2022</b>	<b>596.65</b>	<b>121.12</b>	<b>240.55</b>	<b>357.68</b>	<b>3.56</b>	<b>120.39</b>	<b>1.99</b>	<b>2.15</b>	<b>1,444.09</b>
<b>Depreciation:</b>									
Accumulated depreciation as at April 1, 2021	-	5.40	12.85	105.48	0.80	11.15	0.42	0.01	136.11
Depreciation during the year	-	4.96	20.53	83.11	1.13	17.17	0.34	0.90	128.14
Deduction/adjustments during the year	-	-	-	(34.86)	-	-	-	-	(34.86)
<b>Accumulated depreciation as at March 31, 2022</b>	<b>-</b>	<b>10.36</b>	<b>33.38</b>	<b>153.73</b>	<b>1.93</b>	<b>28.32</b>	<b>0.76</b>	<b>0.91</b>	<b>229.39</b>
<b>Carrying value as at March 31, 2022</b>	<b>596.65</b>	<b>110.76</b>	<b>207.16</b>	<b>203.95</b>	<b>1.63</b>	<b>92.07</b>	<b>1.23</b>	<b>1.24</b>	<b>1,214.70</b>
Carrying value as at March 31, 2021	561.86	79.74	92.87	269.31	2.38	37.25	1.09	0.42	1,044.92

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2021

(₹ in Lakhs)

Particulars	Leasehold Land	Building	Plant & Equipment	Moulds	Computers	Vehicles	Furniture & Fixtures	Office Equipment	Total
Gross carrying value as of April 1, 2020	561.86	85.14	112.47	318.54	1.56	28.63	1.51	-	1,109.71
Additions	-	-	4.22	56.25	1.95	20.63	-	0.43	83.48
Deletions	-	-	(10.97)	-	(0.33)	(0.86)	-	-	(12.16)
<b>Gross carrying value as of March 31, 2021</b>	<b>561.86</b>	<b>85.14</b>	<b>105.72</b>	<b>374.79</b>	<b>3.18</b>	<b>48.40</b>	<b>1.51</b>	<b>0.43</b>	<b>1,181.03</b>
<b>Depreciation:</b>									
Accumulated depreciation as at April 1, 2020	-	-	-	-	-	-	-	-	-
Depreciation during the year	-	5.40	19.93	105.48	1.09	11.15	0.42	0.01	143.47
Deduction/adjustments during the year	-	-	(7.08)	-	(0.29)	-	-	-	(7.37)
<b>Accumulated depreciation as at March 31, 2021</b>	<b>-</b>	<b>5.40</b>	<b>12.85</b>	<b>105.48</b>	<b>0.80</b>	<b>11.15</b>	<b>0.42</b>	<b>0.01</b>	<b>136.11</b>
<b>Carrying value as of March 31, 2021</b>	<b>561.86</b>	<b>79.74</b>	<b>92.87</b>	<b>269.31</b>	<b>2.38</b>	<b>37.25</b>	<b>1.09</b>	<b>0.42</b>	<b>1,044.92</b>
Carrying value as of April 1, 2020	561.86	85.14	112.47	318.54	1.56	28.63	1.51	-	1,109.70

Note:

- Working capital facility and term loans from IDFC First Bank is secured on the basis of primary security by way of hypothecation of current assets including stocks & book debts and movable fixed assets of the Company and Collateral on property situated at A-7/36-39, south of GT Road Industrial Area Ghaziabad, U.P. Further, the facilities have been secured by Unconditional and Irrevocable personal guarantee of Sushil Kumar Aggarwal, Sahil Aggarwal, Anita Aggarwal, Directors of the company.
- Three (3) Motor vehicles are hypothecated with the Bank. Details of loans are given in note 2.10.
- Details of class of property, plant and equipment having change of 10% or more in net carrying value and revaluation amount:

(₹ in Lakhs)

Particulars	Gross carrying Amount as on 01.04.2020	Accumulated Depreciation as on 01.04.2020	Net Carrying Amount as on 01.04.2020	Revalued value as on 01.04.2020
Land	341.13	-	341.13	561.85
Building	37.84	27.45	10.39	85.13



## Notes to the financial statements

for the year ended 31<sup>st</sup> March, 2022

### Note 2.2: Other Intangible Assets

The changes in the carrying value of other intangible assets for the year ended March 31, 2022

(₹ in Lakhs)		
Particulars	Computer Software	Total
Gross carrying value as at April 1, 2021	0.98	0.98
Additions	-	-
Deletions	-	-
<b>Gross carrying value as at March 31, 2022</b>	<b>0.98</b>	<b>0.98</b>
<b>Amortization:</b>		
Amortization as at April 1, 2021	0.46	0.46
Amortization during the year	0.14	0.14
Deduction/adjustments during the year	-	-
<b>Accumulated amortization as at March 31, 2022</b>	<b>0.60</b>	<b>0.60</b>
<b>Carrying value as at March 31, 2022</b>	<b>0.38</b>	<b>0.38</b>
Carrying value as at March 31, 2021	0.52	0.52

The changes in the carrying value of other intangible assets for the year ended March 31, 2021

(₹ in Lakhs)		
Particulars	Computer Software	Total
Gross carrying value as at April 1, 2020	0.70	0.70
Additions	0.28	0.28
Deletions	-	-
<b>Gross carrying value as at March 31, 2021</b>	<b>0.98</b>	<b>0.98</b>
<b>Amortization:</b>		
Accumulated amortization as at April 1, 2020	0.35	0.35
Amortization during the year	0.11	0.11
Deduction/adjustments during the year	-	-
<b>Accumulated amortization as at March 31, 2021</b>	<b>0.46</b>	<b>0.46</b>
<b>Carrying value as at March 31, 2021</b>	<b>0.52</b>	<b>0.52</b>
Carrying value as at April 1, 2020	0.35	0.35

### Note 2.3: Investments

(₹ in Lakhs)			
Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
<b>Non-current investments</b>			
Investments in Equity Instruments	-	-	-
Investments in Mutual Funds	-	-	-
	-	-	-

## Notes to the financial statements

for the year ended 31<sup>st</sup> March, 2022

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
<b>Current investments</b>			
Investments in Equity Instruments	-	-	-
Investments in Mutual Funds			
- Aditya Birla Low Duration Fund	-	-	15.00
- Aditya Birla SL Short Term Fund	15.00	28.52	-
- Kotak equity saving fund	-	4.48	4.13
- Kotak Balanced AF Regular Growth	6.99	-	-
- Kotak Bond Fund (Short Term) Growth Regular Plan	14.00	-	-
- Kotak Low Duration Fund	-	45.00	18.00
	<b>35.99</b>	<b>78.00</b>	<b>37.13</b>
<b>Total</b>	<b>35.99</b>	<b>78.00</b>	<b>37.13</b>

Note:

(₹ in Lakhs)			
Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
(a) Aggregate amount of quoted investments and market value thereof	35.99	78.00	37.13
(b) Aggregate amount of unquoted investments	-	-	-
(c) Aggregate amount of impairment in value of investments	-	-	-
<b>Total</b>	<b>35.99</b>	<b>78.00</b>	<b>37.13</b>

### Note 2.4: Trade receivables

(₹ in Lakhs)			
Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
<b>Non-current</b>			
Unsecured, considered good	-	-	-
Unsecured, considered doubtful	-	-	-
Less: Allowance for doubtful debts	-	-	-
	-	-	-
<b>Current</b>			
Unsecured, considered good	1864.61	1,078.54	811.68
Unsecured, considered doubtful	(0.24)	-	-
Less: Allowance for doubtful debts	-	-	-
	<b>1,864.37</b>	<b>1,078.54</b>	<b>811.68</b>
<b>Total</b>	<b>1,864.37</b>	<b>1,078.54</b>	<b>811.68</b>

Trade Receivables are hypothecated to IDFC First Bank against Working Capital Loan.

## Notes to the financial statements

for the year ended 31<sup>st</sup> March, 2022

### Trade receivables ageing schedule (₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	1,742.53	47.63	31.00	20.00	-	1,841.16
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	(0.24)	-	-	(0.24)
(iv) Disputed Trade receivables - considered good	-	-	17.09	6.36	-	23.45
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>1,742.53</b>	<b>47.63</b>	<b>47.85</b>	<b>26.36</b>	<b>-</b>	<b>1,864.37</b>

### Note 2.5: Other financial assets (₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
<b>Non-current</b>			
Security deposits	-	-	-
	-	-	-
<b>Current</b>			
Security Deposits - Others	2.72	20.59	13.54
Capital Advances	8.82	10.80	-
Other Advances	1.21	0.25	0.09
	<b>12.75</b>	<b>31.64</b>	<b>13.63</b>
<b>Total</b>	<b>12.75</b>	<b>31.64</b>	<b>13.63</b>

### Note 2.6: Other assets (₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
<b>Non-current</b>			
Deposit with UPSEB	27.40	27.40	27.40
Prepaid expenses	0.17	0.25	0.11
	<b>27.57</b>	<b>27.65</b>	<b>27.51</b>
<b>Current</b>			
GST input credit	0.01	-	-
Deposit against GST Survey	-	-	20.00

## Notes to the financial statements

for the year ended 31<sup>st</sup> March, 2022

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Prepaid insurance	-	-	3.56
Income Tax Refundable	7.81	2.29	0.12
Prepaid expenses	9.09	9.32	5.38
Advance to suppliers	8.67	1.52	0.28
	<b>25.58</b>	<b>13.13</b>	<b>29.34</b>
<b>Total</b>	<b>53.15</b>	<b>40.78</b>	<b>56.85</b>

### Note 2.7: Inventories (₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Raw materials	339.67	70.11	39.91
Stores, spares and packing materials	70.75	19.14	15.16
Machinery Spares (Life less than 1 Year)	-	20.82	13.89
Finished goods	94.52	59.16	75.39
<b>Total</b>	<b>504.94</b>	<b>169.23</b>	<b>144.35</b>

Inventories are hypothecated to IDFC First Bank against Working Capital Loan.

#### Note:

- Raw material, work-in-progress, finished goods, store & spare, packing material are valued at lower of cost and net realizable value.
- Raw material and components: Cost includes cost of purchases and other costs incurred in bringing the inventories to their present location and condition. Cost is determined using first in first out (FIFO) basis.
- Finished Goods: Cost includes cost of direct material, labor, other direct cost and a proportion of fixed manufacturing overhead allocated based on the normal operating capacity but excluding borrowing cost. Cost is determined on weighted average cost basis.
- Store, spare parts, packing material etc.: Cost is determined on FIFO basis.

### Note 2.8: Cash & cash equivalents (₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
<b>Balance with banks:</b>			
In current accounts	41.83	33.59	17.32
Bank deposit (Including Interest incurred)	-	1.01	-
Cash on hand	1.53	2.87	1.25
INR value of foreign currency in hand (Amount in USD : 1630)	1.24	1.20	1.23
<b>Total</b>	<b>44.60</b>	<b>38.67</b>	<b>19.80</b>



## Notes to the financial statements

for the year ended 31<sup>st</sup> March, 2022

Note:

### Cash and Bank balances

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Earmarked balances with banks	-	-	-
Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments	-	-	-
Repatriation restrictions in respect of cash and bank balances	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Note 2.9: Equity share capital

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
<b>Authorized</b>			
110,00,000 (31 <sup>st</sup> March, 2021: 50,00,000 and 1 <sup>st</sup> April, 2020: 50,00,000) Equity shares of ₹10/- each	1,100.00	500.00	500.00
<b>Total</b>	<b>1,100.00</b>	<b>500.00</b>	<b>500.00</b>
<b>Issued, subscribed and fully paid up</b>			
100,87,400 (31 <sup>st</sup> March, 2021: 32,54,000 and 1 <sup>st</sup> April, 2020: 32,54,000) Equity shares of ₹10/- each	1,008.74	325.40	325.40
<b>Total</b>	<b>1,008.74</b>	<b>325.40</b>	<b>325.40</b>

Notes:

### a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the period: (₹ in Lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021		As at April 1, 2020	
	No. of Shares	Amount	No. of Shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year	3,254,000	325.40	3,254,000	325.40	3,254,000	325.40
Add: Bonus Shares Issued during the year	6,833,400	683.34	-	-	-	-
Shares bought back during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	10,087,400	1,008.74	3,254,000	325.40	3,254,000	325.40

During the year, company has issued bonus equity share in the ratio 21:10 on 29<sup>th</sup> January, 2022 to the existing shareholders.

### b) Rights, preferences and restrictions attached to Equity Shares:

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

## Notes to the financial statements

for the year ended 31<sup>st</sup> March, 2022

### c) Details of equity shares held by shareholders holding more than 5% of the aggregate equity shares in the Company:

Particulars	As at March 31, 2022		As at March 31, 2021		As at April 1, 2020	
	No. of Shares	% of holding	No. of Shares	% of holding	No. of shares	% of holding
Sushil Kumar Aggarwal	2,560,600	25.38%	826,000	25.38%	780,000	23.97%
Anita Aggarwal	2,213,400	21.94%	690,000	21.20%	690,000	21.20%
Sahil Aggarwal	1,395,000	13.83%	450,000	13.83%	450,000	13.83%

### d) Change in share capital for the period of five years immediately preceding the date as at which the Balance Sheet is prepared.

Particulars	2021-22	2020-21	2019-20	2018-19	2017-18
Aggregate number and class of shares allotted as fully paid-up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Aggregate number and class of shares allotted as fully paid-up by way of bonus shares (Equity shares)	6,833,400	-	-	-	790,000
Aggregate number and class of shares bought back	-	-	-	-	-

### e) Details of Shareholding of Promoters

Name of Promoters	Shareholding at the end of March 31, 2022		Shareholding at the end of March 31, 2021		% Change during the year
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	
Sushil Kumar Aggarwal	2,560,600	25.38%	826,000	25.38%	0.00%
Sahil Aggarwal	1,395,000	13.83%	450,000	13.83%	0.00%
Anita Aggarwal	2,213,400	21.94%	690,000	21.20%	0.74%
Nikhil Aggarwal	232,500	2.30%	75,000	2.30%	0.00%
Sahil Aggarwal HUF	232,500	2.30%	75,000	2.30%	0.00%
Sushil Kumar Aggarwal HUF	232,500	2.30%	75,000	2.30%	0.00%
Kundita Aggarwal	232,500	2.30%	75,000	2.30%	0.00%

Name of Promoters	Shareholding at the end of March 31, 2021		Shareholding at the end of April 1, 2020		% Change during the year
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	
Sushil Kumar Aggarwal	826,000	25.38%	780,000	23.97%	1.41%
Sahil Aggarwal	450,000	13.83%	450,000	13.83%	0.00%
Anita Aggarwal	690,000	21.20%	690,000	21.20%	0.00%

## Notes to the financial statements

for the year ended 31<sup>st</sup> March, 2022

Name of Promoters	Shareholding at the end of March 31, 2021		Shareholding at the end of April 1, 2020		% Change during the year
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	
Nikhil Aggarwal	75,000	2.30%	75,000	2.30%	0.00%
Sahil Aggarwal HUF	75,000	2.30%	75,000	2.30%	0.00%
Sushil Kumar Aggarwal HUF	75,000	2.30%	75,000	2.30%	0.00%
Kundita Aggarwal	75,000	2.30%	75,000	2.30%	0.00%

### Note 2.10: Borrowings (₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
<b>Non-current Borrowings</b>			
<b>Term Loans (Secured)</b>			
From Banks			
- IDFC Bank	83.47	24.32	25.00
- ICICI Bank	30.74	64.64	88.74
- Axis Bank	54.01	-	-
Loan from Toyota Finance	9.34	14.39	-
	<b>177.56</b>	<b>103.35</b>	<b>113.74</b>
Amount disclosed under the head "Current Borrowings"	(60.21)	(53.30)	(14.29)
	<b>117.35</b>	<b>50.05</b>	<b>99.45</b>
<b>Unsecured</b>			
Loans from related parties	-	-	-
	<b>117.35</b>	<b>50.05</b>	<b>99.45</b>
<b>Current Borrowings</b>			
<b>Secured</b>			
Working capital loan from IDFC bank	590.90	311.42	146.55
Current maturities of long term borrowings	60.21	53.30	14.29
<b>Unsecured</b>			
Loans from related parties	-	-	-
	<b>651.11</b>	<b>364.72</b>	<b>160.84</b>
<b>Total</b>	<b>768.46</b>	<b>414.77</b>	<b>260.29</b>

## Notes to the financial statements

for the year ended 31<sup>st</sup> March, 2022

### Note:

#### (1) Terms of borrowings:

**IDFC First Bank-** Working capital facility and term loans from IDFC First Bank is secured on the basis of primary security by way of hypothecation of current assets including stock & book debts and movable fixed assets of the Company and collateral on property situated at A-7/36-39, south of GT Road Industrial Area Ghaziabad, U.P. Further, the facilities have been secured by the Unconditional and Irrevocable Personal guarantee of Sushil Kumar Aggarwal, Sahil Aggarwal, Anita Aggarwal.

**ICICI Bank-** Auto loan facility has been availed from ICICI bank for a tenure of 36 months which is repayable in 36 equated monthly installments.

**Axis Bank-** Auto loan facility has been availed from Axis bank for a tenure of 60 months which is repayable in 60 equated monthly installments. The interest rate on the loan is 7.10% p.a. on monthly reducing balance.

**Toyota Financial Services India Ltd.-** Auto loan facility has been availed from Toyota Financial Services India Ltd. for a tenure of 36 months which is repayable in 36 equated monthly installments. The interest rate on the loan is 8.16% p.a.

(2) The Company is no default in repayment of principal borrowings and interest.

### Note 2.11: Trade payables (₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
<b>Non-current</b>			
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
	-	-	-
<b>Current</b>			
Total outstanding dues of micro enterprises and small enterprises	497.00	150.15	95.63
Total outstanding dues of creditors other than micro enterprises and small enterprises	294.49	83.81	181.05
	<b>791.49</b>	<b>233.96</b>	<b>276.68</b>
<b>Total</b>	<b>791.49</b>	<b>233.96</b>	<b>276.68</b>

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, (MSMED Act) 2006 has been determined to the extent such parties have been identified by the company, on the basis of information and records available with them. Disclosure in respect of interest due on delayed payment has been determined only in respect of payments made after the receipt of information. Disclosure under section 22 of the Act, is as under:

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Principal amount due at the year end	791.49	233.96	276.68
Interest due on the principal amount unpaid at the year end	-	-	-

## Notes to the financial statements

for the year ended 31<sup>st</sup> March, 2022

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Amount of interest paid by the company in terms of section 16 of the MSMED Act, 2006 along with the amount of payment made to the supplier beyond the appointed day during the accounting year	-	-	-
Amount of interest due and payable for the period of delay in making payment which has been paid but beyond the appointed day during the year, but without adding the interest specified under MSMED Act, 2006	-	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-	-
<b>Total</b>	<b>791.49</b>	<b>233.96</b>	<b>276.68</b>

### Trade Payables Ageing Schedule:

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	506.21	-	-	-	506.21
(ii) Others	276.07	-	-	-	276.07
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others*	-	-	-	9.21	9.21
<b>Total</b>	<b>782.28</b>	<b>-</b>	<b>-</b>	<b>9.21</b>	<b>791.49</b>

\* Details of disputed dues to one of the trade payable M/s. Prayag Polytech Pvt. Ltd. has been stated in point no. 8 of note no. 2.24.

### Note 2.12: Other financial liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
<b>Non-current</b>	-	-	-
<b>Current</b>			
Interest Accrued but not due on Borrowings	0.39	0.37	0.70
Audit Fees payable	2.41	2.04	1.80
Expenses payable	0.22	1.21	0.60

## Notes to the financial statements

for the year ended 31<sup>st</sup> March, 2022

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Salary, wages and bonus payable	10.01	13.67	10.89
<b>Total</b>	<b>13.03</b>	<b>17.29</b>	<b>13.99</b>

### Note 2.13: Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
<b>Non-current</b>			
Provision for employee benefits	-	-	-
Provision for gratuity	7.54	8.45	5.82
Provision for leave encashment	-	-	-
<b>Total</b>	<b>7.54</b>	<b>8.45</b>	<b>5.82</b>
<b>Current</b>			
Provision for employee benefits	-	-	-
Provision for gratuity	0.97	0.81	0.31
Provision for leave encashment	-	-	-
<b>Total</b>	<b>0.97</b>	<b>0.81</b>	<b>0.31</b>
<b>Total</b>	<b>8.51</b>	<b>9.26</b>	<b>6.13</b>

### Note 2.14: Other liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
<b>Non-current</b>	-	-	-
<b>Current</b>			
Revenue received in advance	27.50	19.29	29.14
Statutory dues	3.96	12.45	3.39
Electricity Charges Payable	15.86	13.48	11.22
<b>Total</b>	<b>47.32</b>	<b>45.22</b>	<b>43.75</b>



## Notes to the financial statements

for the year ended 31<sup>st</sup> March, 2022

### Note 2.15: Income taxes

Income tax expense in the statement of profit and loss comprises:

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Current taxes	95.71	65.19
Adjustments	0.16	(0.05)
Deferred taxes	(0.97)	0.82
Deferred tax on Other comprehensive income	(0.59)	0.47
<b>Income tax expense</b>	<b>94.31</b>	<b>66.43</b>

Entire deferred income tax for the year ended March 31, 2022 and March 31, 2021 relates to origination and reversal of temporary differences.

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit before income taxes	392.50	243.21
Profit before income taxes (restated)	392.50	240.67
Enacted tax rates in India	25.17%	25.17%
Computed expected tax expense	98.78	61.21
Tax due to temporary difference	(3.07)	3.98
Adjustments	0.16	(0.05)
Income tax expense	95.87	65.14

The following table provides the details of income tax assets and income tax liabilities :

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Income tax assets	61.42	72.17	39.73
Current income tax liabilities	95.71	65.19	37.26
<b>Net current income tax assets/(liabilities) at the end</b>	<b>(34.29)</b>	<b>6.98</b>	<b>2.47</b>

The tax effect of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
<b>Deferred tax liabilities</b>			
Property, plant & Equipment	-	1.69	0.99
Gratuity	0.60	-	-

## Notes to the financial statements

for the year ended 31<sup>st</sup> March, 2022

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
	0.60	1.69	0.99
<b>Deferred tax assets</b>			
Property, plant & Equipment	1.21	-	-
Investment	-	-	0.09
Provision for doubtful debt	0.06	-	-
Gratuity	-	1.99	1.54
	1.27	1.99	1.63
<b>Deferred tax Liabilities/ (Assets)</b>	<b>(0.67)</b>	<b>(0.30)</b>	<b>(0.64)</b>

### Note 2.16: Revenue from operations

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Sale of Products:</b>		
Sales of Plastic Furniture	6,408.42	5,262.54
Sale of Almirah	54.03	-
<b>Sale of Services</b>	-	-
<b>Other operating revenues:</b>		
Sale of granules	11.63	61.71
Job Work	-	2.50
Sale of scrap /packing material	-	0.35
<b>Total</b>	<b>6,474.08</b>	<b>5,327.10</b>

### Note 2.17: Other income

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Rental Income	7.51	16.04
Interest on deposits	1.26	1.84
Miscellaneous income	0.01	6.37
Commission on Sales	29.75	-
Profit on sale of tangible assets	1.19	4.31
Gain on redemption of mutual fund	6.68	1.52
<b>Total</b>	<b>46.40</b>	<b>30.08</b>

## Notes to the financial statements

for the year ended 31<sup>st</sup> March, 2022

### Note 2.18: Cost of material consumed

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Raw material consumed</b>		
Opening stock	70.11	39.91
Add: Purchases	4,523.20	1,807.26
Less : Closing stock	(339.67)	(70.11)
	<b>4,253.64</b>	<b>1,777.06</b>
<b>Packing and other Spare Parts consumed</b>		
Opening stock	39.96	29.05
Add: Purchases	358.34	103.87
Less : Closing stock	(70.75)	(39.96)
	<b>327.55</b>	<b>92.96</b>
<b>Cost of material consumed</b>	<b>4,581.19</b>	<b>1,870.02</b>

### Note 2.19: Purchase of stock-in-trade

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Purchase of stock-in-trade	228.71	2,460.27
<b>Total</b>	<b>228.71</b>	<b>2,460.27</b>

### Note 2.20: Changes in inventories of finished goods

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Inventories at the beginning of the year	59.16	75.39
Inventories at the end of the year	94.52	59.16
Net (increase)/decrease	(35.36)	16.23

### Note 2.21 : Employee benefits expense

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages & bonus	94.33	101.54
Directors remuneration	24.00	24.00
Contribution to provident and other funds	5.73	4.81
Gratuity	2.53	2.63
Staff Welfare expenses	1.09	0.30
<b>Total</b>	<b>127.68</b>	<b>133.28</b>

## Notes to the financial statements

for the year ended 31<sup>st</sup> March, 2022

### Note 2.22 : Finance costs

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest on Borrowings	40.84	25.44
Interest on Direct and Indirect Taxes/ others	0.05	0.28
Bank charges	1.55	0.59
Exchange fluctuation (gain)/loss	(0.91)	(0.12)
<b>Total</b>	<b>41.53</b>	<b>26.19</b>

### Note 2.23 : Other Expenses

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Manufacturing expenses</b>		
Power & fuel	155.19	152.14
Freight Inward	41.98	27.11
Job work charges	502.80	23.90
Repair & maintenance- plant & machinery	32.15	15.68
	<b>732.12</b>	<b>218.83</b>
<b>Selling and Distribution Expenses</b>		
E-Commerce Expense	157.94	120.02
Advertisement expenses	36.66	30.97
Rebate & discount	28.74	15.04
Business promotion	24.55	12.44
Freight outward	15.05	1.48
Royalty to use brand name	1.73	0.65
Rent (Depot)	8.43	5.44
	<b>273.10</b>	<b>186.04</b>
<b>Other Expenses</b>		
Legal & professional charges	19.42	11.47
GST/ Sales tax demand & other penalty	0.52	17.48
Audit Fees*	4.10	4.20
Adjustment to the Carrying value of Investment	0.01	-
Insurance	4.08	4.92
Provision for Doubtful Debts	0.24	-
Bad Debts	0.06	7.31

## Notes to the financial statements

for the year ended 31<sup>st</sup> March, 2022

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Software / License Renewal Charges	2.25	3.56
Security expenses	2.76	3.24
Miscellaneous expenses	6.27	5.33
Fees, subscription & others	8.65	2.90
Fuel expenses	1.79	1.19
Directors sitting fees	0.57	0.48
	<b>50.73</b>	<b>62.08</b>
<b>Total</b>	<b>1,055.95</b>	<b>466.95</b>

\* Includes Statutory Audit, Tax Audit, Internal Audit and Secretarial Audit fees.

Note: (a) (₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Statutory Auditor's remuneration comprises:</b>		
Statutory audit fee	1.75	1.75
Tax audit fee	0.75	0.75
Others	1.33	0.80
<b>Total</b>	<b>3.83</b>	<b>3.30</b>

Fee excluding Goods & Services Tax.

### 2.24: Notes to the financial statements

#### 1. FIRST TIME ADOPTION OF IND AS

##### Transition from IGAAP to Ind AS

These financial statements, for the year ended March 31<sup>st</sup>, 2022, are first financial statements prepared by Avro India Limited "the Company" in accordance with Ind AS. For years up to and including the year ended March 31, 2021, the Company prepared its financial statements in accordance with IGAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended).

Accordingly, the Company has prepared Ind AS compliant financial statements for year ending on March 31<sup>st</sup>, 2022. In preparing these financial statements, the Company has prepared opening Ind AS balance sheet as at 1<sup>st</sup> April, 2020, the Company's date of transition to Ind-AS in accordance with requirement of Ind AS 101, "First time Adoption of Indian Accounting Standards". The principal adjustments made by the Company in restating its IGAAP financial statements, including the balance sheet as at 1<sup>st</sup> April, 2020 and the financial statements as at and for the year ended 31 March 2021 are quantified and explained in note no. 2.24(2). However the basic approach adopted is again summarized hereunder:

## Notes to the financial statements

for the year ended 31<sup>st</sup> March, 2022

- All assets and liabilities have been classified into financial assets/liabilities and non-financial assets/liabilities.
- In accordance with Ind AS 101, the resulting adjustments are considered as arising from events and transactions entered before date of transition and recognized directly in the retained earnings at the date of transition to Ind AS.
- The estimates as at 1 April 2020 and at 31 March 2021 are consistent with those made for the same dates in accordance with IGAAP (after adjustments to reflect any differences in accounting policies).
- Ind AS 101 also allows to first time adopter certain exemptions from the retrospective application of certain requirements under Ind AS. Accordingly, the company has availed the following exemptions/mandatory exceptions as per Ind AS 101:
  - Deemed Cost for Property, Plant & Equipment: The Company has availed exemption under para D5 of appendix D to Ind AS 101 which permits a first time adopter to measure an item of Property, Plant & Equipment at the date of transition to Ind AS at its fair value and use that fair value as its deemed cost at that date. Following is the aggregate amounts reported under previous GAAP and fair value as on 01.04.2020:

(₹ in Lakhs)

Particulars	Value under IGAAP	Fair Value
Property, Plant and Equipment	814.22	1,109.70

Property, plant and equipment includes Land, Building and Plant & Machinery.

- Classification & Fair value measurement of financial assets or financial liabilities at initial recognition:** The financial assets and financial liabilities have been classified on the basis of facts existing as at the date of transition to Ind AS. In addition, the exemption permits prospective application of requirements of Ind AS 109 to transactions entered into on or after date of transition.
- Impairment of financial assets:** The Company has availed exemption under para B8D of Appendix B which permits the first time adopter to apply the impairment requirement of Ind AS 109 prospectively.

#### 2. Reconciliation

The following reconciliations provides the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101.

- Equity as at April 1, 2020 and March 31, 2021
- Net profit for the year ended March 31, 2021

#### (i) Reconciliation of equity as previously reported under IGAAP to Ind AS (₹ in Lakhs)

Particulars	Note	Balance Sheet as at April 1, 2020		Balance Sheet as at March 31, 2021		
		IGAAP	Effect of Transition to Ind AS	IGAAP	Effect of Transition to Ind AS	
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	1.1	814.22	295.48	1,109.70	753.84	291.08
Capital work-in-progress		-	-	-	-	-
Other Intangible assets		0.35	-	0.35	0.52	-



## Notes to the financial statements

for the year ended 31<sup>st</sup> March, 2022

Particulars	Note	Balance Sheet as at April 1, 2020			Balance Sheet as at March 31, 2021		
		IGAAP	Effect of Transition to Ind AS	Ind AS	IGAAP	Effect of Transition to Ind AS	Ind AS
<b>Financial assets</b>							
Investments		-	-	-	-	-	-
Trade receivables		-	-	-	-	-	-
Other financial Assets		-	-	-	-	-	-
Deferred tax assets (net)	1.2	0.64	-	0.64	3.76	(3.46)	0.30
Other non-current assets		27.51	-	27.51	27.65	-	27.65
<b>Total Non- Current Assets</b>		<b>842.72</b>	<b>295.48</b>	<b>1,138.20</b>	<b>785.77</b>	<b>287.62</b>	<b>1,073.39</b>
<b>Current assets</b>							
Inventories		144.35	-	144.35	169.23	-	169.23
<b>Financial Assets</b>							
Investments		37.13	-	37.13	78.00	-	78.00
Trade receivables		811.68	-	811.68	1,078.54	-	1,078.54
Cash and cash equivalents		19.80	-	19.80	38.67	-	38.67
Other financial assets	1.3	41.09	(27.46)	13.63	59.10	(27.46)	31.64
Current Tax Assets (Net)		2.47	-	2.47	6.98	-	6.98
Other current assets		29.34	-	29.34	13.13	-	13.13
<b>Total Current Assets</b>		<b>1,085.86</b>	<b>(27.46)</b>	<b>1,058.40</b>	<b>1,443.65</b>	<b>(27.46)</b>	<b>1,416.18</b>
<b>Total Assets</b>		<b>1,928.58</b>	<b>268.02</b>	<b>2,196.60</b>	<b>2,229.42</b>	<b>260.16</b>	<b>2,489.57</b>
<b>EQUITY AND LIABILITIES</b>							
<b>EQUITY</b>							
Equity Share capital		325.40	-	325.40	325.40	-	325.40
Other Equity	1.4	1,002.33	268.02	1,270.36	1,183.52	260.15	1,443.67
<b>Total Equity</b>		<b>1,327.73</b>	<b>268.02</b>	<b>1,595.76</b>	<b>1,508.92</b>	<b>260.15</b>	<b>1,769.07</b>
<b>LIABILITIES</b>							
<b>Non-current liabilities</b>							
<b>Financial Liabilities</b>							
Borrowings		99.45	-	99.45	50.05	-	50.05
Trade payables							
(A) total outstanding dues of micro enterprises and small enterprises; and		-	-	-	-	-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-	-	-	-

## Notes to the financial statements

for the year ended 31<sup>st</sup> March, 2022

Particulars	Note	Balance Sheet as at April 1, 2020			Balance Sheet as at March 31, 2021		
		IGAAP	Effect of Transition to Ind AS	Ind AS	IGAAP	Effect of Transition to Ind AS	Ind AS
Other financial liabilities		-	-	-	-	-	-
Provisions		5.82	-	5.82	8.45	-	8.45
Deferred tax liabilities (Net)		-	-	-	-	-	-
Other non-current liabilities		-	-	-	-	-	-
<b>Total Non-Current Liabilities</b>		<b>105.27</b>	<b>-</b>	<b>105.27</b>	<b>58.50</b>	<b>-</b>	<b>58.50</b>
<b>Current liabilities</b>							
<b>Financial Liabilities</b>							
Borrowings		160.84	-	160.84	364.72	-	364.72
Trade payables							
(A) total outstanding dues of micro enterprises and small enterprises; and		95.63	-	95.63	150.15	-	150.15
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		181.05	-	181.05	83.81	-	83.81
Other financial liabilities		13.99	-	13.99	17.29	-	17.29
Other current liabilities		43.75	-	43.75	45.22	-	45.22
Provisions		0.31	-	0.31	0.81	-	0.81
Current Tax Liabilities (Net)		-	-	-	-	-	-
<b>Total Current Liabilities</b>		<b>495.57</b>	<b>-</b>	<b>495.57</b>	<b>662.00</b>	<b>-</b>	<b>662.00</b>
<b>Total Equity and Liabilities</b>		<b>1,928.58</b>	<b>268.02</b>	<b>2,196.60</b>	<b>2,229.42</b>	<b>260.15</b>	<b>2,489.57</b>

### Explanations for Reconciliation of Balance Sheet as previously reported under IGAAP to Ind AS.

#### 1.1 Property, Plant & Equipment

The company has revalued its Property, plant & equipment by the Registered Valuer on the transition date i.e. 01.04.2020. Accordingly, the Property, plant & equipment has been revalued and reserve has been created through Other Comprehensive Income.

#### 1.2 Deferred Tax

Deferred tax has been created on revaluation of Property, plant & equipment and Employee benefits.

#### 1.3 Financial Assets

The company has derecognised its financial assets amounting to ₹ 27.46 lakhs in accordance with Ind AS-109 as there are no contractual rights to receive the cashflows.

## Notes to the financial statements

for the year ended 31<sup>st</sup> March, 2022

### 1.4 Other Equity

- a) Adjustments to retained earnings and other comprehensive income has been made in accordance with Ind AS, for the above mentioned line items.
- b) In addition, as per Ind AS-19, actuarial gains and losses are recognized in other comprehensive income as compared to being recognized in statement of profit and loss under IGAAP.

### (ii) Reconciliation of Statement of Profit and Loss as previously reported under IGAAP to Ind AS (₹ in Lakhs)

Particulars	Note	Year Ended March 31, 2021		
		IGAAP	Effect of Transition to Ind AS	Ind AS
Revenue From Operations		5,327.10	-	5,327.10
Other Income		30.08	-	30.08
<b>Total Income</b>		<b>5,357.18</b>	<b>-</b>	<b>5,357.18</b>
<b>EXPENSES</b>				
Cost of materials consumed		1,870.02	-	1,870.02
Purchases of stock-in-trade		2,460.27	-	2,460.27
Changes in inventories of finished goods		16.23	-	16.23
Employee Benefits Expense	1.1	135.15	(1.87)	133.28
Finance costs		26.19	-	26.19
Depreciation and Amortization Expense	1.2	139.15	4.42	143.57
Other Expenses		466.95	-	466.95
<b>Total Expenses</b>		<b>5,113.97</b>	<b>2.56</b>	<b>5,116.51</b>
<b>Profit before exceptional items and tax</b>		<b>243.21</b>	<b>(2.56)</b>	<b>240.67</b>
Exceptional items		-	-	-
<b>Profit before tax</b>		<b>243.21</b>	<b>(2.56)</b>	<b>240.67</b>
<b>Tax Expense:</b>				
(1) Current Tax		65.14	-	65.14
(2) Deferred Tax	1.3	(3.11)	3.93	0.82
<b>Profit for the period</b>		<b>181.18</b>	<b>(6.48)</b>	<b>174.71</b>
<b>Other Comprehensive Income</b>				
(i) Items that will not be reclassified to profit or loss				
-Remeasurement of the net defined benefit liability/ asset	1.1	-	(1.87)	(1.87)
(ii) Income tax effect	1.3	-	0.47	0.47
<b>Total Other Comprehensive Income, net of tax</b>		<b>-</b>	<b>(1.40)</b>	<b>(1.40)</b>
<b>Total Comprehensive Income for the year</b>		<b>181.18</b>	<b>(7.88)</b>	<b>173.31</b>

## Notes to the financial statements

for the year ended 31<sup>st</sup> March, 2022

### Explanations for Reconciliation of Statement of Profit and loss as previously reported under IGAAP to Ind AS.

- 1.1 Earlier the company has made provision for Employee Benefits as per AS-15, now the provision for Employee Benefits has been made as per Ind AS-19 on the basis of report received from Actuarial. Accordingly impact has been considered in Statement of Profit & Loss and Other Comprehensive Income.
- 1.2 Impact of Depreciation has been considered on revaluation of Building as per Ind AS-101.
- 1.3 Tax component on above adjustments has been considered and recognized accordingly.

### (iii) Reconciliation of Statement of Cash Flows as previously reported under IGAAP to Ind AS

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

### 3. Contingent Liabilities and commitments (to the extent not provided for):

#### a. Contingent liabilities

Particulars	(₹ in Lakhs)		
	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Corporate Guarantees	-	-	-
Claim against the Company not acknowledged as debt	-	-	-
a) Goods and Services Tax Matter	-	-	20.00
b) MCA Matter	6.00	6.00	6.00
c) Other Matter	2.00	-	-
<b>Total</b>	<b>8.00</b>	<b>6.00</b>	<b>26.00</b>

#### b. Commitments

Capital Commitments (net of advances) ₹ 135.67 Lakhs (Previous year ₹ 17.97 Lakhs).

### 4. Earnings per share:

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Profit for the year	297.60	174.71
Weighted average number of ordinary shares outstanding at the end of the year	10087400	3254000
Weighted average number of ordinary shares outstanding for the purpose of basic earnings per share (including Bonus share)	10087400	10087400
Weighted average number of ordinary shares outstanding for the purpose of diluted earnings per share (including Bonus share)	10087400	10087400
Earnings per share on profit for the year (Face value ₹ 10.00 per share) (₹)	2.95	1.73
Diluted Earnings per share on profit for the year (Face value ₹ 10.00 per share) (₹)	2.95	1.73

## Notes to the financial statements

for the year ended 31<sup>st</sup> March, 2022

5. According to Rule 4 of the Companies (Indian Accounting Standard) (Amendment) Rule, 2016 all the listed companies have to prepare financial statement on Ind AS basis. The Financial Statements of the Company are being prepared as per Ind AS for the first time, as the Company shares are being listed on National Stock Exchange of India Ltd. & BSE Ltd. w.e.f. 07, April, 2022.
6. During the financial year 2020-21, the company received notice for the purpose of Sales tax audit for the quarter ended 30<sup>th</sup> June 2017. The order copy for the same has been received by company in June 2021 with the demand of ₹ 1160. The same has since been deposited and cleared.
7. The Company has filed case against National Insurance Company Limited before consumer court for wrongful deduction of ₹ 27.42 Lakhs in the claim submitted under fire insurance.
8. The Prayag Polytech Private Limited filed an application CP No. (IB) 312/ALD/2019 dated 08.08.2019 under Insolvency and Bankruptcy Code for a claim of ₹ 9.21 lakhs along with interest against supplies of raw materials in year 2017 with Hon'ble National Company Law Tribunal, Allahabad bench, Prayagraj. The matter was first listed on 16.08.2019. Avro India Limited (formerly known as M/s Avon Moldplast Limited) made a counterclaim via letter dated 11.08.2017 for sending inferior quality of raw materials which was duly authenticated by M/s Prayag Polytech Private Limited. The matter is at the stage of final arguments before Hon'ble National Company Law Tribunal, Allahabad bench, Prayagraj. The Company has filed one application praying for placing additional documents on record, which is also pending consideration. The matter was last heard on 26.04.2022 and final order was reserved.
9. The Bigfoot Retail sent a legal notice to the Company on 23.08.2021 for a claim of ₹ 2.00 Lakhs including interest and legal expenses in lieu of logistic services. On 24.09.2021, we sent a reply to them stating that our consignments were prepaid consignments and our wallet was debited by charging inappropriate amount in respect of various consignments, for which we have not been provided with dimensions in respect of weight charged.
10. Security deposit of ₹ 2.25 Lakhs held with Mr. Virju Lal & ors. for Patna depot as lying in the books of Company has not been refunded to the Company after the termination of the agreement by Mr. Virju Lal & ors. The Company issued a legal notice to them for the recovery of said deposit. Thereafter, the Company filed a Criminal complaint against Mr. Virju Lal & ors. on October 14, 2020 for the recovery of the said deposit.
11. The design bearing registration no. 286049 which was registered in the name of Mrs. Anita Aggarwal, Director of the Company was assigned in the favour of the Company. Mrs. Anita Aggarwal through its Power of Attorney filed the application under Order 39 rule 1 & 2 read with Section 151 of the Code of Civil Procedure, 1907 for temporary Injunction against M/s Century Mouldings Pvt. Ltd. and Moonstar Furnitures with respect to infringement of Design no. 286049 in district Court of Surat and the damage of ₹ 25.00 Lakhs was claimed. On 26.03.2021, the matter was transferred to Hon'ble High Court of Gujarat.
12. The design bearing registration no. 286049 which was registered in the name of Mrs. Anita Aggarwal, Director of the Company was assigned in the favour of the Company. Mrs. Anita Aggarwal, Director and the Company through its Power of Attorney filed the suit for permanent Injunction against M/s Radha Plastic Industries & its Proprietor Mr. Raj Kumar for infringement of said design and consequential reliefs under Section 25 of the Design Act, 2000 in district court of Ludhiana and damage of ₹ 5.00 Lakhs has been claimed. On 17.09.2021, the Court granted temporary Injunction against the infringement of design till the next date of hearing. The reply to the application under Order 39 Rule 4 CPC for setting aside the interim order dated 17.09.2021 was not filed. The case was adjourned to 12.07.2022.
13. Company filed an application suo-motto via GNL-1 on 28.09.2021 under section 441 of the Companies Act, 2013 with reference to non-compliance of certain provisions of Section 96 of the Companies Act 2013 and Section 166 of Companies Act, 1956 for conducting Annual General Meeting at the place outside the city, town, village in which the registered office of the Company was situated from the financial year 2010 to 2017. The matter is pending before Regional Director, Northern Region.
14. The Company filed a Criminal Complaint against Mr. Subhash Chandra Jangir, proprietor of Durga Enterprises on August 14, 2019 for various offences punishable under Section 500 & 506 of Indian Penal Code, 1860. The matter is still pending before District Court, Ghaziabad. The next date in the matter is 14.07.2022 and the same is fixed for pre summoning evidence.
15. Kumar Sales Corporation failed to repay the dues of ₹ 2.56 Lakhs against the supply of goods. After sending legal

## Notes to the financial statements

for the year ended 31<sup>st</sup> March, 2022

- notice, the Company initiated pre-institution mediation proceedings on 17.03.2020 before Uttar Pradesh State Legal Services Authority, District Court Complex, Ghaziabad. On 03.03.2021, the said mediation proceedings failed as it failed to participate in the said proceedings. The Company has filed suitable application bearing no. UDYAM-UP-29-0017300/S/00002 before MSME Council.
16. V.M. Enterprises failed to repay the dues of ₹ 1.27 Lakhs against the supply of goods. The Legal Notice dated 12.02.2019 was sent to the party. The Company initiated pre-institution mediation proceedings on 17.03.2020 before Uttar Pradesh State Legal Services Authority, District Court Complex, Ghaziabad. On 03.03.2021, the said mediation proceedings failed as V. M. Enterprises failed to participate in the said proceedings. However, as on 31<sup>st</sup> March, 2022, the outstanding balance is ₹ 0.77 Lakhs.
17. The Criminal Complaint was filed against M/s. MAA Katyayani under Section 138 of Negotiable Instrument Act for ₹ 10.14 Lakhs. Summons was submitted in court on 24.09.2021 and date fixed for appearance of opposite party on 18.02.2022, but presiding officer was absent. The case was last heard on 09.05.2022 and the next date of hearing is 26.07.2022.
18. The Company has sent a legal notice to Mr. Amol Jadhav, proprietor of M/s Abco Iron & Steel Industries on 09.08.2021 for non-payment of outstanding dues of ₹ 7.93 Lakhs and thereafter a legal notice has been sent to him again on 11.03.2022 for non- payment of remaining balance of ₹ 3.51 Lakhs.
19. The Company has sent a legal notice to Mr. Satish Kasudhan, proprietor of M/s S K Plastic Shop on 09.08.2021 for non-payment of outstanding dues of ₹ 6.12 Lakhs.
20. The Company has sent a legal notice to Mr. Suresh Singh, proprietor of M/s Jai Bajrang Distributor on 03.03.2022 against cheque bounce of ₹ 5.35 Lakhs.
21. The Company has not revalued its Property, Plant and Equipment during the year ended March 31, 2022. However, these financial statements of the company are first Ind AS financial statements and accordingly property, plant and equipment have been revalued as on 01.04.2020 i.e., the transition date. The revaluation is based on the valuation by Registered Valuer as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.
22. Leasehold Land from UPSIDA was registered under the earlier name of the company "Avon Moldplast Private Limited". During the financial year 2019-20, the company applied with UPSIDA for the change in name to "Avro India Limited" and received confirmation letter from UPSIDA subject to fulfilment of conditions. However, the same is under process for updation on UPSIDC Website. As per management opinion, this lease is perpetual in nature.
23. Some of balances of trade payables and trade receivables appearing in the balance sheet are subject to balance confirmation/ reconciliation at the year end. The management is in the process to get confirmation of balance from the parties; therefore, the reconciliation of these balances is not updated. However, the reconciliation of these balances is not expected to result in any material adjustments in the stated balances.
24. Provision for taxation is ascertained on the basis of assessable profits computed in accordance with provision of the Income Tax Act, 1961 multiplied by the rate specified under section 115BAA of the Income Tax Act, 1961.

### 25. Provision for tax:

(₹ in Lakhs)

Particulars	As at	As at	As at
	31 March, 2022	31 March, 2021	01 April, 2020
<b>Provision for Income Tax</b>			
Opening balance	65.19	37.26	37.26
Additions	95.71	65.19	-
Utilisations / Reversals	65.19	37.26	-
Closing balance	95.71	65.19	37.26



## Notes to the financial statements

for the year ended 31<sup>st</sup> March, 2022

Particulars	(₹ in Lakhs)		
	As at 31 March, 2022	As at 31 March, 2021	As at 01 April, 2020
<b>Provision for Gratuity</b>			
Opening balance	9.26	6.13	6.13
Additions	0.16	4.49	-
Utilisations / Reversals	0.91	1.36	-
Closing balance	8.51	9.26	6.13

### 26. Categories of Financial Instruments

(₹ in Lakhs)

31 <sup>st</sup> March, 2022	Carrying amount				Fair Value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>A) Financial Assets:</b>								
<b>Current</b>								
- Investments	-	-	35.99	35.99	-	-	-	-
- Trade receivables	-	-	1864.37	1864.37	-	-	-	-
- Cash and cash equivalents	-	-	44.60	44.60	-	-	-	-
- Other financial assets	-	-	12.75	12.75	-	-	-	-
<b>Total financial assets</b>	-	-	<b>1957.71</b>	<b>1957.71</b>	-	-	-	-
<b>B) Financial Liabilities</b>								
<b>Non-current</b>								
- Borrowings	-	-	117.35	117.35	-	-	117.35	117.35
<b>Current</b>								
- Borrowings	-	-	651.11	651.11	-	-	-	-
- Trade payables	-	-	791.49	791.49	-	-	-	-
- Other financial liabilities	-	-	13.03	13.03	-	-	-	-
<b>Total financial liabilities</b>	-	-	<b>1572.98</b>	<b>1572.98</b>	-	-	<b>117.35</b>	<b>117.35</b>

(₹ in lakhs)

31 <sup>st</sup> March, 2021	Carrying amount				Fair Value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>A) Financial Assets:</b>								
<b>Current</b>								
- Investments	-	-	78.00	78.00	-	-	-	-

## Notes to the financial statements

for the year ended 31<sup>st</sup> March, 2022

31 <sup>st</sup> March, 2021	Carrying amount				Fair Value			Total
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	
- Trade receivables	-	-	1078.54	1078.54	-	-	-	-
- Cash and cash equivalents	-	-	38.67	38.67	-	-	-	-
- Other financial assets	-	-	31.64	31.64	-	-	-	-
<b>Total financial assets</b>	-	-	<b>1226.85</b>	<b>1226.85</b>	-	-	-	-
<b>B) Financial Liabilities</b>								
<b>Non-current</b>								
- Borrowings	-	-	50.05	50.05	-	-	50.05	50.05
<b>Current</b>								
- Borrowings	-	-	364.72	364.72	-	-	-	-
- Trade payables	-	-	233.96	233.96	-	-	-	-
- Other financial liabilities	-	-	17.29	17.29	-	-	-	-
<b>Total financial liabilities</b>	-	-	<b>666.02</b>	<b>666.02</b>	-	-	<b>50.05</b>	<b>50.05</b>

(₹ in Lakhs)

01 <sup>st</sup> April, 2020	Carrying amount				Fair Value			Total
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	
<b>A) Financial Assets:</b>								
<b>Current</b>								
- Investments	-	-	37.13	37.13	-	-	-	-
- Trade receivables	-	-	811.68	811.68	-	-	-	-
- Cash and cash equivalents	-	-	19.80	19.80	-	-	-	-
- Other financial assets	-	-	13.63	13.63	-	-	-	-
<b>Total financial assets</b>	-	-	<b>882.24</b>	<b>882.24</b>	-	-	-	-
<b>B) Financial Liabilities</b>								
<b>Non-current</b>								
- Borrowings	-	-	99.45	99.45	-	-	99.45	99.45
<b>Current</b>								
- Borrowings	-	-	160.84	160.84	-	-	-	-
- Trade payables	-	-	276.68	276.68	-	-	-	-
- Other financial liabilities	-	-	13.99	13.99	-	-	-	-
<b>Total financial liabilities</b>	-	-	<b>550.96</b>	<b>550.96</b>	-	-	<b>99.45</b>	<b>99.45</b>

## Notes to the financial statements

for the year ended 31<sup>st</sup> March, 2022

### Fair Value Hierarchy

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

**Level 1:** Quoted prices (unadjusted) in active market for identical assets or liabilities.

**Level 2:** Inputs other than quoted price included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

**Level 3:** Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade receivables, trade payables, cash and cash equivalents, current borrowings and other current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short – term nature.

### 27. Financial Risk Management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

#### Risk Management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's Risk Management framework. The Management reviews the Risk management policies and systems on a regular basis to reflect changes in market conditions and the Company's activities, and the same is reported to the Board of Directors

### 28. The Company has an immovable property whose title deeds are not held in the name of the Company. Details are mentioned below:

Relevant line item in the Balance Sheet	Description of item of property	Goss carrying value	Title deeds held in the name of	Whether title deed holder		Reason for not being held in the name of the Company
				is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since which date	
Property, Plant and Equipment	Leasehold Land	561.86 Lakhs	Avon Moldplast Private Limited	Mr. Sushil Kumar Aggarwal (Promoter & Director)	30.11.2002	Application has been filed by the company and received confirmation letter from UPSIDA subject to fulfilment of Conditions. However, the same is under process for updation on UPSIDC Website

periodically. Further, the Company, in order to deal with the future risks, has in place various methods / processes which have been imbibed in its organizational structure and proper internal controls are in place to keep a check on lapses, and the same are been modified in accordance with the regular requirements.

### Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. 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. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, cash and cash equivalents, other financial assets.

### Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

### Market Risk

Market risk is the risk of changes or fluctuations in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's investments are predominantly held in Mutual funds.

## Notes to the financial statements

for the year ended 31<sup>st</sup> March, 2022

- Loans or advances in the nature of loans have not been granted to any promoters, directors, KMP's and the related parties (as defined in Companies Act, 2013), either severally or jointly with any other person.
- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company has taken working capital loans from IDFC bank on the basis of primary security by way of hypothecation of current assets including stock & book debts and movable fixed assets of the Company and collateral on property situated at A-7/36-39, South of GT Road Industrial Area Ghaziabad, U.P. Further, the facilities have been secured by Unconditional and Irrevocable personal guarantee of Sushil Kumar Aggarwal, Sahil Aggarwal, Anita Aggarwal, Directors of the company. There are no material discrepancies in the quarterly returns or statements filed by the company with such bank and books of accounts of the Company.
- The Company is not declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.
- The Company has not entered into any transaction with the companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.
- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company does not have any subsidiaries, associates and joint ventures and hence has not made any investment in subsidiaries, associates and joint ventures.
- Employee Benefits**  
The Company contributes to the following post-employment defined benefit plans in India.  
  
**Defined Contribution Plan**  
The Contributions to the Employee's State Insurance Corporation and Provident Fund of employees are made to government administered fund and there are no further obligations beyond making such contributions.  
  
Employer's contribution to Provident Fund and Employees State Insurance recognized as an expense for the year is ₹ 5.73 Lakhs (Previous year ₹ 4.81 Lakhs).  
  
**Defined Benefit Plan**  
The present value of defined benefit obligations is determined based on actuarial valuation measured using the Projected Unit Credit Method. The assumptions and methodology used in compiling the actuarial valuation report are consistent with the requirements of Indian Accounting Standard (Ind AS) 19.

### Reconciliation of defined benefit obligation:

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Opening defined benefit obligation	9.26	6.13	N.A.
Current Service Cost	1.93	2.22	-
Past service cost	-	-	-
Interest Cost	0.60	0.41	-
Benefit payments directly by employer	(0.91)	(1.36)	-
Actuarial Loss (Gain) – Demographics	-	-	-
Actuarial Loss (Gain) – Experience	(1.81)	1.45	-
Actuarial Loss (Gain) – Financial	(0.56)	0.41	-
Settlements	-	-	-
<b>Closing Defined Benefit Obligation</b>	<b>8.51</b>	<b>9.26</b>	<b>6.13</b>

## Notes to the financial statements

for the year ended 31<sup>st</sup> March, 2022

### Reconciliation of Plan Assets:

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Plan asset as at the beginning of the year	N.A.	N.A.	N.A.
Expected return on plan assets	N.A.	N.A.	N.A.
Actuarial Gains/(Losses)	N.A.	N.A.	N.A.
Assets distributed on settlements	N.A.	N.A.	N.A.
Contributions by employer	N.A.	N.A.	N.A.
Assets acquired in an amalgamation in the nature of purchase	N.A.	N.A.	N.A.
Exchange differences on foreign plans	N.A.	N.A.	N.A.
Benefits Paid	N.A.	N.A.	N.A.
<b>Closing value of plan assets</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>

### Reconciliation of net defined benefit liability:

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Net opening provision in books of accounts	9.26	6.13	N.A.
Effects of acquisition/ merger	-	-	N.A.
Employer contributions	-	-	N.A.
Defined benefit cost in P&L	2.53	2.63	N.A.
Total remeasurements included in OCI	(2.37)	1.87	N.A.
Direct benefit payments by employer	(0.91)	(1.36)	N.A.
Exchange differences on foreign plans	-	-	N.A.
<b>Closing provision in books of accounts</b>	<b>8.51</b>	<b>9.26</b>	<b>6.13</b>

### Funded status of the plan:

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Present value of unfunded obligations	8.51	9.26	6.13
Present value of funded obligations	-	-	-
Fair value of plan assets	-	-	-
Unrecognized past service cost	-	-	-
<b>Net Liability (Asset)</b>	<b>8.51</b>	<b>9.26</b>	<b>6.13</b>

## Notes to the financial statements

for the year ended 31<sup>st</sup> March, 2022

### Composition of the plan assets:

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Government of India Securities	N.A.	N.A.	N.A.
State Government Securities	N.A.	N.A.	N.A.
High quality corporate bonds	N.A.	N.A.	N.A.
Equity shares of listed companies	N.A.	N.A.	N.A.
Policy of insurance	N.A.	N.A.	N.A.
Property	N.A.	N.A.	N.A.
Special Deposit Scheme	N.A.	N.A.	N.A.
Bank Balance	N.A.	N.A.	N.A.
Others Investment	N.A.	N.A.	N.A.
<b>Total</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>

### Bifurcation of liability as per Schedule III:

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Current liability	0.97	0.81	0.31
Non-current liability	7.54	8.45	5.82
Fair value of assets	N.A.	N.A.	N.A.
<b>Net liability</b>	<b>8.51</b>	<b>9.26</b>	<b>6.13</b>

### Effects Recognized in Other Comprehensive Income (OCI):

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Actuarial loss/(gain) due to experience on DBO	(1.81)	1.45
Actuarial loss/(gain) due to financial assumption changes in DBO	(0.56)	0.42
Actuarial loss/(gain) due to demographic assumption changes in DBO	-	-
Changes in asset ceiling	-	-
Any other effect	-	-
<b>Net actuarial loss/ (gain) for the year</b>	<b>(2.37)</b>	<b>1.87</b>

### Total Cost Recognized in Comprehensive Income:

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Cost Recognized in Profit & Loss	2.53	2.63
Remeasurement Effects Recognized in OCI	(2.37)	1.87
<b>Total cost recognized in comprehensive income</b>	<b>0.16</b>	<b>4.50</b>



## Notes to the financial statements

for the year ended 31<sup>st</sup> March, 2022

### Reconciliation of Statement of Other Comprehensive Income (OCI):

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Cumulative OCI (Income) / Loss at the Beginning of the year	1.87	-	N.A.
Remeasurement effects recognized in OCI	(2.37)	1.87	-
<b>Cumulative OCI (Income) / Loss at the end of the Year</b>	<b>(0.51)</b>	<b>1.87</b>	<b>-</b>

### Expected cashflows based on past service liability:

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Year 1	1.03	1.55	1.14
Year 2	0.63	0.69	0.31
Year 3	0.60	0.67	0.29
Year 4	0.59	0.98	0.28
Year 5	0.55	1.01	0.58
Year 6 to 10	4.89	2.45	1.17

### Sensitivity of key assumptions:

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
<b>Discount rate sensitivity</b>			
Increase by 1%	7.75	8.44	5.71
(% change)	-8.85%	-8.87%	-6.87%
Decrease by 1%	9.40	10.25	6.63
(% change)	10.46%	10.69%	8.20%
<b>Salary growth rate sensitivity</b>			
Increase by 1%	9.32	10.16	6.63
(% change)	9.53%	9.69%	8.27%
Decrease by 1%	7.82	8.50	5.69
(% change)	-8.22%	-8.18%	-7.04%
<b>Withdrawal Rates</b>			
Increase by 1%	8.66	9.39	6.16
(% change)	1.76%	1.40%	0.60%
Decrease by 1%	8.34	9.11	6.09
(% change)	-2.01%	-1.64%	-0.66%

## Notes to the financial statements

for the year ended 31<sup>st</sup> March, 2022

### Financial assumptions:

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Discount Rate	7.10%	6.45%	6.85%
Salary Growth Rate	5.00%	5.00%	5.00%
Expected Rate of return	N.A.	N.A.	N.A.

### 37. Related Party Disclosures:

#### a) List of related parties & relationships, where control exists

S. No.	Nature of Relationship	Name of Parties
1	Holding Company	-
2	Subsidiary Company	-
3	Associates	-
4	Key Management Personnel	Sh. Sushil Kumar Aggarwal, Chairman & Whole Time Director Sh. Sahil Aggarwal, Managing Director Sh. Ghanshyam Singh, Chief Financial Officer Sh. Sumit Bansal, Company Secretary
5	Relatives of Key Management Personnel	Smt. Anita Aggarwal, Non -Executive Director Sh. Nikhil Aggarwal, Chief Marketing Officer
6	Enterprises where Significant influence exist by Key Management Personnel & Relative of Key Management Personnel	M/s. Bonita Furniture Pvt. Ltd. M/s. Bucks Infotainment Pvt. Ltd.

#### b) Disclosure of transactions with Related Parties and outstanding balances as at 31<sup>st</sup> March, 2022:

(₹ in Lakhs)

S. No.	Transactions	Holding Company	Subsidiary Company	Associates	Key Management Personnel / Individuals	Relatives of Key Management Personnel	Enterprises where Significant Influence exist by KMP and Relative of KMP*
1	Remuneration/ Salary	- (-)	- (-)	- (-)	37.90 (33.03)	6.00 (3.83)	- (-)
2	Sitting Fees	- (-)	- (-)	- (-)	- (-)	0.12 (0.10)	- (-)
3	Purchase of Goods	- (-)	- (-)	- (-)	- (-)	- (-)	113.72 (2439.56)
4	Purchase of Capital Items	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)

## Notes to the financial statements

for the year ended 31<sup>st</sup> March, 2022

S. No.	Transactions	Holding Company	Subsidiary Company	Associates	Key Management Personnel / Individuals	Relatives of Key Management Personnel	Enterprises where Significant Influence exist by KMP and Relative of KMP*
5	Sale of Capital Item	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(1.00)
6	Job Work Charges	-	-	-	-	-	472.60
		(-)	(-)	(-)	(-)	(-)	(-)
7	Rent of Molds & Injection Machines	-	-	-	-	-	7.27
		(-)	(-)	(-)	(-)	(-)	(15.80)
8	Rent paid for Warehouse	-	-	-	-	-	6.15
		(-)	(-)	(-)	(-)	(-)	(4.60)
9	Rental Income	-	-	-	-	-	0.24
		(-)	(-)	(-)	(-)	(-)	(0.24)
10	Sales	-	-	-	-	-	3.18
		(-)	(-)	(-)	(-)	(-)	(163.40)
11	Advance given against job Work/ Purchase	-	-	-	-	-	884.23
		(-)	(-)	(-)	(-)	(-)	(1.48)
12	Advance Received	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)
13	Outstanding as on 31.03.2022						
a.	Amount Receivable	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(1.48)
b.	Amount Payable	-	-	-	5.00	0.53	-
		(-)	(-)	(-)	(0.78)	(0.47)	(-)

\*Amount excluding Goods and Services Tax.

Note: a) Figures in bracket represent previous year amounts.

b) No amount has been written off/provided for or written back during the year in respect of amount receivable from or payable to the related parties.

38. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and CFO of the Company. The company has identified one reportable segment based on the information reviewed by CODM.

39. On the basis of the total income of the Company, the figures appearing in the financial statements have been rounded off to nearest lakhs. The previous year figures have been regrouped, rearranged and reclassified wherever necessary.

## Notes to the financial statements

for the year ended 31<sup>st</sup> March, 2022

### 40. Financial Ratios

Ratio	Numerator	Denominator	As at 31 March, 2022	As at 31 March, 2021	% variance	Reason for variance
Current Ratio (in times)	Current Assets	Current Liabilities	1.62	2.14	24.30	Decrease in the ratio is due to increase in current liabilities
Debt-Equity Ratio (in times)	Total Debt	Shareholder's Equity	0.37	0.23	(60.87)	Increase in the ratio is due to increase in non-current borrowings and utilization of working capital during the year
Debt-Service Coverage Ratio (in times)	Earning for Debt Service = Net Profit before taxes + Non-cash operating expenses+ Interest	Debt service = Interest +Long term loan outstanding+ Short term loan outstanding	0.69	0.93	25.81	Decrease in the ratio is due to increase in borrowings during the year.
Return on Equity (in %)	Net Profit after tax	Average Shareholder's Equity	0.16	0.10	(60.00)	Increase in ratio due to increase in profit during the year
Inventory Turnover Ratio (in times)	Cost of Goods sold	Average Inventory	16.69	30.08	44.51	The ratio is decreasing due to increase in closing inventory
Trade Receivables Turnover Ratio (in times)	Net Credit sales	Average Trade Receivables	4.39	5.63	22.02	
Trade payables turnover ratio (in times)	Total Purchases	Average Trade Payables	9.97	21.76	54.18	The ratio is decreasing due to Increase in trade payables during the current year
Net Capital Turnover Ratio (in times)	Net Sales	Average working capital	7.60	8.09	6.06	
Net Profit Ratio (in %)	Net Profit after tax	Net Sales	4.60	3.28	(40.24)	The increase in ratio is due to increase in profit during the year.
Return on Capital Employed (in %)	Earnings before interest and taxes	Capital Employed = Net Worth + Total Debt + Deferred Tax Liability	0.15	0.12	(25.00)	Increase in ratio is due to increase in earnings during the year
Return on Investment (in %)	Income from investments	Average investments	11.72	2.65	(342.26)	Increase in ratio is due to increase in income from investments during the year

As per our report of even date attached  
For S A A R K AND CO  
Chartered Accountants  
FRN: 021758N

For and on behalf of the Board of Directors of  
Avro India Limited

Sd/-  
CA (Dr.) S. K. Lal  
Partner  
M. No.: 509185  
UDIN: 22509185ALPGLM9101

Sd/-  
Sushil Kumar Aggarwal  
Chairman & Whole Time Director  
DIN: 00248707

Sd/-  
Sahil Aggarwal  
Managing Director  
DIN: 02515025

Place: Ghaziabad  
Date: May 10, 2022

Sd/-  
Ghanshyam Singh  
Chief Financial Officer  
PAN: CWCP54843P

Sd/-  
Sumit Bansal  
Company Secretary  
PAN: CHKP0878G







# AVRO INDIA LIMITED

A-7/36-39, South of G.T.Road Industrial Areas. ( Opp. Rathi Udyog Ltd)  
Electrosteel Casting Compound, Ghaziabad-201009. U.P. INDIA  
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