

**Date: September 08, 2023**

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: Notice of 27<sup>th</sup> Annual General Meeting, Annual Report and Intimation of Cut-off date for E-Voting of Avro India Limited (“the Company”)**

Dear Sir/Madam

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (Listing Regulations), we hereby inform you that the 27<sup>th</sup> Annual General Meeting (“AGM”) of the Company will be held on Saturday, September 30, 2023 at 11:00 a.m. (IST) through Video Conference (“VC”)/Other Audio-Visual Means (“OAVM”).

The Notice of the AGM and Annual Report for the financial year 2022-23 is also available on the website of the Company at [www.avrofurniture.com](http://www.avrofurniture.com).

Further as per Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company is pleased to provide remote e-voting facility to its members to cast their vote electronically on all resolutions set out in the Notice of AGM. Additionally, the Company is providing the facility of voting through e-voting systems during the AGM (“e-voting”). The remote e-voting period for the 27<sup>th</sup> AGM shall commence on Wednesday, September 27, 2023 at 9:00 a.m. and ends on Friday, September 29, 2023 at 5:00 p.m. (both days inclusive).

The Cut-off date for determining the eligibility of shareholders to exercise remote e-voting rights and attendance at AGM is Saturday, September 23, 2023. A person whose name is recorded in Register of Members or in the Registrar of Beneficial Owners maintained by the Depositories as on Cut-Off date shall be entitled to avail the facility of remote e-voting at the AGM.

This is for your information and records.  
Thanking You,

**For Avro India Limited**

**Sumit Bansal**  
**(Company Secretary & Compliance Officer)**  
**Membership No: A42433**

Encl: A/a

**AVRO INDIA LIMITED**

(Formerly known as AVON MOLDPLAST LIMITED)

Registered Office: A-7/36-39, South of GT Road, Indl. Area (Opp.Rathi Udyog Ltd.), Ghaziabad- 201009 (UP), India

Email: [support@avrofurniture.com](mailto:support@avrofurniture.com) | Website: [www.avrofurniture.com](http://www.avrofurniture.com) | Helpline No: 9910039125

CIN: L25200UP1996PLC101013





small **STEPS** for  
**BIG Impact**



## Content

### 02

#### Company Overview

About AVRO	2
Manufacturing Facilities	6
Product Portfolio	8
Online & Offline Presence	12
A Vision for Innovation, Growth and Sustainability	14
Transforming Waste into Valuable Assets.	16
Chairman's Message	18
Leadership Team	20
Corporate Information	23

### 22

#### Statutory Report

Management Discussion and Analysis Report	24
Notice of Annual General Meeting	35
Board's Report	50

### 59

#### Financial Statement

Independent Auditors' Report	113
Balance Sheet	126
Statement of Profit and Loss	128
Statement of Cash Flows	129
Notes to Financial Statements	131

#### 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.

# small **STEPS** for **BIG Impact**

Avro India Limited (Avro) has emerged as a trailblazer in plastic recycling, circular economy, and sustainability, solidifying its position as a market leader. The company's resolute dedication to producing high-caliber products while maintaining a commitment to zero emissions, material waste, and water waste underscores its profound environmental stewardship. The symbiotic support of patrons, investors, and staff has propelled Avro's achievements, underpinned by a sustainable business framework that harnesses regenerated polymers to curtail substantial greenhouse gas emissions.

Avro's ascendancy within the plastic furniture domain is indisputable, evidenced by its pioneering approach to engineering plastic recycling. By introducing novel materials and designs that seize sales opportunities, the company takes the vanguard. Embracing the ethos of the Circular Economy, Avro transforms recycled plastics into high-quality products, effectively countering climate change. A remarkable expansion journey of its recycling unit – surging from 300 to 500 metric tons per month – coupled with a future target of 2,500 metric tons, underscores Avro's unwavering dedication to sustainability, self-sufficiency, and extended producer responsibility.

Avro's commitment to catalyzing change transcends its manufacturing prowess. Its comprehensive strategy encompasses a "take-back" initiative, resilient design principles for durability and repairability, transparent customer education about sustainability endeavors, collaborative ventures with local recycling initiatives, and proactive community engagement. This holistic paradigm interweaves plastic recycling, sustainability, and green initiatives, showcasing Avro's capacity to redefine the industry and contribute significantly to a more sustainable future, while concurrently serving as a paradigm for others to emulate.

"Reshaping Tomorrow: Crafting Sustainability Through Innovation"

"Avro's Sustainable Triumph: Leading Through Innovation and Responsibility"

# 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 it's 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



## MISSION

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



## VISION

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



**20+ Years**  
Experience



**200+**  
SKUs



Among  
**Top 5 Plastic**  
Products manufacturer



**20,000+**  
Retail Touch Points



**PAN India**  
Presence



**5 Cr+**  
Families Served



**Top Selling**  
Brand on Amazon



**6,500+**  
ZIP Code Covered



Entered in **Recycle of Plastic Packaging**  
Waste material  
(Backward Integration)



**₹ 80.01 Cr**  
Revenue



**₹ 8.61 Cr**  
EBITDA



**₹ 4.15 Cr**  
PAT



**16.71%**  
ROE

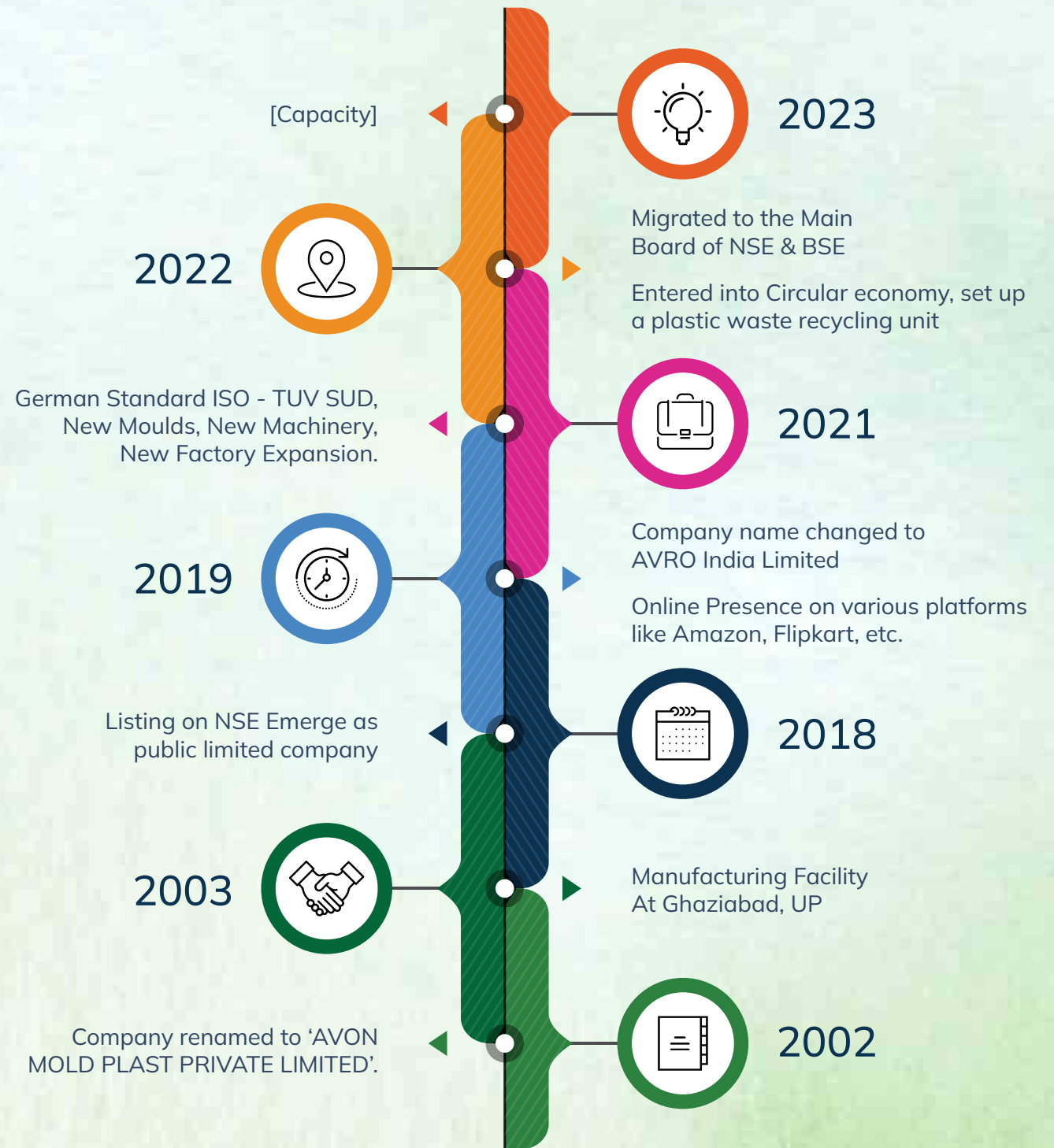


**18.46%**  
ROCE -

# Online & Off line Presence



# History & Milestone



# Manufacturing Facilities

## Infrastructure



Use of Best In Class Injection Moulding Machines



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



# Registered Designs

25 products design registered from the Trademark Registry Of India



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



# Product Portfolio



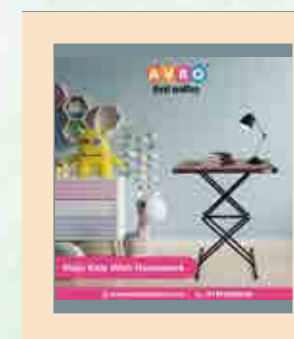
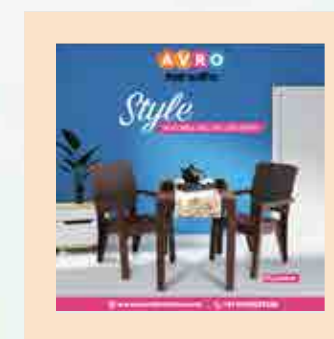
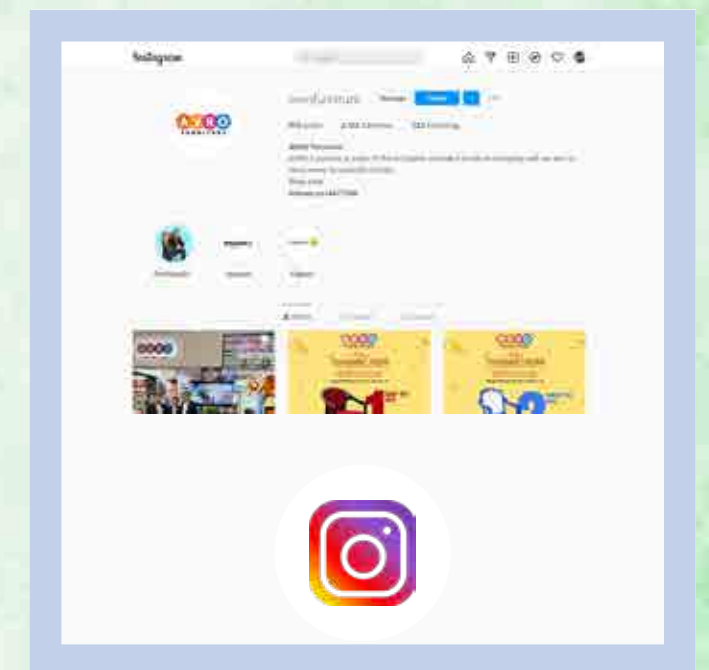
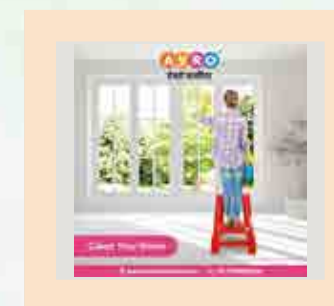
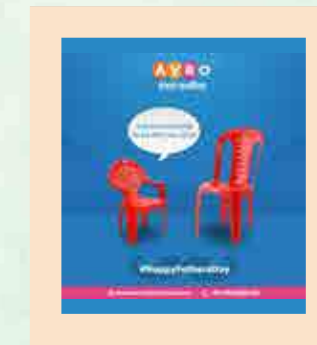
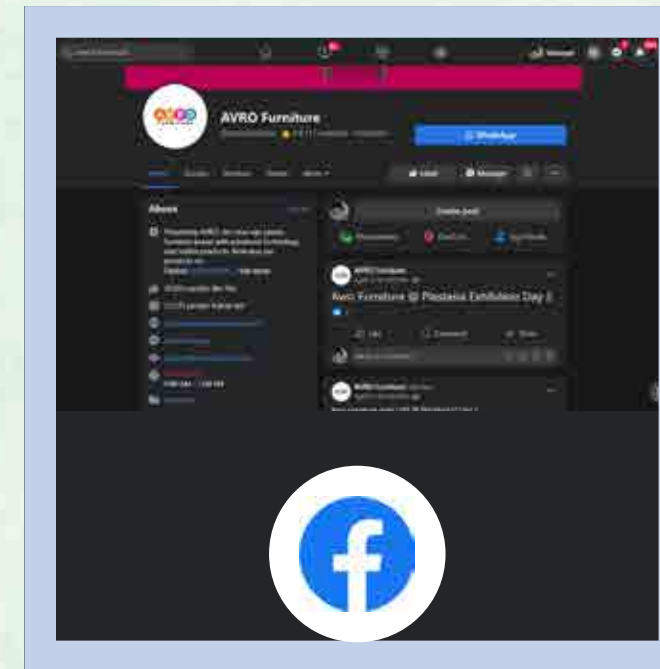
## Best Selling Products



## Strong Mix of Online & Offline Marketing

## Marketing Activities

### Dealer Roadshows



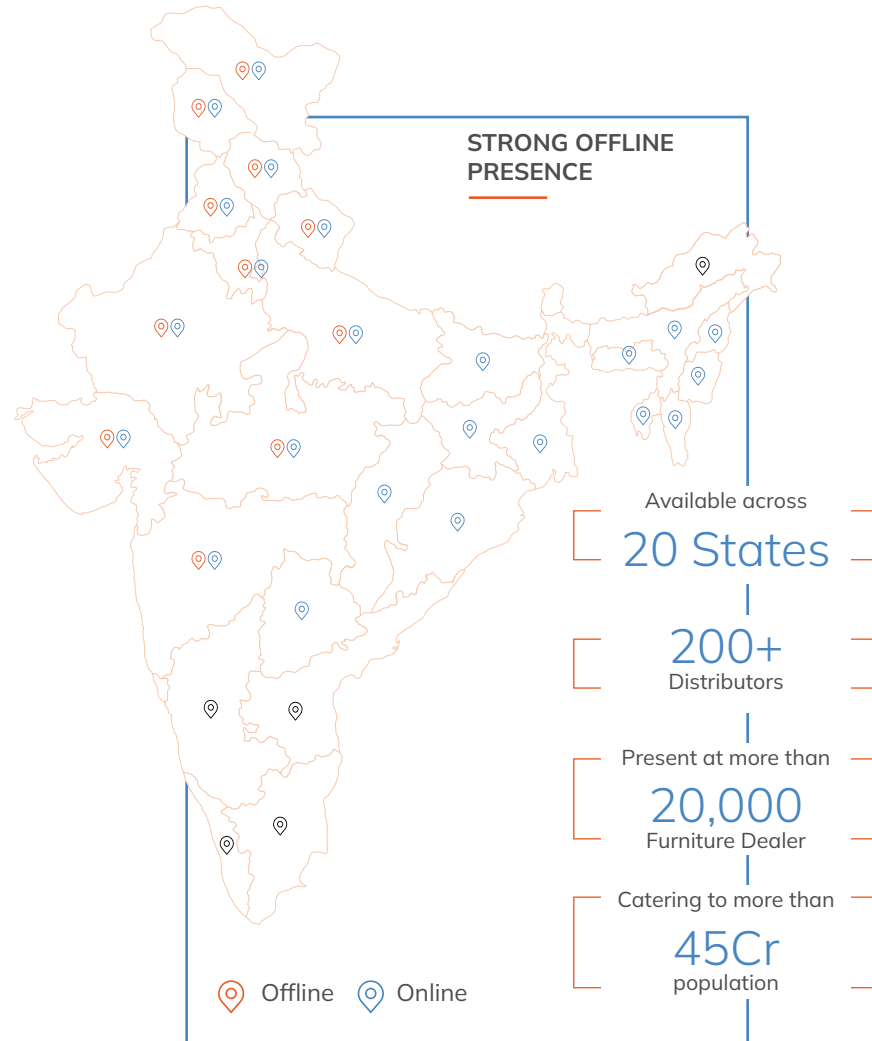


# Online & Off line Presence

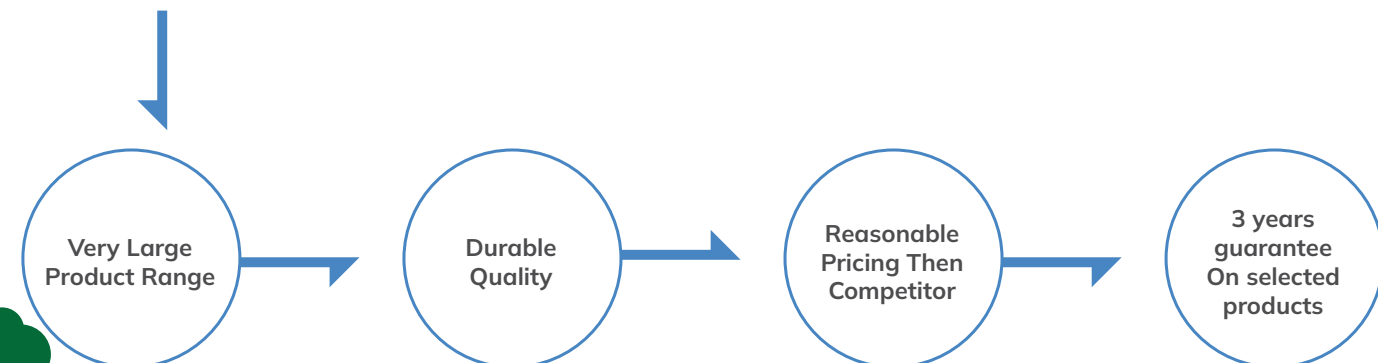
Institutional Customers

**LOTS**  
WHOLESALE SOLUTIONS.

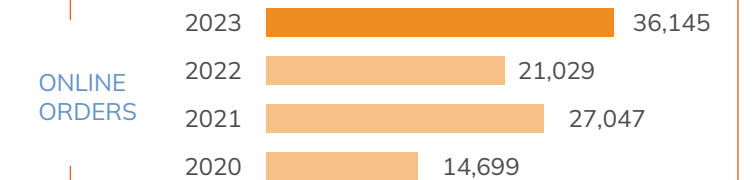
**METRO**  
Cash & Carry



Why Consumer Like Avro



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



# 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.



# Transforming Waste into Valuable Assets.

Plastic recycling is either re-purposed into moulded furniture or refined into market-ready plastic granules.



AVRO with 'informal recyclers' is advancing the 'scrap to product' Circular Economy, striving to produce recycled plastic granules that match the quality of virgin plastics.

Avro's business is deeply rooted in Environmental, Social, and Financial Sustainability. Consistently prioritizing Quality, Reliability, and Sustainability. These core values shape every facet of their business operations.

Their unwavering dedication to Quality, Reliability, and Sustainability is evident in their continuous investment in advancing sustainability measures. They aren't just following the trend; they're actively shaping and nurturing it.

AVRO aims to lead the Circular Economy; AVRO is set to empower multinational giants to opt for recycled plastics over virgin materials for their primary products and packaging. This isn't just a business move; it's a step towards a sustainable future.

Avro's innovative circular production model significantly diminishes the waste produced by communities, which typically accumulates in landfills or finds its way into rivers and oceans. By transforming and re-introducing waste materials back into the production cycle, Avro not only conserves valuable resources but also minimizes environmental harm.

Furthermore, Avro promotes conscious consumption and production by decreasing reliance on non-renewable virgin plastics. By substituting just one kilogram of virgin plastic with its recycled variant, Avro contributes to a remarkable reduction of 2.5 kilograms in greenhouse gas emissions, underlining their commitment to a healthier planet.

# Production Process



# Chairman's message



## Sustainability in Motion: Small Steps for Creating a Big Impact



Dear Stakeholders,

As I reflect on the accomplishments of FY23, a sense of pride overwhelms me regarding the remarkable strides we've achieved in the realms of plastic recycling, circular economy, and sustainability. Avro India Limited (Avro) remains steadfast in its commitment to producing top-notch, enduring products, which has firmly positioned us as frontrunners among market competitors. Our production protocols are meticulously designed not only to ensure superior quality but also to leave behind zero emissions, material waste, and water waste. This speaks volumes about our dedicated environmental stewardship.

Our journey so far has been nothing short of impressive, and this remarkable progress has been made possible through the unwavering support of our devoted customers, steadfast investors, and dedicated employees. Their ceaseless commitment to realizing the company's vision has transformed it into a resounding success.

A pivotal force shaping the future of the plastic furniture market is the ongoing advancements in engineering plastic recycling. We take immense pride in leading the industry by consistently introducing innovative materials and designs for plastic furniture, capitalizing on lucrative sales opportunities. Avro takes the lead in establishing a "Sustainable Business" model through the pioneering use of "Regenerated" polymers. It's worth noting that each kilogram of regenerated plastics saves 2.5 kilograms of Greenhouse Gas (GHG) emissions, making a significant contribution to mitigating climate change. Our company actively promotes the Circular Economy by embracing a sustainable business approach, involving the collection, upcycling, and production of products using HDPE, LDPE, and PP plastics.

Our recycling unit commenced operations on December 22, 2022, with a capacity of 300 metric tons per month. Since then, we have successfully scaled up to a recycling capacity of 500 metric tons per month. Looking ahead, our goal is to further expand our recycling capacity to approximately 2,500 metric tons per month over the next two years. This underscores our commitment to sustainable practices, self-consumption, domestic sales, and earning Extended Producer Responsibility (EPR) credits.

"Our recycling journey has begun from a humble 300 metric tons per month, we are committed to reaching 2,500 metric tons monthly within the next two years."

Globally, the plastic furniture market was valued at US\$ 13,610 million in 2021 and is expected to reach US\$ 22,994 million by 2030, with a CAGR of 6% during 2021-2030. In Indian context, the market is approx 1 billion USD per annum and growing @ 15% year on year compounded owing to affordability, huge purchasing population and rising income levels of BPL families. This surge in the market can also be attributed to rapid urbanization, increased disposable income, growing real estate demand, and a rising preference for sophisticated furniture among consumers. Notably, premium plastic furniture is gaining popularity in both residential and commercial settings due to its enduring durability, aesthetic appeal, and water-resistant properties and all-weather proof, besides lasting for decades and recyclable many number of times.

The past year has reignited hope, and our company has emerged stronger than ever, unwavering in its mission and values. During the fiscal year, our Operational Revenue for FY23 amounted to ₹ 80.01 Crores, marking a robust increase of 23.59%. This stands as a testament to the systematic execution of our strategic plan. Despite challenges arising from supply-side constraints, we achieved substantial growth across all aspects of our business, attaining a commendable and stable EBITDA margin of 10.46% for FY23, up from 8.62% in FY22. EBITDA surged from ₹ 5.62 Crores in FY22 to ₹ 8.61 Crores in FY23. Net Profit escalated by 39.73% to ₹ 4.15 Crores in FY23 from ₹ 2.97 Crores in FY22. The three-year CAGR (FY2021-FY23) for Revenue and Net Profit stood at approximately 24% and 54%, respectively.

"Despite challenges, Avro achieved robust growth in operational revenue, EBITDA margin, and net profit, demonstrating effective execution of its strategic plan."

Our robust network of over 200 distributors empowers us to efficiently serve customers across 6,500+ Pin Codes, spanning 28 States and 8 Union Territories. This extensive reach strengthens our presence on a pan-India scale. Our strategic focus on branding remains pivotal to our marketing efforts. We plan to leverage mediums such as FM Radios, Newspapers, social and digital media and mobile advertisements to enhance our brand visibility.

Throughout the year, we expanded our distribution network beyond North India by adopting competitive pricing strategies and seizing opportunities. To inspire and onboard channel partners, the company consistently organizes Dealer & Distributor Roadshows across various regions of India. Our products are now also available in renowned big box stores like Metro, Lots, Spar and such big box stores, besides on GEM, E-com like Amazon, Flipkart, Jio, Meesho, First cry etc.

By unwaveringly prioritizing the production of high-quality and durable products, Avro continues to establish a commanding presence amid market competitors. Our sense of accomplishment is further amplified by the exceptional levels of customer contentment we deliver. This satisfaction is underpinned by our highly cost-effective pricing structure, which stands approximately 30% to 40% lower than national and established brands. This substantial cost advantage is a direct result of our streamlined operational efficiency without compromising on quality and durability. Avro is the only established company in India to offer 3 years guarantee on its product, owing to exceptional quality, aesthetics and durability.

Looking ahead, we're resolutely set on a path of growth that encompasses various strategic elements. This includes fostering backward integration, upholding rigorous quality assurance, expanding our retail and distribution networks, introducing innovative product lines, and augmenting our production capacity. These initiatives collectively paint a promising picture for the future—a future where Avro continues to lead the charge in the "scrap to product" Circular Economy.

"Avro's strategic initiatives encompass backward integration, quality assurance, retail expansion, innovation, and production capacity augmentation for a promising future."

With deep appreciation, I want to express my sincere gratitude to our committed employees, unwavering stockholders, perceptive investors, valued bankers, astute board members, and all our steadfast allies. As we boldly step into the future, I envision ongoing progress in our collaborations. I hold a strong belief that the solid foundation we have diligently constructed over the past year, marked by diversification, recycling, sustainability advancements, and groundbreaking innovation, positions us extraordinarily for the thrilling journey that lies ahead.

Warm regards,

**Sushil Kumar Aggarwal**  
Chairman

## Leadership Team



**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.

## Pioneer.....



Passing the Baton to our Young Flagbearers



**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.

## Awards



INDIA'S GREATEST LEADERS  
2017-18 AWARD  
BY ASA ONE



BRAND EXCELLENCE AWARD IN  
BEST EMERGING BRAND BY ABP NEWS and BE  
ON 21st NOVEMBER, 2019



AWARDED BY THE BRAND STORY BY LLOYD PHARELL LLP  
INDIA'S TOP FRANCHISE 2019  
MR. SUSHIL AGGARWAL



INDIA'S GREATEST BRANDS  
2017-18 AWARD  
BY ASA ONE



ALTNIA ENTREPRENEURS EXCELLENCE AWARD  
2018



AWARDED BY ALL INDIA PLASTIC MOULDED  
FURNITURE MANUFACTURERS ASSOCIATION



AWARDED BY NGE EMERGE JULY 26, 2018



ENTREPRENEUR OF THE YEAR AWARD 2018 BY  
BUSINESSX.COM, ENTREPRENEUR INDIA,  
FRANCHISE INDIA, ZEE BUSINESS



AWARDED BY NSE AND SHARE NITIN GADKARI  
ON 22 AUGUST, 2019 FOR CELEBRATING  
200 LISTINGS



AWARDED BY POOR HELPLESS WELFARE SOCIETY,  
BIHAR, DISTT. HAMIRPUR (H.P.)  
ON 18th ANNUAL FUNCTION, 2018



BRAND EXCELLENCE AWARD BY BEST  
EMERGING BRAND BY ABP NEWS and  
BE ON 21st NOVEMBER, 2019



AWARDED BY CE FOR HIS OUTSTANDING  
CONTRIBUTION TO CBWIRC BY MUSTAFI J.P.  
2018-20



## Corporate Information

### BOARD OF DIRECTORS

Mr. Sushil Kumar Aggarwal  
Chairman & Whole Time Director

Mr. Sahil Aggarwal  
Managing Director

Mr. Nikhil Aggarwal  
Whole Time Director  
(Appointed w.e.f. April 14, 2022)

Mrs. Anita Aggarwal  
Non-Executive Director

Mrs. Vandana Gupta  
Independent Director

Mrs. Iti Goyal  
Independent Director

Mr. Pawan Dixit  
Independent Director

Mrs. Richa Kalra  
Independent Director  
(Appointed w.e.f. April 14, 2022)

Mr. Sushil Kumar Goyal  
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

### SECRETARIAL AUDITOR

M/s Chaturvedi & Company  
C0004, Ajnara Homes 121, Sector-121,  
Noida, Uttar Pradesh-201301

### 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  
BSE Limited

### BANKERS TO THE COMPANY

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

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

AXIS BANK LIMITED  
Ghaziabad, Uttar Pradesh-201009

ICICI BANK LIMITED  
Sector-16, Noida,  
Uttar Pradesh-201301

### BOARD COMMITTEES

#### AUDIT COMMITTEE

Mrs. Vandana Gupta  
Chairperson

Mr. Sahil Aggarwal  
Member (Ceased to be Member w.e.f. April 01, 2023)

Mr. Pawan Dixit  
Member (Appointed as Member w.e.f. July 29, 2022)

Mr. Sushil Kumar Goyal  
Member (Appointed as Member w.e.f. April 01, 2023)

#### NOMINATION & REMUNERATION COMMITTEE

Mrs. Vandana Gupta  
Chairperson

Mrs. Anita Aggarwal  
Member (Ceased to be Member w.e.f. April 01, 2023)

Mr. Pawan Dixit  
Member (Appointed as Member w.e.f. July 29, 2022)

Mr. Sushil Kumar Goyal  
Member (Appointed as Member w.e.f. April 01, 2023)

#### STAKEHOLDER RELATIONSHIP COMMITTEE

Mrs. Vandana Gupta  
Chairperson

Mr. Sushil Kumar Aggarwal  
Member (Ceased to be Member w.e.f. April 01, 2023)

Mr. Pawan Dixit  
Member (Appointed as Member w.e.f. July 29, 2022)

Mr. Sushil Kumar Goyal  
Member (Appointed as Member w.e.f. April 01, 2023)

#### WEBSITE

www.avrofurniture.com

#### CONTACT DETAILS

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

# Management Discussion and Analysis Report

Annexure-F

## Global Economic Overview

The projected path of global economic growth is expected to transition from approximately 3.5% in 2022 to around 3.0% in both 2023 and 2024. This shift is influenced by decisions made by central banks regarding their policy rates, which wield significant influence over economic dynamics. Inflation-wise, forecasts suggest a decline from 8.7% in 2022 to 6.8% in 2023, further receding to 5.2% in 2024. It's important to note that gradual adjustments are anticipated in core inflation.

Recent successful resolutions concerning the US debt ceiling and efforts to fortify banking stability have effectively mitigated immediate financial risks. However, there are persistent concerns about potential adverse effects on growth. Factors such as elevated inflation levels and the possibility of unforeseen events like conflicts and extreme weather could trigger modifications in monetary policies. The recovery of China's economy might also witness a slowdown due to challenges within the real estate sector, potentially rippling into other global economies. Conversely, there remains potential for positive outcomes if inflation subsides more rapidly and domestic demand remains robust.

Across diverse economies, key priorities include sustaining a trend of disinflation and safeguarding financial stability. Central banks are advised to continue their emphasis on maintaining price stability and adeptly supervising financial systems. Countries are urged to provide ample liquidity during periods of market strain, establish fiscal reserves to provide targeted support, and enhance economic capacities to facilitate more effective management of inflation.

## Outlook

The present global economic forecast suggests a gradual easing in the recovery trajectory, influenced by the combined impacts of the COVID-19 pandemic and geopolitical developments related to Russia's actions in Ukraine. While supply chains exhibit signs of improvement, persistent challenges such as heightened inflation, cautious approaches by central banks, and constrained access to credit remain prevalent.

During the first quarter of 2023, the services sector showcased resilience, whereas the manufacturing sector encountered a weakening trend. This divergence underscores prevailing uncertainties and underscores the restrained pace of productivity growth. The interplay between heightened inflation levels and responses from central banks holds a

pivotal role in shaping the economic landscape. Consequently, the global growth trajectory is expected to shift from 3.5% in 2022 to a slightly lower 3.0% in both 2023 and 2024. This adjustment is mainly steered by advanced economies, while emerging markets sustain a certain level of stability, albeit with variations across different regions.

Source: <https://www.imf.org/en/Publications/WEO/Issues/2023/07/10/world-economic-outlook-update-july-2023>

## Indian Economic Overview

The Economic Survey of 2022-23 has outlined India's economic prospects, projecting a GDP growth of 6.0-6.8% for the upcoming fiscal year, 2023-24. Notably, the economy is set to achieve a commendable 7% growth by March 2023, building upon an impressive 8.7% increase witnessed in the previous year. This positive trajectory is largely attributed to the strong increase in credit accessibility for Micro, Small, and Medium Enterprises (MSMEs), coupled with higher government capital expenditures.

Although there might be a slight overshoot of inflation targets, there is a positive aspect as improvements have been observed in the housing market inventory. The momentum for this growth has been further boosted by a rise in exports, effectively stimulating production. A significant driver has been the notable increase in private consumption, constituting 58.4% of the GDP. This surge has been supported by the revival of contact-intensive services that have experienced a resurgence.

It's essential to recognize that the realm of global trade is heading for a slowdown, transitioning from a 3.5% growth rate observed in 2022 to a more moderate 1.0% in 2023, reflecting the various challenges confronting the global economic landscape.

## Outlook

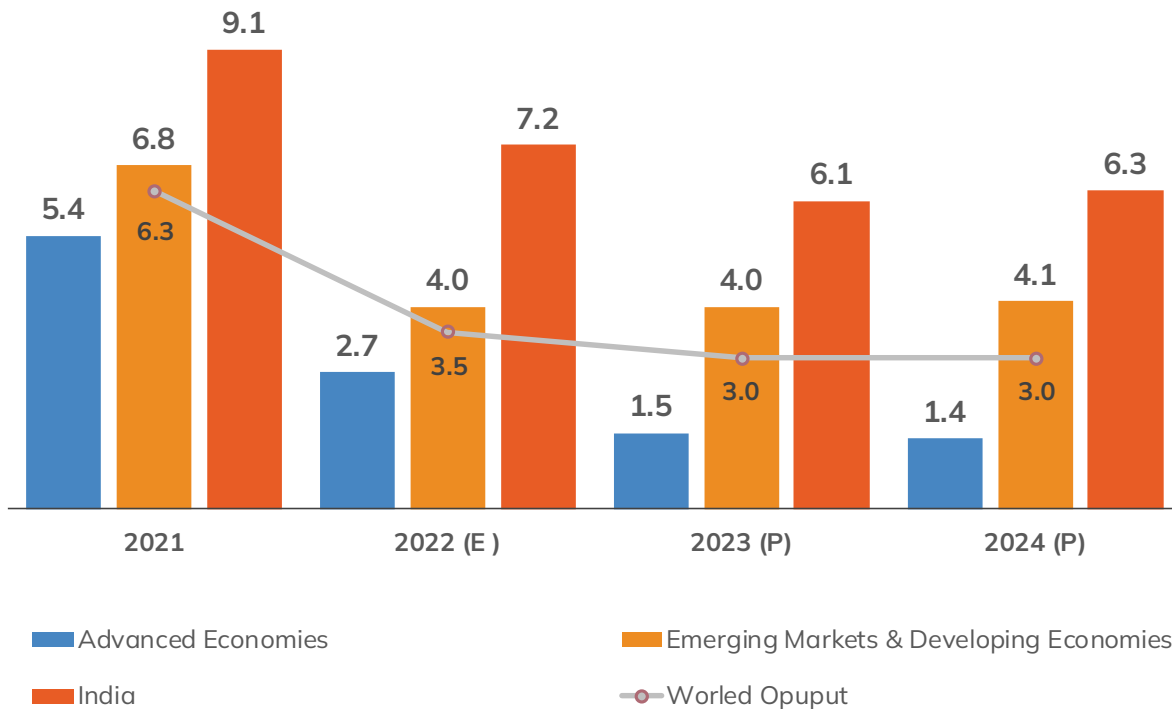
The Economic Survey's projection for the 2023-24 outlook underscores India's impressive recovery post the pandemic. This revival is propelled by strong domestic demand and increased capital investment, fostering a new phase of private sector capital formation. The synergy between this trend and substantial government capital expenditure bodes well for the economy. Structural reforms like the Goods and Services Tax and the Insolvency and Bankruptcy Code have enhanced efficiency and transparency. Despite predictions of a global economic slowdown by the IMF and World Trade

Organization, India's growth trajectory remains positive. However, risks such as fluctuating commodity prices, export dynamics, and inflation remain as potential factors influencing the nation's current account balance and currency valuation. The possibility of inflation-induced higher borrowing costs could contribute to a subdued global economic landscape. Encouragingly, India benefits from favorable factors including lower oil prices and an improved

current account outlook, thereby enhancing overall external stability.

Source: <https://pib.gov.in/PressReleasePage.aspx?PRID=1894932>

### Overview of the World Economic Outlook Projections



In both 2023 and 2024, India's projected growth rates (6.1% and 6.3%) are significantly higher than those of advanced economies (1.5% and 1.4%). This indicates that India's economy is expected to continue growing at a much faster pace compared to the more mature economies of advanced nations.

Source: <https://www.imf.org/en/Publications/WEO/Issues/2023/07/10/world-economic-outlook-update-july-2023>



## Global Plastic Market

The global plastic market had a valuation of USD 609.01 billion in 2022, and it is anticipated to expand at a compound annual growth rate (CAGR) of 4.0% from 2023 to 2030. This growth trajectory is being propelled by increased plastic consumption across diverse sectors such as construction, automotive, and electrical & electronics. Notably, regulations aimed at enhancing fuel efficiency and curbing carbon emissions by reducing vehicle weight are catalyzing the use of plastic as a substitute for metals like aluminium and steel in the production of automotive components.

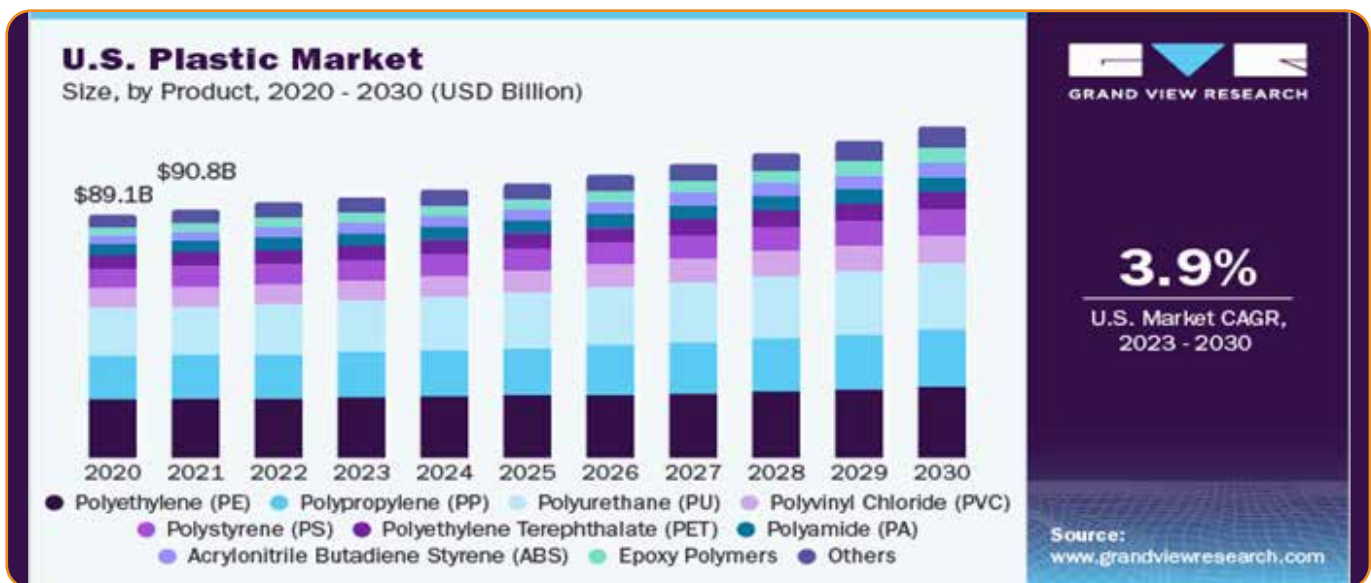
In addition, the upsurge in construction activities in emerging economies like Brazil, China, India, and Mexico is significantly bolstering the demand for plastics. This surge can be attributed to a rise in foreign investments in domestic construction markets, spurred by eased Foreign Direct Investment (FDI) norms and the demand for improved public and industrial infrastructure.

The United States stands as a noteworthy player in the plastic market, with a demand valued at USD 87.93 billion in 2022. This is largely attributed to the well-established presence of industries such as automotive, aerospace & defense, and electronics. The country's stability, low-risk environment, and robust financial sector have attracted considerable investor interest, fostering expectations of increased infrastructure spending. Consequently, the construction sector in the U.S.

is expected to experience heightened demand for plastics.

The synergy of a growing global population, rapid urbanization, and industrialization in emerging economies has compelled governments to escalate their construction expenditures to meet expanding infrastructure requirements. Particularly, the surge in government construction spending in China and India is poised to drive substantial demand for plastics in infrastructure and construction applications.

The imperative to adhere to stringent regulations addressing the depleting resources and recyclability concerns associated with traditional materials like metals and wood is projected to drive heightened demand for plastics within the construction sector. Applications such as insulation, pipes, cables, floorings, windows, and storage tanks are expected to witness increased plastic usage. Furthermore, the simplicity and ease of installation of polymer fittings, coupled with a diverse palette of color options, contribute to their aesthetic appeal. Notably, plastics exhibit a significantly lower specific gravity compared to metals, resulting in approximately 80% weight reduction and 30% to 50% cost savings in individual components within the automotive and construction industries.



Sources: <https://www.grandviewresearch.com/industry-analysis/global-plastics-market#:~:text=Report%20Overview,projected%20to%20support%20the%20growth>.

## Indian Plastic Market

The Indian plastic market has witnessed remarkable growth potential, fostering the development of local businesses to enhance their technical prowess, meet stringent quality standards, and expand their capabilities across various sectors within the burgeoning plastics industry.

Significant strides have been made in the petrochemical sector, coupled with advancements in plastic machinery, leading to substantial progress in the plastic processing industry. This, in turn, has facilitated plastic processors in augmenting their production capacity to cater to both the domestic and international markets. Presently, the Indian plastic processing landscape encompasses approximately 30,000 units employing techniques such as injection molding, blow molding, extrusion, and calendaring to manufacture a diverse array of products.

Plastic materials have gained increasing prominence across diverse industries, resulting in a swift rise in per capita consumption. Conventional materials are swiftly being supplanted by plastic technology, advanced processing equipment, specialized expertise, and cost-efficient manufacturing. The adeptness in various facets of this industry, combined with innate capabilities, underpins the industry's ability to serve global markets. Over the past few decades, the Indian plastics sector has undergone substantial growth, emerging as one of the nation's pivotal industries with a substantial foundation.

Plastic consumption in India displays noteworthy regional disparities, with Western India accounting for 47%, Northern India for 23%, and Southern India for 21%.

Currently, the plastics industry accommodates around 50,000 establishments, predominantly comprising micro, small, and medium-sized enterprises (MSMEs). These entities collectively contribute INR 3.5 lakh crore (US\$ 42.89 Billion) to India's economy and offer employment opportunities to over 50,000 individuals. The nation boasts a plastic recycling rate of 60%, surpassing that of many developed countries. The government's initiatives like "Make in India," "Skill India," "Swachh Bharat," and "Digital India" are propelling plastic production. By 2027, projections anticipate that the plastics industry will amass an annual revenue of INR 10 lakh crore (US\$ 122.54 Billion), accompanied by exports amounting to two lakh tonnes.

"Indian plastics industry projected INR 10 lakh crore (US\$ 122.54 Billion) revenue by 2027 solidifies its pivotal role in shaping India's economic landscape."

Sources: <https://www.ibef.org/research/case-study/india-s-plastic-industry>

## Plastic Furniture Market

Anticipated as of 2023, the Plastic & Other Furniture market is poised for impressive growth, with projected revenue surging to US\$ 56.12 Million. This trend is set to continue its upward trajectory, boasting an annual growth rate of 11.08% (CAGR 2023-2027). These dynamics point towards a promising future, culminating in a projected market volume of US\$ 85.45 Million by 2027.

At the epicentre of this economic surge is the United States, acting as a prime revenue generator. Projections indicate a remarkable market volume of US\$ 1,829.00 Million by 2023, underscoring the substantial role the United States plays in shaping the industry landscape.

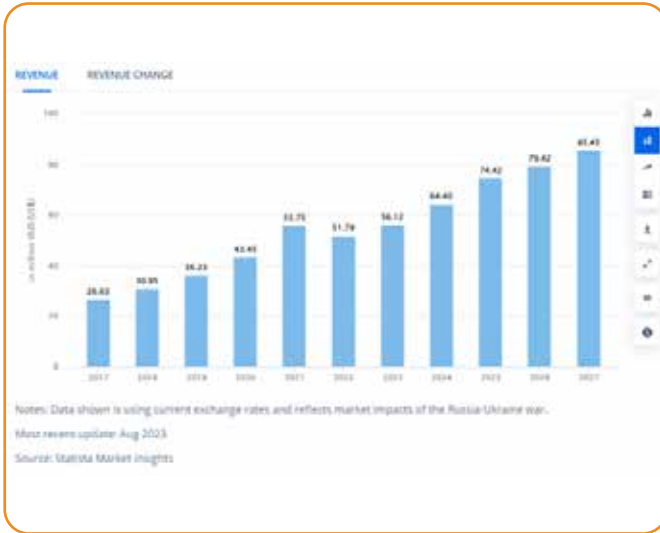
In the realm of user engagement, the Plastic & Other Furniture market is primed for expansion. By 2027, an estimated 85.2 Million users are expected to participate. This surge highlights a significant upward trajectory, considering that user penetration is projected to escalate from 3.6% in 2023 to an impressive 5.8% by 2027.

Embedded within these trends is the Average Revenue Per User (ARPU), a pivotal metric. Each user's contribution is envisaged to average at US\$ 1.08, indicative of the market's potential to yield substantial revenue from its growing user base.

In summary, the Plastic & Other Furniture market is on an upward trajectory, with robust revenue projections and a compelling CAGR. The United States' pivotal role in shaping the market's size is noteworthy, and the projected increase in user engagement suggests a dynamic and promising industry outlook.

"The plastic furniture market was valued at US\$ 13,610 million in 2021 and is expected to reach US\$ 22,994 million by 2030, with a CAGR of 6% during 2021-2030."





Source: <https://www.statista.com/outlook/dmo/ecommerce/furniture/plastic-other-furniture/india>

<https://straitresearch.com/report/plastic-furniture-market#:~:text=The%20global%20plastic%20furniture%20market,that%20made%20of%20other%20materials>

## Circular Economy



India has taken significant strides in plastic waste recycling, outperforming even countries like Germany and the US. Reports indicate that India recycles an impressive 60% of

its plastic waste, while Germany manages 56% and the US lags behind at just 9%. This commitment to recycling is deeply ingrained in India's cultural fabric and has far-reaching implications for the adoption of circular products and services.

Interestingly, the average lifespan of cars in India is notably longer compared to the US, with vehicles being cherished for around 9 years, while in the US, the norm hovers around 7 to 8 years. This cultural propensity towards longevity not only reflects a sustainable mindset but also opens up a realm of possibilities for the proliferation of circular goods and services. Such an outlook naturally cultivates a thriving market for these sustainable offerings.

Projections also illuminate India's economic ascension on the global stage, poised to secure the position of the world's third-largest economy by 2030, contributing about 8.5% to the global GDP. In light of these numbers, envisioning the Circular Economy soaring to a \$4.5 trillion valuation by 2030 instills optimism. Under this scenario, even a modest 1% market share for India would translate into a staggering \$45 billion plus opportunity.

However, if India were to mirror its 8.5% contribution to global GDP within the realm of the Circular Economy, the nation could feasibly foster a Circular Economy valued at over \$380 billion. This ambitious prospect underscores the transformative power of the Circular Economy in propelling India's growth throughout the forthcoming decades. A captivating side effect of this sustainable surge would be the substantial environmental benefits, including a noteworthy reduction in congestion and pollution levels.

In essence, the potential for harnessing the Circular Economy's momentum resonates as a pivotal force driving India's growth trajectory. This journey, interwoven with economic expansion, promises to yield not only prosperity but also invaluable ecological advantages that resonate for generations.

Source: <https://www.kalaari.com/wp-content/uploads/2022/04/Circular-Economy-Report-2022.pdf>

## Extended Producer Responsibility (EPR)

Extended Producer Responsibility (EPR) stands as a pivotal policy mechanism, wielding the potential to propel the circular economy forward. By assuming responsibility for the entire lifecycle of a product, EPR significantly curbs the environmental impact of both the product and its packaging, while embodying the principle of "polluter pays," thereby holding producers accountable.

In recent times, EPR has garnered global attention, emerging as a direct response to the escalating menace of plastic pollution, driven particularly by the ubiquity of packaging and single-use plastics. The surge in population growth and rapid urbanization, coupled with the unabated rise in consumption and utilization of disposable products since the 1950s, has triggered an exponential surge in waste generation worldwide. This unrestrained growth in waste output has imposed a significant strain on governments, challenging their ability to manage this mounting challenge effectively.

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:

Amidst the prevailing environmental consciousness, the realm of biodegradable plastics production emerges as a realm brimming with potential. This trajectory is significantly propelled by governmental emphasis on safeguarding the environment, coupled with a mounting public awareness of the detrimental repercussions of plastic pollution. In parallel, the allure of recycled plastic is expected to ascend, finding a stronger foothold in the domain of plastic furniture.

Undeterred by the formidable competition posed by the unorganized sector, the company demonstrates an unwavering commitment to extending its reach into uncharted market territories. This tenacity is driven by the pursuit of novel opportunities and is emblematic of the company's resilient spirit in the face of challenges.

With a resolute focus on the industrial sector, the company aspires to carve out a distinctive niche for itself as a pivotal player. This aspiration is anchored in the delivery of high-quality products and the cultivation of robust corporate governance practices. Through this strategic direction, the company endeavors to augment its product portfolio, thereby bolstering its influence and stature within the industry landscape.

### Threats:

Navigating through the intricate maze of uncertain government policies and the unpredictable ebbs and flows of market conditions emerges as a substantial challenge. The landscape's inherent volatility demands adept maneuvering

to ensure consistent growth.

The relentless march of technological progress, while promising innovation, simultaneously poses a threat. The necessity to remain at the vanguard of technological advancements becomes imperative to stay relevant and competitive.

The swelling tide of competition stands as a formidable adversary. The burgeoning number of players vying for prominence amplifies the pressure to consistently differentiate and excel.

Undoubtedly, the unorganized small-scale sector casts a significant shadow on the horizon. The relentless competition emanating from this sector necessitates strategic agility to counter their impact effectively.

In a realm susceptible to economic fluctuations, the prospect of a stagnation phase or an economic downturn looms large. The convergence of various factors could potentially trigger a slowdown, demanding contingency plans to navigate through such challenging periods.

## Company Overview

Our company specializes in the manufacturing of top-tier plastic molded furniture, known for its exceptional quality. Our products are marketed under the renowned brand names AVRO and AVON, catering to customers across India through both online and offline channels.

Distinguished by an extensive and diverse product portfolio, we proudly offer one of the widest ranges in the industry, all while maintaining affordability. Notably, AVRO stands as an industry pioneer by providing an unprecedented 3-year guarantee on selected product lines—an achievement yet to be matched in the Indian market.

Our brand, AVRO, stands tall as a leader in the plastic furniture segment across India. Fuelled by an unwavering commitment to innovation, our company consistently introduces groundbreaking products that redefine the industry landscape. As we move forward, our dedication to innovation will remain a driving force, ensuring the introduction of numerous novel and cutting-edge offerings.

## Business Overview

The Turnover and Net profit of the Company increased considerably in FY 2022-23 as compared to FY 2021-22 despite increase in polymer prices. The company has achieved a total sales of ₹ 80.01 Crore where the offline sales were ₹ 76.43 Crore and online sales were ₹ 3.58 crore. 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, Indiamart, Jio Mart etc. In the coming years, one of the company's main growth drivers will be online sales.

During the financial year under review, the Company has started manufacturing polymer by using plastic waste for inhouse consumption. Thereafter, the Company has commenced a new plant for recycling facility with capacity of 300 metric ton per month w.e.f. 22nd December, 2022. During the financial year ended 2022-23, the turnover and revenue of the Company has increased significantly as compared to last financial year.

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 its products. We have a strong presence on social media 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, Almira 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

The Company's operations are classified as belonging to a single or main business segment. Accordingly, disclosures under Ind AS-108 "Operating Segments" are not required to be made.

### Growth Strategy and Outlook

AVRO's position as a leading brand in India's plastic furniture market, known for producing high-quality plastic molded furniture. The company's commitment to fulfilling its societal obligations by offering quality products at affordable prices aligns with its existing operations. This commitment forms the basis for AVRO's efforts to contribute positively to the environment through its recycling and sustainability initiatives.

AVRO's innovative use of "Regenerated" polymers instead of "Virgin" polymers reflects its dedication to incorporating environmental considerations into its operations. This sustainable approach to raw materials resonates with the recycling theme. By collecting and upcycling commonly used plastics like HDPE, LDPE, and PP, AVRO is actively participating in the circular economy, turning discarded plastics into valuable resources for creating new furniture products. This circular economy model not only promotes environmental responsibility but also aligns with the company's mission to produce plastic furniture while keeping the environment in mind.

### "Crafting Sustainable Comfort for a Greener Tomorrow"

The company's forward-thinking strategy of preparing for backward integration in plastic regeneration showcases its commitment to securing a sustainable supply of raw materials. This integration not only supports its own production needs but also signifies a proactive approach to minimizing the environmental impact of its operations.

As AVRO plans to expand its product line beyond plastic furniture, such as rotating chairs and mattresses, while outsourcing production, it continues to maintain its connection to the recycling theme. By focusing on marketing and outsourcing the production, the company can concentrate on promoting its products while leveraging its established network of distributors and retail partners. This strategic move aligns with AVRO's mission of offering high-quality goods while also embracing a recycling-oriented approach.

Furthermore, AVRO's intention to enhance its retail and distribution networks in states beyond its stronghold of Uttar Pradesh suggests a broader commitment to making its sustainable products available across India. This expansion aligns with the company's ethos of providing affordable, high-quality products to a wider customer base while

contributing to the circular economy.

The chosen advertising mediums, such as FM Radios, Newspapers, and posters on moving vehicles, highlight AVRO's efforts to reach diverse audiences with its recycling-focused message. These communication channels enable the company to inform the public about its sustainable practices and encourage them to be part of a larger movement towards responsible consumption and recycling.

AVRO's existing operations, commitment to recycling and sustainability, and plans for expansion and communication strategies are intricately connected, forming a cohesive narrative of a brand that not only excels in the plastic furniture market but also champions environmental consciousness and responsible business practices.

## FINANCIALS PERFORMANCE AND HIGHLIGHTS

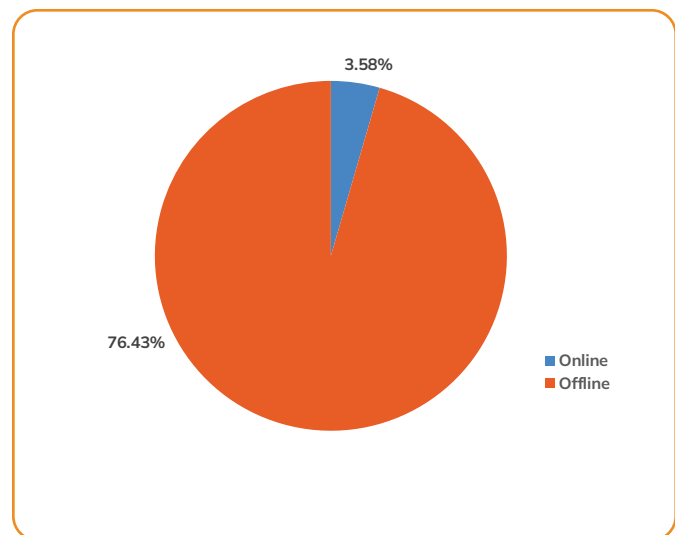
The financial performance during the financial year 2022-23 has been summarized below:

Particulars (Rs. Crore)	FY23	FY22	YoY Change
Revenue From Operations	80.01	64.74	23.59%
Total Income	82.34	65.20	26.29%
EBITDA	8.54	5.62	51.96%
EBITDA Margin	10.46%	8.62%	184 bps
PBT	5.83	3.92	48.72%
Net Profit	4.15	2.97	39.73%
Net Profit Margin	5.04%	4.56%	48 bps
EPS (₹)	4.12	2.95	39.66%



The Company's revenue from operations increased to ₹ 80.01 Cr in FY 2023 compared to ₹ 64.74 Cr in FY 2022. The EBITDA has grown from ₹ 5.62 Cr to ₹ 8.54 Cr. EBITDA in FY2023 is 52 % higher than the previous financial year. Net sales operations in FY2023 have been approx. 24% higher than FY2022. PBT for FY 2023 is approx. 49% higher than FY 2022 at ₹ 5.83 Cr and Net Profit numbers are approx. 40% higher than FY 2022 at ₹ 4.15 Cr.

For FY23 Offline sales contributed ₹ 76.43 Cr to the revenue which is approx. 95.53% of the revenue. while Online sales has contributed ₹ 3.58 Cr to the revenue which is approx. 4.47% 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 are list of important financial ratios:



Ratio	As at 31 March,2023	As at 31 March,2022	% variance	Reason for variance
Current Ratio (in times)	1.94	1.62	(19.75)	
Debt-Equity Ratio (in times)	0.47	0.37	(27.02)	Increase in the ratio is due to increase in non-current borrowings and utilization of working capital during the year
Interest Coverage Ratio (in times)	7.59	10.63	(92.41)	Increase in ratio because the amount of interest on borrowings increased due to increase in borrowings
Return on Equity (in %)	18.24	15.51	(17.60)	
Inventory Turnover Ratio (in times)	12.20	16.69	26.90	The ratio is decreasing due to increase in closing inventory
Trade Receivables Turnover Ratio (in times)	4.53	4.39	(3.19)	
Trade payables turnover Ratio (in times)	10.85	9.97	(8.82)	
Return on Net Worth (in %)	16.71	14.39	232.39 bps	Increase in ratio due to increase in profit
Net Profit Ratio (in %)	5.19	4.60	(12.83)	
Operating Profit Margin (in %)	7.7	7.96	(0.19)	
Net Profit Margin (in %)	5.04	4.56	10.53	

## Risks and Concerns

AVRO recognizes that operating in the business landscape comes with inherent risks that can emanate from various sources, encompassing product distribution, governmental policies, and technological shifts. To ensure its sustained performance over the long term, the company places a paramount emphasis on the identification, analysis, and effective mitigation of these risks through well-suited control measures.

The process of risk identification and assessment remains ongoing, with a commitment to promptly implement

appropriate measures to curtail their potential impact. The efficacy of diverse risk reduction measures is subject to periodic evaluation, underlining the company's dedication to

refining its risk management strategies. At regular intervals, the Board scrutinizes the entirety of the Risk Management protocol to maintain its relevance and efficacy.

The company operates within the realm of foreign exchange exposure due to its reliance on imported machinery and molds. The volatility in the exchange rate between the US Dollar and the Indian Rupee holds the potential to adversely affect the company's financial status and outcomes.

Furthermore, the company is not immune to the volatility of prices, both for its finished products and the raw materials it employs. The company's approach to managing these risks extends to adept inventory management strategies, often coupled with the judicious allocation of cost increases to the end customer. Additionally, the ongoing pandemic situation introduces a unique set of challenges. The shifts in consumer behaviour and disruptions in production owing to lockdowns or quarantines can significantly impact the demand for the company's offerings.

The company remains resolute in its proactive and proficient handling of risks, as it acknowledges risk as an inherent facet of conducting business. Rigorous and regular evaluations of both internal and external risk factors underscore the company's commitment to vigilance. These risks are in a constant state of flux, both in terms of their potential consequences and the probability of occurrence. Thus, the company consistently monitors the external landscape for emergent threats and gauges their potential ramifications on overarching corporate objectives. The Board of Directors plays a pivotal role in overseeing and evaluating the company's all-encompassing risk management framework.

The company's robust approach encompasses the assessment and management of an array of risks that span the spectrum. These encompass competition risk, concerns related to safety and sustainability, adherence to compliance norms, the integrity of information security, the availability of crucial raw materials, and the intricate dynamics posed by the pandemic. AVRO's commitment to proactive risk

management is deeply ingrained in its operational ethos, ensuring a resilient and adaptable stance in the face of an ever-evolving business landscape.

## Human Resources

Recognizing the invaluable contribution of its employees, Avro Limited places paramount importance on nurturing and enhancing its human resources. The company's dedication to this endeavour is evident through its strategic focus on key aspects of human resource management, which encompasses effective communication, continuous learning and development, rigorous performance management and appraisal processes, and meticulous recruitment practices.

Central to the company's approach is the provision of regular training to employees, designed to empower them with the skills and knowledge necessary for achieving operational excellence, maintaining high productivity levels, and upholding stringent quality and safety standards.

Avro Limited remains steadfast in its commitment to cultivating an exceptional working culture that revolves around maximizing human potential. The company has implemented proactive measures aimed at fostering a tranquil and harmonious workplace environment. It firmly believes that its rapid growth trajectory, coupled with the establishment of an inclusive and welcoming workplace, has significantly contributed to its ability to attract a diverse pool of exceptional individuals.

Avro's sustained success in attracting and retaining top-tier talent is underpinned by its unwavering dedication to human resource development, its investment in fostering a positive work environment, and its resolute focus on creating opportunities for continuous improvement and growth.

## Internal Control Systems and Their Adequacy

The company has established a comprehensive system of internal controls that are well-suited to the company's size





and business nature. These internal control mechanisms serve a crucial purpose: to optimize the efficiency of business operations, protect the company's valuable assets, ensure adherence to established policies and procedures, and to proactively identify and prevent errors and fraudulent activities. Additionally, they play a pivotal role in ensuring compliance with relevant laws and regulations while also upholding the accuracy and dependability of financial reporting and statements. It's worth noting that the company maintains a vigilant oversight of its corporate policies to ensure ongoing adherence. The Company is strengthening its Internal Control System every year as per the need of laws and transactions of the Company.

The responsibility of conducting internal audits falls upon the company's Internal Auditor. These internal audits are conducted at regular intervals, serving as a means to provide management with a degree of confidence in the integrity of transactions. To assess the ongoing effectiveness of the internal control systems, the Internal Auditors periodically evaluate their efficiency. Furthermore, the internal control specifically over financial reporting is rigorously tested and validated by the company's statutory auditors, providing an additional layer of assurance.

Recognizing the significance of maintaining transparent financial reporting and robust internal controls, the company has instituted an Audit Committee. This committee plays a crucial role in facilitating communication between the Statutory Auditors, Internal Auditors, and

the management. Its responsibilities span a wide array of matters, encompassing financial reporting, internal control assessment, and other pertinent areas.

The company's commitment to internal controls, transparent financial reporting, and maintaining a strong audit framework underscores its dedication to operational excellence and accountability. Through its systematic approach and the engagement of internal and external audit expertise, the company aims to foster trust among stakeholders and ensure the integrity of its financial practices.

### Cautionary Statement

The statements provided in the Management Discussions and Analysis section are grounded in presently accessible information and a series of suppositions encompassing the economy, variables influencing raw material costs, selling prices, shifts in consumer demand and preferences, pertinent laws and regulations, as well as additional economic and political aspects. It's important to note that the company's forthcoming performance projections and assumptions lack a guarantee of precision from the management's side. Consequently, readers are cautioned that the actual outcomes might deviate from what is articulated and inferred in the statements.





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### NOTICE OF 27<sup>TH</sup> ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the 27<sup>th</sup> Annual General Meeting (“AGM”) of the members of **Avro India Limited** will be held on Saturday, 30<sup>th</sup> day of September, 2023 at 11:00 a.m. through Video Conferencing (“VC”)/other Audio-Visual means (“OAVM”) facility to transact the following businesses:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2023 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:**
2. To appoint Mr. Sushil Kumar Aggarwal (DIN: 00248707), Whole Time Director, who retires by rotation and being eligible offers himself 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 Mr. Sushil Kumar Aggarwal (DIN: 00248707) who retires by rotation and being eligible has offered himself for re-appointment as a Whole Time Director of the Company.

3. To Reappoint M/s. SAARK AND CO as a Statutory Auditor 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 **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or reenactment(s) thereof for the time being in force) and pursuant to the recommendations of the Audit Committee, M/s SAARK AND CO., Chartered Accountants having Firm Registration No. 021758N be and are hereby re-appointed as the Statutory Auditors of the Company for the second consecutive term of five years, from the conclusion of the 27<sup>th</sup> Annual General Meeting till the conclusion of the 32<sup>nd</sup> Annual General Meeting to be held in year 2028, to examine and audit the accounts of the Company at such remuneration plus applicable taxes as may be decided by the Board of Directors/Audit Committee in consultation with the Statutory Auditors of the Company.”

4. To Increase the Authorized share capital of the Company and amend the Capital clause in the Memorandum of Association of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

“**RESOLVED FURTHER THAT** pursuant to provisions of Section 13, 61, 64 and all other applicable provisions, if

any, of the Companies Act, 2013 and the relevant rules framed thereunder, (including any statutory amendment(s) or modification(s) thereto or substitution(s) or re-enactment made thereof for the time being in force) and in accordance with the applicable provisions of the Articles of Association of the Company, consent of the members be and is hereby accorded to increase the Authorized Share Capital of the Company from ₹11,00,00,000/- (Rupees Eleven Crores only) divided into 1,10,00,000 (One Crore Ten Lakh) equity shares of ₹10/- (Rupees Ten only) each to 15,00,00,000 (Rupees Fifteen Crore only) divided into 1,50,00,000 (One Crore Fifty Lakh only) equity shares of ₹10/- (Rupees Ten only) each by creating additional 40,00,000 (Forty Lakh only) equity shares of ₹10/- (Rupees Ten only) each ranking pari-passu in all respects with the existing equity shares of the Company and Clause V of the Memorandum of Association.

**RESOLVED FURTHER THAT** the Capital Clause (Clause V) of the Memorandum of Association of the Company accordingly be and is substituted with the following clause V:

***V. The Authorised Share Capital of the Company is ₹ 15,00,00,000 (Rupees Fifteen Crore only) 1,50,00,000 (One Crore Fifty Lakh only) equity shares of ₹ 10/ (Rupees Ten only) each.***

**RESOLVED FURTHER THAT** Mr. Sushil Kumar Aggarwal (DIN: 00248707), Chairman & 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 things, acts, deeds and matters as may be considered necessary and expedient to give effect to the aforesaid resolution.”

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

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

**Date: 30/08/2023  
Place: Ghaziabad**

**NOTES:**

1. 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 dated 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; General Circular No. 2/2022 dated May 5, 2022 and General Circular No. 10/2022 dated December 28, 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, Circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023 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”), 27<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.
2. 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.
3. 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**.
4. 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.
5. 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/Authorization shall be sent to the Scrutinizer by email through their registered email address to [chaturvediandcompany@gmail.com](mailto:chaturvediandcompany@gmail.com) with a copy marked to the Company to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
6. 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.
7. 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.

8. 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.
9. 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. Saturday, 23<sup>rd</sup> September, 2023.
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 Sunday, 24<sup>th</sup> September 2023 to Saturday, 30<sup>th</sup> September 2023 (both days inclusive) for the purpose of 27<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 27<sup>th</sup> AGM along with Annual Report 2022-23 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 2022-23 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/Registrar and Share Transfer Agent/ Depository Participants, please follow below instructions to register your email ID for obtaining Annual Report for FY 2022-2023 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 202-23 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 2022-23 will also be available on the Company’s website [www.amritcorp.com](http://www.amritcorp.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. **Saturday, September 23, 2023**, 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 30, 2023.
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 2022-23. 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 27<sup>th</sup> Annual General Meeting (AGM) through electronic voting system, to members holding shares as on **Saturday, September 23, 2023** (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 Wednesday, September 27, 2023 at 9:00 A.M. and ends on Friday, September 29, 2023 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. Saturday, September 23, 2023, 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 Saturday, September 23, 2023.

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 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.	1. 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/either">https://eservices.nSDL.com/either</a> 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 e-Voting service provider – NSDL 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 & voting during the meeting.



Type of shareholders	Login Method
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- If the user is not registered for IDeAS e-Services, option to register is available at <https://eservices.nsdl.com>. Select "Register Online for IDeAS" Portal or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
- 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 (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 e-Voting service provider - NSDL 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.

Individual Shareholders holding securities in demat mode with CDSL

- 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 <https://web.cdslindia.com/myeasi/home/loginor> [www.cdslindia.com](http://www.cdslindia.com) and click on New System Myeasi.

Type of shareholders	Login Method
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- After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.
- If the user is not registered for Easi/ Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>
- Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in [www.cdslindia.com](http://www.cdslindia.com) home page. The system will authenticate the user by sending OTP on registered Mobile & 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.

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 e-Voting service provider-NSDL 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 evoting@nsdl.co.in 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 helpdesk.evoting@cdslindia.com 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?**

1. 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.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. 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.nsdl.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.*

4. 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 DP ID 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***

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) 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.
- c) How to retrieve your 'initial password'?
  - i) 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'.

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

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) 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.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. 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?**

1. 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.
2. 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".
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders**

1. 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).

2. 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.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. 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.nsdl.com](http://www.evoting.nsdl.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)
3. 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.
4. 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.

**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:**

1. 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) .
2. 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.**

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

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. 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.
3. 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.
4. 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 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.

W

Date: 30/08/2023  
Place: Ghaziabad

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**

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

### **ITEM NO.3**

This Explanatory Statement is in terms of Regulation 36(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') though statutorily not required in terms of Section 102 of the Act.

The Members at the Twenty Second Annual General Meeting ('AGM') of the Company held on September 29, 2018 had approved the appointment of M/s SAARK AND CO, Chartered Accountants (Firm Registration No. 021758N) as the Statutory Auditors of the Company to hold office from the conclusion of Twenty Second AGM till the conclusion of Twenty Seventh AGM of the Company to be held in year 2022.

After evaluating and considering various factors such as Industry experience, competency of the audit team, efficiency in conduct of audit, independence, etc., the Board of Directors of the Company ('Board') has based on the recommendations of the Audit Committee proposed the reappointment of SAARK AND CO, as the Statutory Auditors of the Company, for the second consecutive term of five years from the conclusion of Twenty Seventh AGM till the conclusion of Thirty Second AGM of the Company to be held in year 2028, at a remuneration as may be mutually agreed between the Board and the Statutory Auditors.

SAARK AND CO have given consent to their reappointment as the Statutory Auditors and have confirmed that the reappointment, if made, would be within the limits specified under Section 141(3)(g) of the Act and that they are not disqualified to be appointed as the Statutory Auditors in terms of the provisions of Section 139 and 141 of the Act and Rules framed thereunder.

Besides the audit services, the Company may also obtain certifications from the Statutory Auditors under various statutory regulations and certifications required by banks, statutory authorities, audit related services and other permissible non-audit services as required from time to time, for which they will be remunerated separately on mutually agreed terms, as approved by the Board in consultation with the Audit Committee.

The Board in consultation with the Audit Committee, may alter and vary the terms and conditions of re-appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

None of the Directors, Key Managerial Personnel or their relatives are in any way, concerned or interested, financially or otherwise in the resolution at Item No. 3 of the accompanying notice.

### **ITEM NO.4**

Considering the overall business growth and future expansion and the operational needs of the Company, the Company needs to raise funds for its operations by means of equity. It is proposed to increase the Authorized Share Capital as per applicable provisions of the Companies Act, 2013.

The present Authorized Share Capital stands at ₹ 11,00,00,000 (Rupees Eleven Crores) and it is proposed to increase the Authorized Share Capital from ₹ 11,00,00,000/- (Rupees Eleven Crore only) divided into 1,10,00,000 (One Crore Ten Lakh only) equity shares of ₹ 10/- (Rupee Ten only) each to ₹ 15,00,00,000 (Rupees Fifteen Crore only) divided into 1,50,00,000 (One Crore Fifty Lakh only) equity shares of ₹ 10/- (Rupee Ten only) each by creating additional 40,00,000 (Forty Lakh) equity shares of ₹ 10/- (Rupees Ten only) each.

Pursuant to Section 61 of the Companies Act, 2013, increase of authorised share capital requires the approval of members by way of ordinary resolution. Further, the alteration of Authorised Share capital requires the modification of capital clause of Memorandum of Association of the Company. A copy of the Memorandum of Association of the Company duly amended will be available for inspection in the manner provided in this notice.

The Board recommends the said resolution no. 4 to be passed as an ordinary resolution.

None of the Directors, Key Managerial Personnel of the Company and their relatives are in anyway, concerned or interested, financially or otherwise in the above resolution except to the extent of their shareholding in the Company.

# ANNEXURE-I

**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	Sushil Kumar Aggarwal
DIN	00248707
Age	62 Years
Date of Appointment	September 28, 2002
Brief Resume including qualification, experience	He is a Graduate and have a rich experience of more than three decades in the Plastic Moulded Furniture.
Nature of Expertise in specific functional areas	He supervises overall Operations of the Company.
No. of Equity Shares held as on 31 <sup>st</sup> March, 2023	25,60,600 Shares
Relationship with directors and KMP's	He is the husband of Mrs. Anita Aggarwal, Non-Executive Director of the Company and father of Mr. Sahil Aggarwal, Managing Director & Mr. Nikhil Aggarwal, Whole Time Director of the Company. He is not related to KMP's of the Company.
Remuneration Last drawn by such person, if any	₹ 1,00,000 per month
No. of Meeting of the Board attended during the year	7
Terms and Conditions of Appointment	Mr. Sushil Kumar Aggarwal was reappointed as a Chairman & Whole Time Director of the Company for a period of five years w.e.f. March 21, 2023.
Directorships of other listed Companies	Nil
Chairman / Member of the Committees of the Board of Directors of other listed company	Nil
Listed Companies from which the Director has resigned in the past three years	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.



# BOARD'S REPORT

To  
The Members,

Your Directors are pleased to present to the valued stakeholders, the 27<sup>th</sup> Annual Report of **AVRO INDIA LIMITED** along with the Audited Financial Statements of the Company for the Year ended **March 31, 2023**.

## 1. FINANCIAL HIGHLIGHTS

PARTICULARS	(Amount in Lakhs)	
	2022-23	2021-22
Income from Business Operations	8001.30	6,474.08
Other Income	232.79	46.40
<b>Total Income</b>	<b>8,234.09</b>	<b>6,520.48</b>
Less: Expenditure except Depreciation & Finance cost	7,373.48	5,958.17
<b>Profit before Interest, Depreciation and Tax</b>	<b>860.61</b>	<b>562.31</b>
Less: Interest and other Financial Charge(s)	95.89	41.53
<b>Profit/Loss before Depreciation and Tax</b>	<b>764.72</b>	<b>520.78</b>
Less: Depreciation	181.92	128.28
<b>Profit/Loss before Tax before Exceptional &amp; Extraordinary item</b>	<b>582.80</b>	<b>392.50</b>
Less: Exceptional Item	-	-
Less: Extraordinary item	-	-
<b>Profit/Loss before Tax</b>	<b>582.80</b>	<b>392.50</b>
Less: Tax Expense	163.37	95.87
Add/Less: Deferred Tax	4.31	(0.97)
<b>Net Profit/Loss after Tax</b>	<b>415.12</b>	<b>297.60</b>

PARTICULARS	(Amount in Lakhs)	
	2022-23	2021-22
<b>Other Comprehensive Income, net of tax</b>	<b>0.46</b>	<b>1.78</b>
<b>Total Comprehensive Income</b>	<b>415.58</b>	<b>299.38</b>
Earnings per share:		
Basic	4.12	2.95
Diluted	4.12	2.95

Turnover of your company for the year ended March 31, 2023 was ₹ 8,001.30 Lakhs as compared to ₹ 6,474.08 lakhs during the previous year ended March 31, 2022.

The Profit after tax for the year under review was ₹ 415.12 lakhs as compared to ₹ 297.60 lakhs for the previous year.

Basic Earning per Share was 4.12 for the year ended March 31, 2023 as compared to 2.95 during the previous year ended March 31, 2022.

## 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 started manufacturing polymer by using plastic waste for inhouse consumption. Thereafter, the Company has commenced a new plant for recycling facility with capacity of 300 metric ton per month w.e.f. 22<sup>nd</sup> December, 2022. During the financial year ended 2022-23, the revenue of the Company has increased significantly as compared to last financial year.

### 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, 2023.

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. TRANSFER TO 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

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

### 7. PUBLIC DEPOSITS

Your Company has neither accepted nor renewed any deposits within the meaning of Section 73 of the Companies Act, 2013 ('the Act') read with Companies (Acceptance of Deposits) Rules, 2014. There were no

deposits which remained unpaid or unclaimed by the Company as on March 31, 2023. The Company has not made any default in repayment of deposits or payment of interest thereon during the year.

### 8. SHARE CAPITAL

During the year under review, the Company has not issued or allotted any equity shares with or without differential rights.

#### **Authorised Capital:**

As on 31<sup>st</sup> March, 2023, the Authorized Share Capital of the Company is ₹ 11,00,00,000 (Rupees Eleven Crores) divided into 1,10,00,000 equity shares ₹ 10/- each.

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

As on 31<sup>st</sup> March, 2023, 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, the equity shares of the Company migrated from Emerge platform of National Stock Exchange of India Ltd. to Main Board of National Stock Exchange of India Ltd. w.e.f. April 07, 2022 vide NSE approval dated April 05, 2022 and listed on BSE Limited w.e.f. April 07, 2022 vide notice of BSE Ltd. dated April 05, 2022.

The Listing Fee for the financial year 2023-24 has been paid to NSE Ltd & BSE Ltd. 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 2022-23 is available on Company's website and can be accessed through the link <https://www.avrofurniture.com/pages/Annual>Returns>

## 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, 2023, the Board of Directors comprises of 8 (Eight) Directors out of which 3 (three) are Executive Directors, 1 (One) is Non-Executive Director and 4 (four) are Independent Directors. A brief profile of the Directors is available on the website of the Company [www.avrofurniture.com](http://www.avrofurniture.com).

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.

The details of composition of the Board as at March 31, 2023, the attendance record of the Directors at the Board Meetings held during the financial year 2022-23 and last Annual General Meeting.

Also, during the year under review, the non-executive directors of the Company had no pecuniary relationship or transaction with the Company other than sitting fees, reimbursement of expenses, if any.

### Director Retire by Rotation

Pursuant to Section 152 of Companies Act, 2013 and in accordance with the Articles of Association of the Company, Mr. Sushil Kumar Aggarwal (DIN: 00248707), Whole Time Director of the company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Board of Directors recommends his 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 re-appointment as Director is annexed to the Notice convening the twenty seventh annual general meeting.

### Changes during the year

During the financial year 2022-23, based on the recommendations of Nomination and Remuneration Committee, the Board of Directors in their meeting held on 14<sup>th</sup> April, 2022 appointed Mr. Nikhil Aggarwal (DIN: 09502555) as an Additional Director in the capacity of Whole Time Director w.e.f. 14<sup>th</sup> April, 2022 subject to approval of shareholders in general meeting.

The Board of Directors in its meeting held on April 14, 2022 and based on the recommendations of Nomination

and Remuneration Committee appointed Mrs. Richa Kalra (DIN: 07632571) as an Additional Director in the capacity of Independent Director w.e.f. 14th April, 2022 subject to approval of shareholders in General Meeting.

Mrs. Iti Goyal (DIN: 07983845), Independent Director resigned from the Directorship of the Company due to pre-occupation vide resignation letter dated July 31, 2022 w.e.f. July 31, 2022 and confirmed that there were no other material reasons other than pre-occupation.

The Board of Directors in its meeting held on August 29, 2022 and based on the recommendations of Nomination and Remuneration Committee appointed Mr. Sushil Kumar Goyal as an Additional Director in the capacity of Independent Director w.e.f. August 29, 2022 subject to the approval of shareholders of the Company in General Meeting.

During the financial year 2022-23, based on the recommendations of Nomination and Remuneration Committee, the Board of Directors in their meeting held on February 11, 2023 reappointed Mr. Sushil Kumar Aggarwal (DIN: 00248707) as a Chairman & Whole Time Director of the Company, Mr. Sahil Aggarwal (DIN: 02515025) as a Managing Director of the Company and reappointed Mrs. Vandana Gupta as an Independent Director of the Company for a period of five years w.e.f. 21<sup>st</sup> March, 2023 respectively subject to the approval of shareholders of the Company. The reappointment of Mr. Sushil Kumar Aggarwal as a Whole Time Director of the Company for a period of five years w.e.f. March 21, 2023, the reappointment of Mr. Sahil Aggarwal as a Managing Director of the Company for a period of five years w.e.f. March 21, 2023 and reappointment of Mrs. Vandana Gupta as an Independent Director of the Company for a period of five years w.e.f. March 21, 2023 was confirmed by the shareholders of the Company in the extraordinary general meeting held on March 17, 2023.

### **Change in Designation**

During the financial year 2022-23, the appointment of Mr. Pawan Dixit (DIN: 09502555), who was appointed as an Additional Director in the Board meeting held on February 11, 2022, was confirmed by the shareholders as Independent Director for a period of five years w.e.f. February 11, 2022 in the extraordinary general meeting held on May 10, 2022.

The appointment of Mr. Nikhil Aggarwal (DIN: 03599964) who was appointed as an Additional Director in the Board meeting held on April 14, 2022 was confirmed by shareholders as Whole Time Director for a period of five years w.e.f. April 14, 2022 in the Extraordinary General meeting of the company held on May 10, 2022.

The appointment of Mrs. Richa Kalra (DIN: 07632571) who was appointed as an Additional Director in the Board Meeting held on 14<sup>th</sup> April, 2022 was confirmed by the members of the Company as an Independent Director for a period of five years w.e.f. April 14, 2022 in the Extraordinary General Meeting of the Company held on May 10, 2022.

The appointment of Mr. Sushil Kumar Goyal (DIN: 09719226) who was appointed as an Additional Director in the Board meeting held on 29<sup>th</sup> August, 2022 was confirmed by the members of the Company as an Independent Directors for a period of five years w.e.f. August 29, 2022 in the 26<sup>th</sup> Annual General Meeting of the Company held on 28<sup>th</sup> September, 2022.

### **Key Managerial Personnel (KMP)**

As on 31<sup>st</sup> March, 2023, following are the Key Managerial persons of the Company in accordance with the provisions of Section 2(51) and 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

S.No.	Name	Designation
1.	Mr. Sushil Kumar Aggarwal	Chairman & Whole Time Director
2.	Mr. Sahil Aggarwal	Managing Director
3.	Mr. Nikhil Aggarwal	WholeTime Director
4.	Mr. Ghanshyam Singh	Chief Financial Officer
5.	Mr. Sumit Bansal	Company Secretary & Compliance Officer

#### **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, 2023 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, Mr. Pawan Dixit, and Mr. Sushil Kumar Goyal, Independent Directors of the Company have passed the online proficiency self-assessment test and Mrs. Iti Goyal and Mrs. Richa Kalra are 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 9 (Nine) times during the financial year ended March 31, 2023 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. 14.04.2022, 10.05.2022, 07.06.2022, 24.06.2022, 07.08.2022, 29.08.2022, 30.09.2022, 14.11.2022, 11.02.2023.

The details of attendance of each Director at the Board Meeting and Annual General Meeting are given in the report on Corporate Governance.

S. No	Name of Directors	No. of Board Meetings	
		Held	Attended
1.	Sushil Kumar Aggarwal	9	7
2.	Sahil Aggarwal	9	9
3.	Anita Aggarwal	9	8
4.	Vandana Gupta	9	9
5.	Iti Goyal*	4	4
6.	Pawan Dixit	9	9
7.	Nikhil Aggarwal**	9	8
8.	Richa Kalra#	9	8
9.	Sushil Kumar Goyal###	4	3

\*Mrs. Iti Goyal ceased to be Director of the Company w.e.f. 31<sup>st</sup> July, 2022.

\*\*Mr. Nikhil Aggarwal was appointed as a WholeTime Director w.e.f. April 14, 2022

# Mrs. Richa Kalra was appointed as an Independent Director of the Company w.e.f. April 14, 2022.

### Mr. Sushil Kumar Goyal was appointed as a Independent Director of the Company w.e.f. August 29, 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.

In compliance with applicable provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as part of the best governance practice, the Company has constituted following committees of the Board:

1. Audit Committee.
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee

Details of all the Committees such as terms of reference, composition, and meetings held during the year under review are provided in the report on Corporate Governance, a part of this Annual Report.

## 17. 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As on 31<sup>st</sup> March, 2023, the Audit Committee comprised of three Directors i.e. Mrs. Vandana Gupta (Chairperson), Mr. Pawan Dixit (Member) and Mr. Sahil Aggarwal (Member)

Recommendations of Audit Committee, whenever given have been accepted by the Board of Directors.

## 18. FINANCIAL STATEMENTS

The Financial Statements for the year ended March 31, 2023 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, 2023, and its profits and its cash flow statements for the year ended 31<sup>st</sup> March, 2023.

## 19. 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, Board Meetings and procedures, Board strategy and Risk Management, Board and Management Relations, Succession planning and Independence of Management from Board Committee. 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 Adequacy of Committee Composition, Effectiveness of the Committees, Functions and duties of Committees, Meetings, etc.

Independent Directors of the Company in their separate meeting held on 29<sup>th</sup> March, 2023 reviewed the performance of the Non-Independent Directors and the Board as a whole. They have also reviewed the performance of the Chairperson of the Company.

## 20. 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 during the period under review.

## 21. 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, behaviour, 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>.

## 22. RISK MANAGEMENT

The Board of Directors of the Company has evaluated a system of 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.

## 23. 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.

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

During the financial year ended 31<sup>st</sup> March, 2023, 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.

## 25. AUDITORS AND AUDITORS REPORT

### A. STATUTORY AUDITORS

**M/s S A A R K AND CO, Chartered Accountants, (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. Accordingly, their first term as Statutory Auditors expires at the conclusion of the 27<sup>th</sup> AGM.

Pursuant to the provisions of Section 139(2)(b), an audit firm can be appointed for two terms of five consecutive years each. Accordingly, the Board approved the re-appointment of S A A R K AND CO as the statutory auditors based on the recommendations of the Audit Committee and the same is subject to the approval of the members of the Company. The Notice of 27<sup>th</sup> AGM includes the proposal for seeking member's approval for the re-appointment of S A A R K AND CO as the Statutory Auditors for the second term of 5 (five) years commencing from the conclusion of the 27<sup>th</sup> AGM until the conclusion of the 32<sup>nd</sup> AGM to be held in the year 2028.

M/s S A A R K AND CO. has provided their consent and a certificate of their eligibility under 139 and 141 of the Companies Act, 2013 and Companies (Audit and Auditors) Rule, 2014 for their continuance as the Statutory Auditors of the Company for the second term of 5 (five) years. In terms of the Listing Regulations, the Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI. Accordingly, S A A R K AND CO is eligible for re-appointment as Statutory Auditors of the Company.

The Statutory Auditors Report for FY 2022-23 on the financial statements of the Company forms part of this Annual Report. Auditors have expressed their unmodified opinion on the Standalone Financial Statements and their reports does not contain any qualifications, observations, adverse remarks or disclaimer. 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 2022-23 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, 2023 under the Companies Act, 2013 read with rules made thereunder is annexed herewith as



**Annexure-A.** The Secretarial Audit Report does not contain any qualification, reservation and adverse remark for the period under review.

Pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Company has obtained Annual Secretarial Compliance Report from M/s Chaturvedi & Company (CP No. 13708), Company Secretaries and the said compliance report has been submitted by the Company to Exchange.

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.

### **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 quarterly basis for financial year 2022-23.

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

During the financial year under review, the Company has complied with all applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) pursuant to Section 118 of the Companies Act, 2013.

### **27. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.**

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 complaint 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.

### **28. INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has an adequate Internal Financial 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.

### **29. 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)

### 30. 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.

### 31. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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**.

### 32. 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)

### 33. CORPORATE GOVERNANCE REPORT

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, 2023.

The Company has complied with the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,

2015 regarding Corporate Governance. A report on the Corporate Governance is annexed to the Board's Report as Annexure-E and a Certificate from M/s Chaturvedi & Company, Company Secretaries with regard to compliance with conditions of Corporate Governance forms part of Corporate Governance report.

### **34. MANAGEMENT DISCUSSION & ANALYSIS REPORT**

Management Discussion and Analysis Report for the financial year 2022-23, 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-F".

### **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 2022-23, 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. PREVENTION OF INSIDER TRADING**

The Company has adopted a Code of Conduct for

prevention of Insider Trading with a view to regulate trading in securities by the Directors, KMP's and Designated employees of the Company. The Code requires pre clearances for dealing in the Company's Shares and prohibits the purchase or sale of the shares of Company by the Directors, KMPs and Designated Employees of the Company while in possession of unpublished price sensitive information in relation to the Company and during the period when Trading window is closed.

### **38. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONGWITH 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 ₹ 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 ₹ 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 ₹ 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. The Hon'ble Bench of NCLT, Allahabad vide its order dated 13<sup>th</sup> 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 15<sup>th</sup> June, 2022, Hon'ble National Company Law Appellate Tribunal, Delhi ("NCLAT") vide its order dated

22<sup>th</sup> 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 06<sup>th</sup> 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. As on March 31, 2023, no proceeding is pending under the Insolvency and Bankruptcy Code, 2016.

### 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 2022-23, the Company has not utilized alternate source of energy.

##### (iii) The Capital Investment on energy conservation

**equipments:** During the financial year 2022-23, 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: ₹ 1,01,73,772

### 40. GREEN INITIATIVES

In commitment to keep in line with the Green Initiatives and going beyond it, electronic copy of the Notice of 27<sup>th</sup> AGM of the Company including Annual Report for FY 2022-23 are being sent to all members whose email address are registered with the Company/Depository Participant(s).

#### 41. GENERAL

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

- a) Voluntary revision of Financial Statement or Board Reports
- b) Instance of Fraud which required the Statutory Auditors to report to the Audit Committee and or/Board under Section 143(12) of the Act and rules framed thereunder.
- c) Issue of equity shares with differential rights as to dividend, voting and otherwise.
- d) The Company does not have any Holding Company or Subsidiary Company and therefore, neither the Managing Director nor the Whole Time Directors of the Company have received any remuneration or commission from any subsidiaries.
- e) The Company has not made any one-time settlement of loans taken from the Banks and financial institutions and hence the details of difference between the amount of valuation done at the time of one-time settlement and the valuation done while taking loans from the Banks of FIs along with the reason thereof is not applicable.

#### 42. 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, 2023 and of the profit of the Company for the year ended March 31, 2023;
- (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.

#### 42. 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**

**Sushil Kumar  
(Chairman & Whole-Time Director)  
DIN: 00248707**

**Aggarwal Sahil Aggarwal  
(Managing Director)  
DIN: 02515025**

**Place: Ghaziabad  
Date: August 30, 2023**

# Annexure-A

**Form No. MR-3  
Secretarial Audit Report  
FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2023**

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

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

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, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s Avro India Limited ("The Company") for the period ended on 31<sup>st</sup> March, 2023 according to the provisions of:

- I. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made 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 Report issued by the Statutory Auditor.

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 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.
2. Company has received two Notices under the provision of Legal Metrology Act, 2009 read with Legal Metrology (Packaged Commodities Rules) 2011 as per the following details:
  - i. By Senior Inspector, Legal Metrology (Weight & Measure), Agra under Section 18(1) and 36(1) of the Legal Metrology Act 2009 and Rule 6(1)(a)(b) & Rule 6 (C)(d)(e) & Rule 6(2) of Legal Metrology ( Packaged Commodities Rules) 2011 on 15.09.2022
  - ii. By Senior Inspector, Legal Metrology (Weight & Measure), Khatauli Distt. Muzaffarnagar, Uttar Pradesh under Section 18(1) and 36(1) of the Legal Metrology Act 2009 and Rule 6 of Legal Metrology (Packaged Commodities Rules) 2011 on 04.01.2023



Both above Notice(s) was heard and compounded by concerned Statutory Authority dated 01.10.2022 at Agra and dated 13.06.2023 at Khatauli Distt. Muzaffarnagar, Uttar Pradesh.

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**

**Peer Reviewed Unit: UIN S2018UP599000**

**UDIN: F005961E000896906**

**Place : Noida**

**Date : 30.08.2023**

**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**  
**Peer Reviewed Unit: UIN S2018UP599000**  
**UDIN: F005961E000896906**  
**Place : Noida**  
**Date : 30.08.2023**

**Secretarial Compliance Report of  
M/s AVRO INDIA LIMITED for the financial year ended 31<sup>st</sup> March, 2023  
(Pursuant to Regulation 24A of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015)**

To,  
The Board of Directors  
AVRO India Limited  
A-7/36-39, South of G.T. Road Industrial Area,  
Electrosteel Casting Compound,  
Ghaziabad-201009, U P

Sir  
We have examined:

- (a) all the documents and records made available to us and explanation provided by your Company i.e, **AVRO India Limited** ("the listed entity"),
- (b) all the filings (submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31<sup>st</sup> March, 2023 ("Review Period") in respect of compliance with the provisions of :
  - (i) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued there under; and
  - (ii) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made there under and the Regulations, circulars, guidelines issued there under by the Securities and Exchange Board of India ("SEBI");
- (e) The specific Regulations, whose provisions and the circulars/ guidelines issued there under, have been examined, include:-
  - (i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (ii) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (iii) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (iv) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **NOT APPLICABLE DURING THE PERIOD UNDER REVIEW**

- (v) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **NOT APPLICABLE DURING THE PERIOD UNDER REVIEW**
- (vi) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **NOT APPLICABLE DURING THE PERIOD UNDER REVIEW**
- (vii) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **NOT APPLICABLE DURING THE PERIOD UNDER REVIEW**
- (viii) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (ix) Securities and Exchange Board of India (Depository & Participants') Regulations, 2018;
- (x) (other regulations as applicable) and circulars/ guidelines issued there under;

I/We hereby report that, during the Review Period the compliance status of the listed entity is appended as below:

Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations /Remarks by PCS*
1.	<b>Secretarial Standards:</b> The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.	YES	
2.	<b>Adoption and timely updation of the Policies:</b> <ul style="list-style-type: none"> <li>• All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities</li> <li>• All the policies are in conformity with SEBI Regulations and have been reviewed &amp; updated on time, as per the regulations/circulars/guidelines issued by SEBI</li> </ul>	YES  YES	The Equity share of the Company were migrated from Emerge platform of NSE to main board of NSE and main board platform of BSE w.e.f. April 7, 2022. Accordingly, company complied the compliance under first proviso of Regulation 15(2)(a) of LODR 2015.
3.	<b>Maintenance and disclosures on Website:</b> <ul style="list-style-type: none"> <li>• The Listed entity is maintaining a functional website</li> <li>• Timely dissemination of the documents/ information under a separate section on the website</li> <li>• Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re- directs to the relevant document(s)/ section of the website</li> </ul>	YES	

Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations /Remarks by PCS*
4.	<b>Disqualification of Director:</b> None of the Director(s) of the Company is/ are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.	YES	An CIRP order initiated against the Company vide order of Hon'ble NCLT, Allahabad Bench dated 13.06.2022. CIRP order was stayed vide order of NCLAT dated 22.06.2022 and thereafter, CIRP was terminated by NCLT vide its order dated 06.07.2022.
5.	<b>Details related to Subsidiaries of listed entities have been examined w.r.t.:</b> (a) Identification of material subsidiary companies (b) Disclosure requirement of material as well as other subsidiaries	NA	No subsidiary company was identified during the reporting period under review.
6.	<b>Preservation of Documents:</b> The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	YES	
7.	<b>Performance Evaluation:</b> The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations.	YES	
8.	<b>Related Party Transactions:</b> (a) The listed entity has obtained prior approval of Audit Committee for all related party transactions; or (b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee, in case no prior approval has been obtained.	YES YES	For all RPT prior approval was taken except provided as per 8 (b).  RPT relating to Rent was ratified and recommended by the Audit Committee ("AC") for the subsequent ratification by the Board in the meeting of AC dated 14.04.2022
9.	<b>Disclosure of events or information:</b> The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed there under.	YES	

Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations /Remarks by PCS*
10.	<b>Prohibition of Insider Trading:</b> The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	YES	
11.	<b>Actions taken by SEBI or Stock Exchange(s), if any:</b> No action(s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued there under except as provided under separate paragraph herein (**).	YES	
12.	<b>Additional Non-compliances, if any:</b> No additional non-compliance observed for any SEBI regulation/circular/guidance note etc.	YES	Delay in disclosure of Related Party Transaction under Regulation 23(9) of the SEBI (LODR) Regulation 2015 for the six month ended 31.03.2023.

Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18<sup>th</sup> October, 2019:

Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations / Remarks by PCS*
1.	<b>Compliances with the following conditions while appointing/re-appointing an auditor</b>		
	i. If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or	NA	During the period under review , there is no change in the statutory auditor of the Company.
	ii. If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or	NA	
	iii. If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.	NA	

Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations / Remarks by PCS*
2.	<b>Other conditions relating to resignation of statutory auditor</b>		
	i. Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee:		
	a. In case of any concern with the management of the listed entity/ material subsidiary such as non-availability of information / non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings.	NA	During the period under review , there is no change in the statutory auditor of the Company.
	b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the company, the auditor has informed the Audit Committee the details of information/ explanation sought and not provided by the management, as applicable.	NA	During the period under review , there is no change in the statutory auditor of the Company.
	c. The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor.	NA	
	ii. Disclaimer in case of non-receipt of information: The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.	NA	
3.	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure- A in SEBI Circular CIR/ CFD/CMD1/114/2019 dated 18 <sup>th</sup> October, 2019.	NA	During the period under review , there is no change in the statutory auditor of the Company.

(a) (\*\*) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued there under, except in respect of matters specified below:

Sr. No.	Compliance Requirement (Regulations/ circulars/ guide- lines including specific clause)	Regu- lation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Manage- ment Response	Re- marks
1.	Listing Regulations	Reg. 23(9)	The Company has delayed in filing the Related Party disclosure for the six months ended 31 <sup>st</sup> March, 2023	-	-	Delay in disclosure of related party transaction under Regulation 23(9) of the LODR	-	During the course of Audit, it comes to the notice about delay in filing the Related Party disclosure for the six months ended 31 <sup>st</sup> March, 2023. No Notice received by the Company from NSE & BSE in this regard till the date of signing this report.		

(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Com- pliance Requirement (Regu- lations/ circulars/ guide- lines including specific clause)	Regu- lation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Obser- vations/ Remarks of the Practicing Company Secretary	Man- age- ment Re- sponse	Re- marks
										Advisory/ Clarification/ Fine/Show Cause Notice/ Warning, etc.
NOT APPLICABLE										



**Assumptions and Limitation of Scope and Review:**

1. Compliance of the applicable laws and ensuring the authenticity of the documents and information furnished are the responsibility of the management of listed entity.
2. Our responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the listed entity.
4. This report solely for the intended purpose of compliance in terms of Regulation 24(A)(2) of the SEBI (Listing obligation and Discloser Requirement) Regulation, 2015 and neither an assurance to future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

**Date: 30.05.2023**

**Place: Noida**

**For Chaturvedi & Company  
Company Secretaries**

**Sd/-**

**Lalit Chaturvedi**

**Mem. No. F5961**

**C.O.P. No. 13708**

**UDIN: F005961E000430583**

**Peer Reviewed Unit: UIN S2018UP599000**

# 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 2022-23.

- a) Name(s) of the related party and nature of relationship- Not Applicable
- b) Nature of contracts/arrangements/transactions- Not Applicable
- c) Duration of the contracts/arrangements/transactions-Not Applicable
- d) Salient terms of the contracts or arrangements or transactions including the value, if any- Not Applicable
- e) Justification for entering into such contracts or arrangements or transactions- Not Applicable
- f) Date(s) of approval by the Board- Not Applicable
- g) Amount paid as advances, if any- Not Applicable
- h) 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:

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

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

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

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

Place: Ghaziabad  
Date: August 30, 2023

## 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	6.53
2.	Mr. Sushil Kumar Aggarwal	Whole-Time Director	6.53
3.	Mr. Nikhil Aggarwal*	Whole Time Director	4.70
4.	Mrs. Anita Aggarwal	Non-Executive Director	0.06
5.	Mrs. Vandana Gupta	Independent Director	0.13
6.	Mrs. Iti Goyal**	Independent Director	0.04
7.	Mr. Pawan Dixit	Independent Director	0.11
8.	Mrs. Richa Kalra#	Independent Director	0.05
9.	Mr. Sushil Kumar Goyal###	Independent Director	0.02

Note: 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. Nikhil Aggarwal was appointed as Whole Time Director w.e.f. April 14, 2022.

\*\* Mrs. Iti Goyal ceased to be Director w.e.f. July 31, 2022.

# Mrs. Richa Kalra was appointed as Independent Director w.e.f. April 14, 2022.

### Mr. Sushil Kumar Goyal was appointed as Independent Director w.e.f. August 29, 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.	Mr. Nikhil Aggarwal	Whole Time Director	N.A. (He was appointed as Whole Time Director of the Company w.e.f. April 14, 2022)

S. No.	Name of the Director/CFO/ CS/Manager	Category	% Increase in Remuneration in the financial year
4.	Mrs. Anita Aggarwal	Non-Executive Director	N.A.
5.	Mrs. Vandana Gupta	Independent Director	N.A.
6.	Mrs. Iiti Goyal*	Independent Director	N.A.
7.	Mr. Pawan Dixit	Independent Director	N.A.
8.	Mrs. Richa Kalra	Independent Director	N.A.
9.	Mr. Sushil Kumar Goyal	Independent Director	N.A.
10.	Mr. Ghanshyam Singh	Chief Financial Officer	11.32%
11.	Mr. Sumit Bansal	Company Secretary	0.38%

\*Mrs. Iiti Goyal ceased to be Director w.e.f. 31<sup>st</sup> July, 2022.

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 4.84%\*

\*For calculating the median remuneration of employees for both financial year 2022-23 and 2021-22, 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:** 36 Employees as on March 31, 2023.

**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 4.04%\*. 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 considered as part of remuneration of directors and employees.

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

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

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

Place: Ghaziabad  
Date: August 30, 2023

## Annexure-D

Information as per Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Board's Report for the year ended March 31, 2023.

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 <sup>1</sup>	Age	Last employment held by employee
Sahil Aggarwal	Managing Director	Graduate & More than 13 years	02/12/2009	11,66,667	33	N.A.
Sushil Kumar Aggarwal	Whole Time Director	Graduate & More than 30 years	28/09/2002	11,66,667	62	N.A.
Nikhil Aggarwal*	Whole Time Director	Graduate & 7 Years	21/08/2020	8,61,736	30	Clippard Instrument Laboratory Inc.
Ghanshyam Singh	Chief Financial officer	B.Com & 16 years	18/11/2011	6,25, 899	36	Advance Stilmul Engineering Pvt Ltd.
Shankre Gowda KT**	Area Sales Manager	B.A. & 30 Years	01/08/2022	5,83,332	56	Wim Plast Limited
Sumit Bansal	Company Secretary & Compliance Officer	CS, L.L.B, B.Com(H) & 7 years	15/01/2020	5,04,999	33	Trina NRE Transportation Pvt. Ltd.
Sah Sandeep Arvindbhai <sup>#</sup>	Area Sales Manager	B.Com & 27 Years	01/07/2021	4,19,999	54	Mould Injection Technology Pvt. Ltd.
Vikas Bhatia <sup>##</sup>	Sales Head	MBA-Marketing & 24 Years	07/11/2013	4,09,068	49	Kellogs India Private Limited
Vijay Pratap Singh	Area Sales Manager	M.B.A Marketing & 11 Years	01/01/2018	3,89,765	37	Varmora Plastic Private Limited
Deepak Mishra <sup>###</sup>	Dispatch Incharge	M.B.A. & 13 Years	10/01/2019	3,75,899	35	Nipman Fastener Industries Pvt. Ltd.

<sup>1</sup> The remuneration received mentioned above does not include provision for gratuity.

\* Mr. Nikhil Aggarwal was appointed as a Whole Time Director of the Company w.e.f. 14<sup>th</sup> April, 2022.

\*\* Mr. Shankre Gowda KT was appointed as an Area Sales Manager w.e.f. 01<sup>st</sup> August, 2022.

<sup>#</sup> Mr. Sah Sandeep Arvindbhai resigned from the Company w.e.f. 31<sup>st</sup> December, 2022.

<sup>##</sup> Mr. Vikas Bhatia resigned from the Company w.e.f. 28<sup>th</sup> February, 2023.

<sup>###</sup> Mr. Deepak Mishra resigned from the Company w.e.f. 31<sup>st</sup> March, 2023.

**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, 2023.
- 5) None of the employees mentioned above are relative of any Director of the Company except Mr. Nikhil Aggarwal, Whole Time Director, Mr. Sahil Aggarwal, Managing Director and Mr. Sushil Kumar Aggarwal, Whole Time Director of the Company. Mr. Nikhil Aggarwal, Whole Time Director 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  
(Chairman & Whole-Time Director)  
DIN: 00248707

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

Place: Ghaziabad  
Date: August 30, 2023

# Annexure-E

## REPORT ON CORPORATE GOVERNANCE

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The fundamental principle of Corporate Governance is achieving sustained growth ethically and in the best interest of all stakeholders. It is not a mere compliance of laws, rules and regulations but a commitment to values, best management practices and adherence to the highest ethical principles in all its dealings to achieve the objects of the Company, enhance stakeholder value and discharge its social responsibility.

The Company has a strong legacy of fair, transparent and ethical governance practices and it believes that good Corporate Governance is essential for achieving long-term goals and to enhance stakeholders value. In this pursuit, the Company's philosophy on Corporate Governance is based on the belief that effective Corporate Governance practices constitute a strong foundation on which successful commercial enterprises are built to last. Good Corporate Governance is indispensable to resilient and vibrant capital markets and is, therefore an important instrument of investor protection. As a good corporate citizen, the Company lays great emphasis on a corporate culture of conscience, integrity, fairness, transparency, accountability and responsibility for efficient and ethical conduct of its business. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors including Code of Conduct for Independent Directors which suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013 ('the Act'). The same is available on website of the Company at [www.avrofurniture.com](http://www.avrofurniture.com)

### BOARD OF DIRECTORS

The Board of Directors ('the Board') is responsible for overall governance of the Company. They determine the company's overall strategy and follow up on its implementation, supervise the performance, ensure adequate management and organization. The Board of Directors provides strategic

guidance and independent views to the Company's senior management while discharging its fiduciary responsibilities. The Company has put in place an internal governance structure with defined roles and responsibilities of every constituent within the system.

### Constitution of Board

The Company has a balanced board with optimum combination of Executive and Non-Executive Directors, including Independent Directors, which plays a crucial role in Board processes and provides Independent judgement on issues of strategy and performance. As on 31<sup>st</sup> March, 2023, Board comprises of 8 (Eight) Directors out of which 3(Three) Directors are Executive Directors, one (1) Director is Non-Executive Director and remaining 4(Four) are Non-Executive Independent Directors.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and Section 149(6) of the Companies Act, 2013 ('the Act') as amended from time to time. The maximum tenure of the Independent Directors is in compliance with the Companies Act, 2013. All Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the Listing Regulations as amended from time to time and Section 149 of the Companies Act, 2013. In terms of Regulation 25(8) of the Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonable anticipated that could impair or impact their ability to discharge their duties. The present strength of the Board reflects judicious mix of professionalism, competence and sound knowledge which enables the Board to provide effective leadership to the Company.

As mandated by Regulation 26 of the Listing Regulations, none of the Directors of the Company are members of more than 10(ten) board level committees in public companies nor they are chairperson of more than 5(five) board level committees in which they are directors.



The Composition of the Board is in conformity with the Regulation 17 of the SEBI Listing Regulations.

As at 31<sup>st</sup> March, 2023, the Board comprised of following Directors:

Name of Director	Category Cum Designation	Date of Appointment at Current Term	No. of other Directorships and Committee Memberships/ Chairpersonships held <sup>1</sup>			No. of Shares held as on March 31, 2023	Inter-se Relation between Directors
			Other Directorships	Committee Memberships	Committee Chairpersonships		
Mr. Sushil Kumar Aggarwal	Chairman & Whole Time Director	21/03/2018	1	-	-	2560600	Spouse of Mrs. Anita Aggarwal, Father of Mr. Sahil Aggarwal and Mr. Nikhil Aggarwal
Mr. Sahil Aggarwal	Managing Director	21/03/2018	-	-	-	1395000	Son of Mr. Sushil Kumar Aggarwal & Mrs. Anita Aggarwal and elder Brother of Mr. Nikhil Aggarwal
Mrs. Anita Aggarwal	Non-Executive Director	26/12/2017	1	-	-	2213400	Spouse of Mr. Sushil Kumar Aggarwal and mother of Mr. Sahil Aggarwal and Mr. Nikhil Aggarwal
Mrs. Vandana Gupta	Non-Executive Independent Director	21/03/2018	5	6	1	0	No Relation
Mrs. Iti Goyal*	Non-Executive Independent Director	14/12/2020	2	-	-	0	No Relation
Mr. Pawan Dixit	Non-Executive Independent Director	11/02/2022	-	-	-	0	No Relation

Name of Director	Category Cum Designation	Date of Appointment at Current Term	No. of other Directorships and Committee Memberships/ Chairpersonships held <sup>1</sup>			No. of Shares held as on March 31, 2023	Inter-se Relation between Directors
			Other Directorships	Committee Memberships	Committee Chairpersonships		
Mr. Nikhil Aggarwal**	WholeTime Director	14/04/2022	1	-	-	232500	Son of Mr. Sushil Kumar Aggarwal & Mrs. Anita Aggarwal and younger brother of Mr. Sahil Aggarwal
Mrs. Richa Kalra***	Non-Executive Independent Director	14/04/2022	1	2	2	0	No Relation
Mr. Sushil Kumar Goyal#	Non-Executive Independent Director	29/08/2022	-	-	-	0	No Relation

<sup>1</sup>Excluding LLPs, Section 8 Company & Struck off Companies and Chairpersonship/Committee Membership of Audit Committee and Stakeholders' Relationship Committee of other public limited Companies has been considered.

\*Mrs. Iti Goyal has resigned from the directorship w.e.f. July 31, 2022.

\*\*Mr. Nikhil Aggarwal has been appointed as Whole Time Director w.e.f. April 14, 2022 pursuant to Shareholders approval dated May 10, 2022.

\*\*\*Mrs. Richa Kalra has been appointed as Independent Director w.e.f. April 14, 2022 pursuant to shareholders approval dated May 10, 2022.

# Mr. Sushil Kumar Goyal has been appointed as Independent Director w.e.f. August 29, 2022 w.e.f. August 29, 2022 pursuant to shareholders approval dated September 28, 2022.

None of the Director of the Company is disqualified for being appointed as Director as specified in Section 164(2) of the Companies Act, 2013. A certificate from M/s Chaturvedi & Company, Practicing Company Secretaries as stipulated under Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as an Annexure to this report.

**Names of other Listed Companies wherein the Directors of the Company were Directors as on March 31, 2023**

Name of Directors	Names of other listed companies where he/she is a Director	Category of Directorship
Mr. Sushil Kumar Aggarwal		
Mr. Sahil Aggarwal		
Mr. Sahil Aggarwal		
Mrs. Anita Aggarwal		
Mrs. Vandana Gupta	Confidence Petroleum India Limited	Independent Director
	Skyline India Limited	Independent Director
	Bombay Talkies Limited	Independent Director
	Bharat Ekansh Limited	Independent Director
	Confidence Futuristic Energetech Limited	Independent Director
Iti Goyal*	Jindal Poly Investment and Finance Company Limited	Non-Executive Director
	Consolidated Finvest & Holdings Limited	Non-Executive Director
Mr. Pawan Dixit	-	-
Mr. Nikhil Aggarwal**	-	-
Mrs. Richa Kalra***	DCM Financial Services Limited	Independent Director
Mr. Sushil Kumar Goyal#	-	-

Name of Directors	Names of other listed companies where he/she is a Director	Category of Directorship
Mr. Pawan Dixit (Independent Director)	Avro India Limited	Audit Committee-Member Stakeholders Relationship Committee-Member Nomination and Remuneration Committee-Member
Mrs. Richa Kalra	Avro India Limited DCM Financial Services Limited	- Audit Committee-Chairperson and Member Stakeholders Relationship Committee-Chairperson and Member Nomination and Remuneration Committee-Chairperson and Member
Mr. Sushil Kumar Goyal	Avro India Limited	-

\*Committees include Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee

### Board Meetings

Regular meetings of the Board are held atleast once in a quarter, inter-alia to review the quarterly results of the Company. Additionally, Board Meetings are convened, as and when required, to discuss and decide on various business policies, strategies and other businesses. The Board meetings are generally held at registered office of the Company.

During the year under review, the Board of Directors of the Company met 9 (Nine) times, viz 14<sup>th</sup> April, 2022, 10<sup>th</sup> May, 2022, 07<sup>th</sup> June, 2022, 24<sup>th</sup> June, 2022, 07<sup>th</sup> August, 2022, 29<sup>th</sup> August, 2022, 30<sup>th</sup> September, 2022, 14<sup>th</sup> November, 2022 and 11<sup>th</sup> February, 2023.

The details of attendance of each Director at the Board Meeting and Annual General Meeting are given below:

S. No.	Name of Director	No. of Board Meeting held	No. of Board Meeting eligible to attend	No. of Board Meeting attended	Presence at the previous AGM
1.	Sushil Kumar Aggarwal	9	9	7	Yes
2.	Sahil Aggarwal	9	9	9	Yes
3.	Anita Aggarwal	9	9	8	No
4.	Nikhil Aggarwal*	9	9	8	Yes
5.	Iti Goyal**	4	4	4	N.A.

S. No.	Name of Director	No. of Board Meeting held	No. of Board Meeting eligible to attend	No. of Board Meeting attended	Presence at the previous AGM
6.	Vandana Gupta	9	9	9	Yes
7.	Pawan Dixit	9	9	9	No
8.	Richa Kalra <sup>#</sup>	9	9	8	Yes
9.	Sushil Kumar Goyal <sup>##</sup>	4	4	3	Yes

\* Mr. Nikhil Aggarwal was appointed as a Whole Time Director w.e.f. April 14, 2022.

\*\*Mrs. Iti Goyal resigned from the Directorship of the Company w.e.f. 31<sup>st</sup> July, 2023.

<sup>#</sup> Mrs. Richa Kalra was appointed as Independent Director w.e.f. April 14, 2022.

<sup>##</sup> Mr. Sushil Kumar Goyal was appointed as a Independent Director w.e.f. August 29, 2022.

During the year, the Board of Directors accepted all recommendations of the Committees of the Board, which were statutory

in nature and required to be recommended by the Committee. Hence, the Company is in compliance of condition of clause 10(j) of Schedule V of the SEBI Listing Regulations.

#### Independent Directors

In terms of Section 149 of the Companies Act, 2013 and rules made thereunder and Listing Regulations, the Company has four Non-Promoter Non-Executive Independent Directors. In the opinion of the Board of Directors, all five Independent Directors of the Company meet all the criteria mandated by Section 149 of the Companies Act, 2013 and rules made thereunder and Listing Regulations and they are Independent of Management.

A separate meeting of Independent Directors was held on March 29, 2023 to review the performance of Non-Independent Directors and Board as whole and performance of Chairperson of the Company including assessment of quality, quantity and timeliness of flow of information between the Company management and Board that is necessary for the Board of Directors to effectively and reasonably perform their duties.

The terms and conditions for appointment of Independent

Directors are incorporated on the website of the Company at [https://cdn.shopify.com/s/files/1/0031/8809/7069/files/Terms\\_and\\_Conditions\\_of\\_Appointment\\_of\\_Director.pdf?v=1647946468](https://cdn.shopify.com/s/files/1/0031/8809/7069/files/Terms_and_Conditions_of_Appointment_of_Director.pdf?v=1647946468).

The Company has received a declaration from the Independent Director from the Independent Directors of the Company under Section 149(7) of the Companies Act, 2013 and 16(1)(b) of Listing Regulations confirming that they meet the criteria of Independence as per relevant provisions of the Companies Act, 2013 for financial year 2022-23. The Board of Directors of the Company has taken on record the said declarations and confirmations submitted by the Independent Directors after undertaking due assessment of the veracity of the same. In the opinion of the Board, they fulfil the conditions for re-appointment as Independent Director and are Independent of the Management.

Due to pre-occupation, Mrs. Iti Goyal (DIN: 007983845) has resigned from the Directorship of the Company vide her resignation letter dated 31<sup>st</sup> July, 2022 w.e.f. 31<sup>st</sup> July, 2022. In terms of Regulation 30 read with Para A of Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Iti Goyal confirmed that there were no other material reasons other than pre-occupation.

### Code of Conduct for the Board of Directors and Senior Management personnel

In terms of Regulation 17(5) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has adopted the Code of Conduct for the Board of Directors and Senior Management Personnel of the Company. The Compliance of the said code has been affirmed by them annually. The Code of Conduct also includes the duties of Independent Directors. A copy of the said Code has been put up on the Company's website and the same may be accessed at [https://cdn.shopify.com/s/files/1/0031/8809/7069/files/Code\\_of\\_Conduct\\_for\\_Board\\_of\\_Directors\\_and\\_Senior\\_Management\\_Personnel.pdf?v=1661595040](https://cdn.shopify.com/s/files/1/0031/8809/7069/files/Code_of_Conduct_for_Board_of_Directors_and_Senior_Management_Personnel.pdf?v=1661595040)

A declaration signed by the Managing Director of the Company is attached with this report.

### Familiarization Programmes for Board Members

The Company has formulated a policy to familiarise the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of Industry in which the Company operates, business model of the Company etc. through various programmes. The details of such familiarization programmes are disclosed on the website of the Company and the weblink for the same is [https://cdn.shopify.com/s/files/1/0031/8809/7069/files/Policy\\_on\\_Familiarisation-Programme-for-Independent-Directors\\_f7de923d-a63a-4cc6-aa6e-3a9d088d2ce3.pdf?v=1661594845](https://cdn.shopify.com/s/files/1/0031/8809/7069/files/Policy_on_Familiarisation-Programme-for-Independent-Directors_f7de923d-a63a-4cc6-aa6e-3a9d088d2ce3.pdf?v=1661594845)

### NON-EXECUTIVE DIRECTOR'S COMPENSATION AND DISCLOSURES:

Non-Executive Directors including Independent Directors are paid sitting fees in accordance with the applicable laws. Company is paying sitting fees of ₹ 1,000/- for attending per meeting. During the financial year 2022-23, the Company has paid sitting fees to Non-Executive Directors and Independent Directors for attending Board meetings and Committee meetings.

### Skills/expertise competencies of the Board of Directors:

Skills	Experience	Attributes
Business Environment Knowledge	Ability to drive business success in the relevant markets	Understanding of diverse business environments, economic conditions, cultures and regulatory frameworks
Strategy/Business Leadership	Understanding of organizations, processes, strategic planning and risk management, driving change and long term growth	Ability to think strategically and identify and critically assess strategic opportunities and threats and develop effective strategies in the context of the strategic objectives of the Company.

Skills	Experience	Attributes
Financial Expertise	Experience in management or supervision of finance functions and financial reporting processes.	Ability to analyze key financial statements, critically assess strategic opportunities and threats and develop effective strategies in the context of the strategic objectives of the Company.
Sales and Marketing	Rich experience in sales & marketing and good understanding of commercial processes.	Ability to develop strategies to grow sales & market share
Corporate Governance	Experience in implementing good corporate governance practices	Willingness and commitment to devote the required time to duties & responsibilities of Board Membership; Willingness to represent the best interest of all stakeholders and objectively appraise Board and management performance; Maintaining Board and management accountability; and Protecting shareholders interest, and observing appropriate governance practices.
Practical Wisdom and Good Judgement	Specialized knowledge in a specific area; Ability to critically analyze complex and detailed information, distill key issues; and Develop innovative approaches solutions to problems	Highest personal and professional ethical standards and honesty; Willingness to deal with tough issues; and Maturity and discipline to know and maintain the fine line between governance and managerial oversight.
Risk Management	Risk and Compliance Oversight	Ability to identify key risks to the Company in a wide range of areas including legal and regulatory compliance; and Monitor risk and compliance frameworks and systems.

In the table below, the specific areas of focus or expertise of individual Board members have been highlighted. These skills/competencies are broad-based, encompassing several areas of expertise/experience. Each Director may possess varied combinations of skills/experience within the described set of parameters and it is not necessary that all Directors possess all skills/experience listed therein.

Name of Director	Areas of Skills/Expertise						
	Business Environment	Strategy/ Business Leadership	Financial Expertise	Sales and Marketing	Corporate Governance	Practical Wisdom and Good Judgement	Risk Management
	Leadership	Leadership					
Mr. Sushil Kumar Aggarwal	✓	✓	✓	✓	✓	✓	✓
Mr. Sahil Aggarwal	✓	✓	✓	✓	✓	✓	✓
Mrs. Anita Aggarwal	✓	✓	-	-	✓	✓	✓
Mr. Nikhil Aggarwal	✓	✓	✓	✓	✓	✓	✓
Mr. Pawan Dixit	-	-	✓	-	✓	✓	✓
Mrs. Vandana Gupta	-	-	✓	-	✓	✓	✓
Mrs. Richa Kalra	-	-	✓	-	✓	✓	✓
Mr. Sushil Kumar Goyal	-	-	✓	-	✓	✓	✓

#### PROHIBITION OF INSIDER TRADING:

The Company has devised a Code of Conduct of Insider Trading Regulations which is applicable to all the Designated persons of the Company who are expected to have access to the unpublished price sensitive information relating to the Company and is available on the website of the Company [https://cdn.shopify.com/s/files/1/0031/8809/7069/files/Insider\\_Trading\\_Code\\_5d9098b2-c1f2-4730-9792-b89485183b62.pdf?v=1647946237](https://cdn.shopify.com/s/files/1/0031/8809/7069/files/Insider_Trading_Code_5d9098b2-c1f2-4730-9792-b89485183b62.pdf?v=1647946237)

The said code lays down guidelines which advise them on procedures to be followed and disclosures to be made while dealing in the shares of the Company.

#### COMMITTEES OF THE BOARD

Presently, the Company has three committees i.e. Audit Committee, Nomination and Remuneration Committee, Stakeholder's Relationship Committee. All decisions pertaining to the constitution of the Committees, appointment of members and fixing of terms of reference for committee members are taken by the Board of Directors. Details on the role and composition of these committees,

including number of meetings held during the financial year and the related attendance are provided in detailed hereunder.

There were no instances during the financial year 2022-23, wherein the Board had not accepted recommendations made by any committee of the Board.

#### A. Audit Committee

The Company has formed audit Committee in line with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations for the purpose of assisting the Board in fulfilling its overall responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities.

During the year, the Committee carried out its functions as per the powers and roles given under Regulation 18 read with Part C of Schedule II of the SEBI Listing Regulations, 2015 and the Companies Act, 2013. The



terms of reference of Audit Committee are as under:

### Composition, Meetings & Attendance during the year

During the year under review, Mr. Pawan Dixit, Independent Director was appointed as a member of the Committee by the Board of Directors w.e.f. July 29, 2022 by way of a resolution passed by circulation on July 29, 2022. Iti Goyal ceased to be Independent Director w.e.f. July 31, 2022 and thereby as the member of the committee.

The Committee met 6 (six) times during the year under review. The Committee meetings were held on 14<sup>th</sup> April, 2022, 10<sup>th</sup> May, 2022, 07<sup>th</sup> August, 2022, 29<sup>th</sup> August, 2022, 14<sup>th</sup> November, 2022 and 11<sup>th</sup> February, 2023. The gap between any two meetings has been less than four months. The composition of the Audit Committee of the Board of the Company along with the details of meetings held and attended during the financial year 2022-23 are detailed below:

The details of composition, meetings and attendance at the Audit Committee meetings are given below:

Name of Members	Category	Designation	No. of Meetings during Financial Year 2022-23	
			Held	Attended
Mrs. Vandana Gupta	Independent Director	Chairperson	6	6
Mr. Pawan Dixit*	Independent Director	Member	4	4
Mrs. Iti Goyal**	Independent Director	Member	2	2
Mr. Sahil Aggarwal	Managing Director	Member	6	6

\*Mr. Pawan Dixit was appointed as a member of the Audit Committee w.e.f. July 29, 2022.

\*\*Mrs. Iti Goyal resigned from the Directorship of the Company w.e.f. 31<sup>st</sup> July, 2022 and thereby as a member of the Audit Committee.

The Company Secretary of the Company acts as a Secretary to the Committee. The Constitution of the Audit Committee is in line with the provisions of Section 177 of the Companies Act, 2013, read with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Statutory Auditors of the Company is invited in the meeting of the Committee wherever requires. Chief Financial Officer of the Company is a regular invitee at the meeting.

Mrs. Vandana Gupta, Chairperson of the Committee had attended last Annual General Meeting of the Company held on September 28, 2022.

Recommendations of the Audit Committee have been accepted by the Board of wherever/whenever given.

### Brief Description of Terms of Reference:

#### The terms of reference of the Audit Committee

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company and review and monitor the auditor's independence, performance and effectiveness of audit process;
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
4. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the board for approval with particular reference to:

- a) Matters required to be included in the Annual Report for 2022-23

- responsibility statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
- b) Changes, if any, in accounting policies and practices and reasons for the same;
  - c) Major Accounting entries involving estimates based on the exercise of judgement by management;
  - d) Significant adjustments made in the financial statements arising out of Audit;
  - e) Compliance with listing and other legal requirements relating to financial statements;
  - f) Disclosure of any related party transactions;
  - g) Modified opinion(s) in the draft audit report
5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
  6. Reviewing with the management, the statement of uses/application of funds raised through an issue (public issues, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a [public issue or rights issue or preferential issue or qualified institution placement], and making appropriate recommendations to the Board to take up steps in this matter;
  7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  8. Approval or any subsequent modification of transactions of the Company with related parties;
  9. Scrutiny of Inter-Corporate loans and investments;
  10. Valuation of undertakings or assets of the Company, wherever it is necessary;
  11. Evaluation of Internal Financial Controls and Risk Management Systems;
  12. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  14. Discussion with Internal Auditors of any significant findings and follow up there on;
  15. Reviewing with findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  17. To look into the reasons for substantial defaults in the payment to the depositors, debentureholders, shareholders (in case of non-payment of declared dividends) and creditors;
  18. To Review the functioning of the whistle blower mechanism;
  19. Approval of Appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
  20. Carrying out any other function as is mentioned in

the terms of reference of the audit committee.

21. Reviewing the utilization of loans and/or advances from investment by the holding company in the subsidiary exceeding rupees crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments.
22. Consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.

#### **Review of Information by the Committee:**

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Management letters/letter of Internal Control Weakness issued by the Statutory Auditors;
3. Internal Audit Reports relating to Internal Control Weakness;
4. The Appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee and
5. Statement of Deviations:
  - (a) Quarterly Statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1)
  - (b) Annual Statement of funds utilized for purposes other than those stated in the offer documents/prospectus/notice in terms of Regulation 32(7).
6. Review and monitor the auditor's independence and performance and effectiveness of audit process;

7. Examination of the financial statement and auditor's report thereon;
8. Approval of any subsequent modifications of transactions of the Company with related parties;
9. Scrutiny of Inter-Corporate loans and investment;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of Internal Financial Controls and risk management systems;
12. Monitoring the end use of funds raised through public offers and related matters;
13. Any other matters as prescribed by law from time to time.

#### **Powers of Committee:**

The Committee

1. May call for comments of Auditors about Internal Control system, scope of audit, including observations of auditors and review of financial statement before their submission to board;
2. May discuss any related issues with internal and statutory auditors and management of the Company;
3. To seek information from any employee;
4. To secure attendance of outsiders with relevant expertise, if it considers necessary;
5. Any other power as may be delegated to the committee by way of operation of law.

#### **B. Nomination and Remuneration Committee**

The Company has formed Nomination and Remuneration Committee in line with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of Listing Regulations.

2022 by way of a resolution passed by circulation on July 29, 2022. Mrs. Iti Goyal ceased to be Independent Director w.e.f. July 31, 2022 and thereby as the member of the committee.

**Composition of Committee, Meetings and Attendance Details for FY 23:**

During the year under review, Mr. Pawan Dixit, Independent Director was appointed as a member of the Committee by the Board of Directors w.e.f. July 29,

Nomination and Remuneration Committee meeting is generally held at least once in year. Additional meetings are held for the purpose of recommending appointment/re-appointment of Directors and Key Managerial Personnel and their remuneration. During the year under review, Nomination and Remuneration Committee met 3 (three) times viz, 14<sup>th</sup> April, 2022, 29<sup>th</sup> August, 2022 and 11<sup>th</sup> February, 2023.

The details of composition, meetings and attendance at the Nomination and Remuneration Committee meetings are given below:

Name of Members	Category	Designation in Committee	Number of meetings during financial year 2022-23	
			Held	Attended
Mrs. Vandana Gupta	Independent Director	Chairperson	3	3
Mrs. Iti Goyal*	Independent Director	Member	1	1
Mr. Pawan Dixit**	Independent Director	Member	2	2
Mrs. Anita Aggarwal	Non-Executive Director	Member	3	3

\*Mrs. Iti Goyal resigned from the directorship of the Company w.e.f. 31<sup>st</sup> July, 2022 and thereby ceased to be a member of the Committee.

\*\*Mr. Pawan Dixit was appointed as member of the Audit Committee w.e.f. July 29, 2022.

**TERMS OF REFERENCE:**

The Terms of reference of Nomination and Remuneration committee are briefed hereunder;

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

(1A). For every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The Person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- a. Use the services of an external agencies, if required;
- b. consider candidates from a wide range of backgrounds, having due regard to diversity; and

- c. consider the time commitments of the candidates.
- 2. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- 3. Devising a policy on diversity of board of directors;
- 4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
- 5. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of

performance evaluation of independent directors.

- 6. Recommend to the board, all remuneration, in whatever form, payable to senior management.

### Board and Director Evaluation and criteria for evaluation

In terms of the requirement of the Act and Listing Regulations, an annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance with the aim to improve the effectiveness of the Board and the Committees. During the year under review, the Board has carried out an annual evaluation of its own performance, performance of the Directors, as well as evaluation of working of the committees.

The NRC has defined the evaluation criteria, procedure and time schedule for the Performance evaluation process for the Board, its Committees and Directors. The criteria for evaluation of Board, Individual Directors and Committees include, inter alia the following:

Board Evaluation	Evaluation of Individual Directors	Committee Evaluation-
<ul style="list-style-type: none"> <li>• Board Structure- Qualifications Experience and competencies</li> </ul>	<ul style="list-style-type: none"> <li>• Professional Qualifications and experience</li> </ul>	<ul style="list-style-type: none"> <li>• Adequacy of Committee Composition</li> </ul>
<ul style="list-style-type: none"> <li>• Meetings-regularity, frequency Agenda, discussion and recording of minutes Compliances, evaluation of risks Stakeholder value and Responsibility, conflict of Interest</li> </ul>	<ul style="list-style-type: none"> <li>• Knowledge, skills and Competencies</li> </ul>	<ul style="list-style-type: none"> <li>• Effectiveness of the Committee</li> </ul>
<ul style="list-style-type: none"> <li>• Functions-strategy, governance</li> </ul>	<ul style="list-style-type: none"> <li>• Fulfillment of functions, ability to function as a team</li> </ul>	<ul style="list-style-type: none"> <li>• Committee</li> </ul>
<ul style="list-style-type: none"> <li>• Board and Management Relations</li> </ul>	<ul style="list-style-type: none"> <li>• Attendance</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings-regularity, frequency, Agenda, discussion and dissent, Recording of minutes</li> </ul>
<ul style="list-style-type: none"> <li>• Succession Planning to the decisions of the Board</li> </ul>	<ul style="list-style-type: none"> <li>• Commitment, contribution, Integrity and Independence</li> </ul>	<ul style="list-style-type: none"> <li>• Independence of the Committee from the Board and contribution</li> </ul>

Board Evaluation	Evaluation of Individual Directors	Committee Evaluation
<ul style="list-style-type: none"> <li>Independence of management from the Board, access of Board and management to each other of his role, including effectiveness of leadership and ability to steer meetings, impartiality and ability</li> </ul>	<ul style="list-style-type: none"> <li>In Addition to the above, the Chairman of the board meetings is also evaluated on key aspects to keep shareholders interest in mind</li> </ul>	

### Remuneration of Directors:

The criteria for making payment to Non-Executive Directors are provided under the Nomination and Remuneration policy of the Company which is hosted on the website of the Company viz; [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)

During the year under review, the Company has paid remuneration to executive directors of the Company, the details of which are as under;

S. No.	Name of Directors	Designation	Component of payment	Remuneration Paid (₹ In Lakh)	Tenure
1.	Sushil Kumar Aggarwal	Chairman & Whole Time Director	Fixed Salary	₹ 11.67 For FY 2022-23	5 Years (Re-appointed as Chairman & WholeTime Director w.e.f. March 21, 2023 by members in their EGM held on March 17, 2023)
2.	Sahil Aggarwal	Managing Director	Fixed Salary	₹ 11.67 For F.Y. 2022-23	5 Years (Re-appointed as Managing Director w.e.f. March 21, 2023 by members in their EGM held on March 17, 2023)
3.	Nikhil Aggarwal	Whole Time Director	Fixed Salary	₹ 8.39	5 Years (Appointed as WholeTime Director w.e.f. April 14, 2022)

The remuneration paid to the Directors is decided by the Nomination and Remuneration Committee based on the performance of the Company in accordance with the Nomination and Remuneration policy within the limit approved by the Board or Members. The Directors are not paid any performance linked incentive.

Apart from sitting fees, Non-Executive Directors do not

receive any other consideration. Further, the Non-Executive Directors and Independent Directors are paid sitting fees within the limits as stipulated under Section 197 of the Companies Act, 2013 for attending Board/Committee meetings. Sitting fees to Directors did not require the approval of shareholders and Central Government. Details of Sitting fees paid to the Non-Executive Directors and Independent Directors are given below:

S. No.	Name of Directors	Sitting Fees paid during FY 2022-23
1.	Anita Aggarwal	11,000
1.	Mrs. Vandana Gupta	23,000
2.	Mr. Pawan Dixit	19,000
3.	Mrs. Iti Goyal*	8,000
4.	Mrs. Richa Kalra**	9,000
5.	Mr. Sushil Kumar Goyal***	4,000

\*Mrs. Iti Goyal resigned from the Directorship of the Company w.e.f. 31<sup>st</sup> July, 2022.

\*\* Mrs. Richa Kalra was appointed as Independent Director w.e.f. 14<sup>th</sup> April, 2022.

\*\*\* Mr. Sushil Kumar Goyal was appointed as Independent Director w.e.f. 29<sup>th</sup> August, 2022.

The Company does not enter into service contracts with the Directors as they are appointed/re-appointed with the approval of shareholders for the period permissible under the applicable provisions of the Act and/or Listing Regulations. Independent Directors have been issued an appointment letter which prescribes terms and conditions of appointment. The Company does not pay any severance fees or any other payment to the Directors. The Notice period of the Directors is governed by the applicable policies.

None of the Non-Executive Directors had any pecuniary relationship or transactions vis-à-vis the Company, other than the payment of remuneration as explained above.

#### Shares held by the Non-Executive Directors

The Committee met Four (4) times during the year under review. The Committee meetings were held on 10<sup>th</sup> May, 2022, 07<sup>th</sup> August, 2022, 14<sup>th</sup> November, 2022 and 11<sup>th</sup> February, 2023. The gap between any two meetings has been less than four months.

#### Composition and Attendance of Stakeholders Relationship Committee

During the year under review, Mr. Pawan Dixit, Independent Director was appointed as a member of the Committee by the Board of Directors w.e.f. July 29, 2022 by way of a resolution passed by circulation on July 29, 2022. Mrs. Iti Goyal ceased to be Independent Director w.e.f. July 31, 2022 and thereby as the member of the committee.

The details of composition, meetings and attendance of the Stakeholders Relationship Committee meetings are given below:

The details of the shares held by the Non-Executive Directors as on March 31, 2023 are given below:

S. No.	Name	No. of Equity Shares	Percentage to total Paid-up Capital
1.	Mrs. Anita Aggarwal	22,13,400	21.94
2.	Mrs. Vandana Gupta	Nil	Nil
3.	Mr. Pawan Dixit	Nil	Nil
4.	Mrs. Richa Kalra	Nil	Nil
5.	Mr. Sushil Kumar Goyal	Nil	Nil

The Company has not granted any stock options to its Directors.

#### C. Stakeholder's Relationship Committee

The Board has Stakeholders Relationship Committee, pursuant to the requirements of Section 178 of the Act read with rules notified thereunder and Regulation 20 of the Listing Regulations, to look into various aspects of interest of shareholders.

The Committee specifically looks into redressing shareholders'/investors' complaints/grievances pertaining to transfer of shares/transmission, non-receipt of annual reports and other related issues etc. in order to provide timely and efficient service to the stakeholders.

#### Meetings during the Year

S. No.	Name of the Directors	Designation	Category	No. of meetings attended	
				Held	Attended
1.	Mrs. Vandana Gupta	Chairperson	Independent Director	4	4
2.	Mrs. Iti Goyal*	Member	Independent Director	1	1
3.	Mr. Pawan Dixit **	Member	Independent Director	3	3
4.	Mr. Sahil Aggarwal	Member	Independent Director	4	4

\*Mrs. Iti Goyal resigned from the directorship of the Company w.e.f. 31<sup>st</sup> July, 2022 and thereby ceased to be a member of the Committee.

\*\*Mr. Pawan Dixit was appointed as member of the Audit Committee w.e.f. July 29, 2022.

#### Terms of Reference

1. Review the mechanism adopted for redressing the grievance of shareholders, debenture holders and deposit holders and other security holders, if any and the status of such redressal.
2. Review of the activities of the Secretarial Department of the Company inter alia adherence to Service Standards and Standard Operating Procedures relating to the various services rendered by the Investor Services Department, various initiatives taken to inter alia reduce quantum of unclaimed dividends, status of claims received and processed for unclaimed shares, uploading of data relating to unclaimed deposits/dividends on the website of Investor Education & Protection Fund and the Corporation.
3. Review the status of compliances with laws applicable to Secretarial Department and its risk profile;
4. Review the Action Taken Report in respect of recommendations made by the Committee/Management;
5. Review the status of litigation(s) filed by/against the security holders of the Company.
6. Review the mechanism adopted to review, monitor and report transactions relating to securities which may be suspicious from a money laundering perspective, in accordance with the KYC & AML policy relating to securities of the Corporation; and
7. The Committee shall perform such other functions as may be required under the relevant provisions of the Companies Act, 2013, the Rules made there under and Listing Regulations
8. To oversee the performance of the Registrar and Transfer Agents and recommend the measures for overall improvement in the quality of investors services.

Details of grievances received and attended to by the Company during the financial year 2022-23 are given in the Table below:

Complaints pending as on April 01, 2022	Complaints received during the year	Complaints resolved during the year	Complaints pending as on March 31, 2023
Nil	3	3	Nil



## GENERAL BODY MEETINGS

### ANNUAL GENERAL MEETINGS

The following Table gives the details of last three Annual General Meetings of the Company and Special Resolution(s) passed therein:

Meeting	Date	Time	Venue	No. of Special Resolutions passed
24 <sup>th</sup> AGM	September 21, 2020	10:00 AM	Registered office of the Company at A-7/36-39, South of GT Road Industrial Area, Electrosteel Casting Compound, Ghaziabad, Uttar Pradesh-201009	One (To Approve the Material Related Party Transactions with Bonita Furniture Private Limited)
25 <sup>th</sup> AGM	September 20, 2021	12:00 PM	Registered office of the Company at A-7/36-39, South of GT Road Industrial Area, Electrosteel Casting Compound, Ghaziabad, Uttar Pradesh-201009	One (To Amend Incidental or Ancillary Object Clause of the Memorandum of Association)
26 <sup>th</sup> AGM	September 28, 2022	11:00 AM	Through Video Conference/Other Audio-Visual Means Deemed Venue of the Meeting: Registered office of the Company at A-7/36-39, South of GT Road Industrial Area, Electrosteel Casting Compound, Ghaziabad-201009, Uttar Pradesh	One (To Appoint Mr. Sushil Kumar Goyal (DIN: 09719226) as an Independent Director of the Company)

#### Whether any Special Resolution passed last year through Postal Ballot

During the year, no special resolution was passed through Postal Ballot.

#### Whether any Special Resolution is proposed to be conducted through Postal ballot

No Resolution is proposed to be passed by way of Postal Ballot at the ensuing Annual General Meeting

#### Procedure for Postal Ballot

Prescribed procedure for postal Ballot, as per the provisions of the Companies Act, 2013 read with rules made there under as amended from time to time, shall be complied with whenever necessary

## MEANS OF COMMUNICATION WITH SHAREHOLDERS

### QUARTERLY RESULTS

In Accordance with the Listing Regulations, the Quarterly/ Half-yearly/Annual financial results/statements are forthwith communicated to the BSE and NSE, where the shares of the Company are listed, as soon as they are approved and taken on record by the Board of Directors. Financial results are published in leading newspapers such as Financial Express in English and Jansatta in Hindi. The Financial results are also published on the website of the Company's website <https://www.avrofurniture.com/> The following table gives details of the publications of the financial results during the year under review:

Quarterly/Half Year/ Annual	Date of Board Meeting to approve the result	Date of Publication	English Newspaper	Hindi Newspaper
Q1 FY 23	August 07, 2022	August 09, 2022	Financial Express	Jansatta
Q2 FY 23	November 14, 2022	November 15, 2022	Financial Express	Jansatta
Q3 FY 23	February 11, 2023	February 12, 2023	Financial Express	Jansatta
Q4 & Annual FY 23	May 23, 2023	May 24, 2023	Financial Express	Jansatta

### PRESS/NEWS RELEASES, PRESENTATIONS

Official press releases Investor Presentations are sent to Stock exchanges and are displayed on the website of the Company at [www.avrofurniture.com](http://www.avrofurniture.com)

### PRESENTATIONS TO INSTITUTIONAL INVESTORS/ ANALYSTS

Your Company hosts a conference call post declaration of quarterly/half yearly/annual results of the Company to discuss the financial performance of the Company. This is followed by the question and answer session by the analysts/investors logged into the conference call.

Presentations made, if any to the Institutional Investors/Analysts are intimated to the Stock Exchanges and are hosted on the website of the Company, along with Audio/Video recordings and transcripts of the Investor/Analyst Calls/Meets hosted by the Company.

Details of any scheduled Analysts meet/Conference Call are intimated to the stock exchanges in advance followed by intimation regarding Audio/Video Recordings and/or Transcripts after the meet/call as the case may be.

### GENERAL SHAREHOLDER INFORMATION

#### ANNUAL GENERAL MEETING

Date: September 30, 2023

Time: 11:00 a.m.

Venue: Through Video Conference and Other Audio-Visual

Means (OAVM). The venue of the meeting shall be deemed to be at the registered office of the Company at A-7/36-39, South of G.T Road Industrial Area, Electrosteel Casting Compound, Ghaziabad-201009, Uttar Pradesh

### DIVIDEND PAYMENT DATE

The Company has not declared any dividend.

### LISTING

At present, the equity shares of the Company are listed on following Stock Exchanges:

Name of Stock Exchange	Address	Symbol/ Scrip Code
National Stock Exchange of India Ltd (NSE)	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai, Maharashtra-400051	AVROIND
BSE Limited	Phirozee Jeejeebhoy Towers, Dalal Street, Mumbai-400001	543512

The annual listing fees for the FY 2023-24 has been paid to NSE Ltd & BSE Ltd.

## TENTATIVE FINANCIAL CALENDAR

Tentative calendar for declaration of results for the financial year 2023-24:

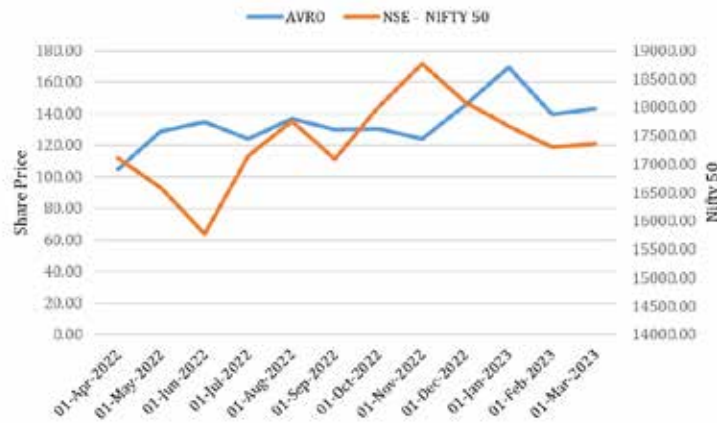
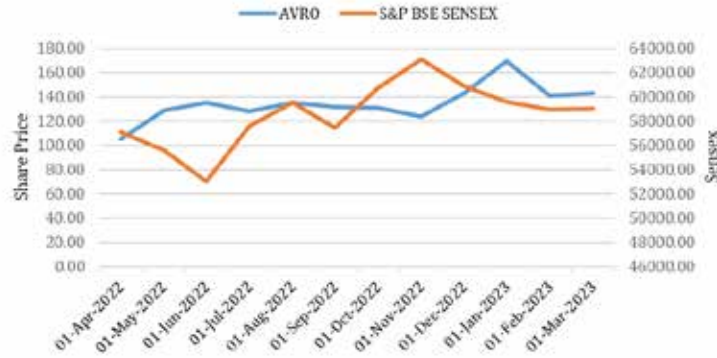
First Quarter Results	On or before August 14, 2023
Second Quarter Results	On or before November 14, 2023
Third Quarter Results	On or before February 14, 2024
Fourth Quarter Results	On or before May 30, 2024

## MARKET PRICE

The monthly high and low prices and volumes of shares of the Company at BSE Limited and the National Stock Exchange of India Limited (NSE) for the year ended 31<sup>st</sup> March, 2023 are under:

Period	BSE			NSE		
	High (₹)	Low (₹)	Volume (No. of Shares)	High (₹)	Low (₹)	Volume (No. of Shares)
April, 2022	104.80	74.65	67654	104.75	64.65	249738
May, 2022	128.95	90	123668	129	87.95	388566
June, 2022	135	108.30	38736	134.50	113	349499
July, 2022	127.70	113.05	271024	123.90	112.50	680672
August, 2022	135.25	116.20	408990	136.95	111.55	843772
September, 2022	131.40	108.90	446090	129.80	108.90	977555
October, 2022	131	117.55	193174	130.25	116.55	959978
November, 2022	123.60	102.50	190724	124.35	95.55	856656
December, 2022	143	96.95	220738	145.60	104.95	1591029
January, 2023	169.75	129.30	173801	169.45	132	1912509
February, 2023	140.50	104.90	76913	139.40	102	468203
March, 2023	142.85	112.95	90220	143.50	111.50	652630

**PERFORMANCE IN COMPARISON TO BROAD-BASED INDICES SUCH AS BSE SENSEX**



**SUSPENSION OF SECURITIES**

The Securities of the Company are not suspended from trading.

**REGISTRAR TO AN ISSUE AND SHARE TRANSFER AGENT:**

The Company has appointed M/s Mas Services Limited as its Registrar and Share Transfer Agent, to whom all shareholders communications regarding change of address, transfer of shares, change of mandate etc. should be addressed.

**Address of the Registrar to an Issue and Share Transfer Agent:**

MAS SERVICES LIMITED  
 T-34, 02<sup>nd</sup> Floor, Okhla Industrial Area,  
 Phase-2, New Delhi-110020  
 Tel No.: 011 26387281-83 Fax No.: 011 26387384  
 Email Id: info@masserv.com  
 Website: www.masserv.com

## SHARE TRANSFER SYSTEM

The Shares of the Company are compulsorily traded in dematerialized form. SEBI has prohibited physical transfer of shares w.e.f. April 01, 2019. Hence any transfer of shares of the Company can be done only in dematerialized form from April 01, 2019.

## DISTRIBUTION OF SHAREHOLDING

The following Table list the distribution of the shareholding of the equity shares of the Company on March 31, 2023.

Shareholding of nominal value of ₹	No. of Shareholders	% of Total Shareholders	Total Shares	% of Shares
Upto 5000	4257	93.684	232610	2.306
5001 to 10000	88	1.937	69016	0.684
10001 to 20000	59	1.298	89859	0.891
20001 to 30000	16	0.352	42296	0.419
30001 to 40000	18	0.396	63483	0.629
40001 to 50000	14	0.308	63855	0.633
50001 to 100000	23	0.506	163819	1.624
100001 and Above	69	1.518	9362462	92.813
Total	4544	100.00	10087400	100.00

## SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> MARCH, 2023

Category	As at March 31, 2023			As at March 31, 2022		
	No. of Shareholders	No. of Shares	% of Shareholding	No. of Shareholders	No. of Shares	% of Shareholding
A. PROMOTERS HOLDING						
Promoters	7	7099000	70.37	7	7099000	70.37
B. NON-PROMOTERS HOLDING						
Non-Institutions	4480	2762207	27.39	72	2907800	28.83
Individuals						
Non-Resident Indian	31	23339	0.23	-	-	-
Bodies Corporate	18	155084	1.54	2	80600	0.80
Others	8	47770	0.47	-	-	-
Total	4544	10087400	100.00	81	10087400	100.00

## DEMATERIALIZATION OF SHARES AND LIQUIDITY

As on March 31, 2023, 100% of equity shares of the Company are in dematerialised form and are available for trading with National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL'). The shareholders can hold the Company's shares with any of the depository participants.

## ISIN CODE OF THE COMPANY

AVRO INDIA LIMITED- INE652Z010117

## OUTSTANDING GDRS/ADRS/WARRANT

The Company has not issued GDRs/ADRs/Warrants as of March 31, 2023.

## COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

The Company does not deal in commodities and hence disclosure pursuant to SEBI circular dated November 15, 2018 is not required to be given. Therefore, there is no price risk or Foreign Exchange Risk and Hedging Activities.

## PLANT LOCATIONS

The plant of the Company is located at A-7/36-39, South of GT Road Industrial Area, Electrosteel Casting Compound, Ghaziabad, Uttar Pradesh-201009

The recycling plant as taken on rent is located at Khasra, C 293, Village Deenanathpur, puthi Tehsil, Ghaziabad, Uttar Pradesh-201015.

## ADDRESS FOR CORRESPONDENCE:

The Registered office of the Company is A-7/36-39, South of GT Road Industrial Area, Electrosteel Casting Compounding, Ghaziabad, Uttar Pradesh-201009

## CREDIT RATING:

No Credit Rating has been obtained by the Company.

## DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT

No outstanding shares were lying in the demat suspense account/unclaimed suspense account and therefore, disclosure relating to same is not applicable.

## OTHER DISCLOSURES

## DISCLOSURES ON RELATED PARTY TRANSACTIONS:

In compliance with the requirements of the Listing Regulations, the Board of Directors has adopted a policy on materiality of Related Party Transactions and also on dealing with all Related Party Transactions to ensure the proper arrival and reporting of such transactions. Transactions are appropriate only, if they are in the best interest of the Company and its shareholders.

A copy of the said policy on dealing with Related Party Transactions is available on the website of the Company at [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)

All Related Party Transactions are approved by the Audit Committee. The Audit Committee has laid down the criteria for granting omnibus approval which also forms the part of the policy. Related Party Transactions of repetitive nature are approved by Audit Committee on omnibus basis for one financial year at a time. The Audit Committee satisfies itself regarding the need for omnibus approval and that such approval is in the interest of the Company and ensures compliance with the requirements of the Listing Regulations and the Act. All transactions pursuant to omnibus approval are reviewed by the Audit Committee and by the Board on a quarterly basis.

During the financial year under review, there were no materially significant related party transactions that may have potential conflict with the interests of Company at large. Details of all related party transactions i.e. transactions of the Company with its promoters, the Directors or the Management, their subsidiaries or relatives etc. are present under Note no.38(b) to the Standalone Financial Statements of the Annual Report.

#### **DETAILS OF NON-COMPLIANCE BY THE COMPANY**

The fine of ₹ 41,300 (including GST) each was imposed by BSE Ltd and National Stock Exchange of India Ltd respectively on the Company for late submission of disclosure of related party transactions of the half year ended 31<sup>st</sup> March, 2023. No penalty has been imposed on the Company on any matter related to capital markets during the last three years.

#### **WHISTLE BLOWER POLICY**

The Company has formulated an effective whistle blower policy and has established the necessary vigil mechanism as defined under Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that lays down the process for raising concerns about unethical behaviour, actual or suspended fraud or violation of the Company's Code of Conduct. During the financial year 2022-23, no person has been denied access to the Chairperson of the Audit Committee. The said policy is available on the company's website at <https://cdn.shopify.com/s/files/1/0031/8809/7069/files/Whistle-Blower-Policy.pdf?v=1583300200>

#### **DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENTS AND ADOPTION OF THE NON-MANDATORY REQUIREMENTS**

The Company has complied with all mandatory requirements of SEBI Listing Regulations. In addition to this, the Company has adopted non-mandatory requirements of Listing Regulations such as directly reporting of Internal Auditor to the Audit Committee.

#### **COMMODITY PRICE RISK AND COMMODITY HEDGING ACTIVITIES**

The Company does not deal in commodities and hence disclosure pursuant to SEBI circular dated November 15, 2018 is not required to be given. Therefore, there is no Commodity price risk and Hedging Activities.

#### **SUBSIDIARY COMPANIES**

The Board of Directors of the Company, to determine the material subsidiaries of the Company and to provide a governance framework for such subsidiaries has adopted a policy with regard to determination of material subsidiaries in accordance with the Regulation 16 of the Listing Regulations.

In terms of the requirement of said policy, a subsidiary shall be considered as material subsidiary, if its income or net worth exceeds 10 % of the consolidated income or net worth respectively of the Company and its subsidiaries in the immediately preceding financial year.

There was no subsidiary that could be classified as a material subsidiary for the Company, during the year under review.

A Copy of the said policy on Material Subsidiaries is available on the website of the Company at [https://cdn.shopify.com/s/files/1/0031/8809/7069/files/Policy\\_for\\_Determination\\_of\\_Materiality\\_of\\_Events\\_or\\_Information\\_d2cc07ea-9c11-47d0-8d9e-eb55ce7aedb.pdf?v=1664516509](https://cdn.shopify.com/s/files/1/0031/8809/7069/files/Policy_for_Determination_of_Materiality_of_Events_or_Information_d2cc07ea-9c11-47d0-8d9e-eb55ce7aedb.pdf?v=1664516509)

#### **DETAILS OF UTILIZATION OF FUND RAISED THROUGH PREFERENTIAL ALLOTTMENT OR QUALIFIED INSTITUTIONS PLACEMENT AS SPECIFIED UNDER REGULATION 32(7A)**

During the financial year 2022-23, the Company has not raised funds through Preferential allotment or Qualified Institution placement as specified under Regulation 32(7A).

## CERTIFICATE FOR NON-DISQUALIFICATION OF DIRECTORS:

A certificate from M/s Chaturvedi and Co, Practicing Company Secretaries, has been issued confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as a Director by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such other authority. The Certificate is appended as an Annexure to this report.

## DETAILS OF TOTAL FEES PAID TO STATUTORY AUDITORS DURING FY 2022-23

Particulars	Amount
Statutory Audit	2,00,000
Limited Review	1,20,000
Tax Audit	80,000
Total	4,00,000

## SEXUAL HARASSMENT POLICY

The Company has zero tolerance for sexual harassment at workplace and has a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment or Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules framed thereunder.

During the year, the Company has not received any complaint on sexual harassment and no complaint is pending as on end of the financial year 2022-23.

## LOANS & ADVANCES

During the year under review, the Company has not given loan to any Company, Firm in which directors are interested

## MANAGEMENT DISCUSSION & ANALYSIS REPORT:

The Management Discussion and Analysis Report as required under Schedule V read with Regulation 34(2)(e) of

the Listing Regulations is given separately and forms part of this Annual Report.

## DISCLOSURE OF ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENTS

The Financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, [as amended from time to time] and other relevant provisions of the Act. All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III (Division II) to the Act.

## COST AUDITORS

The provisions of Section 148 the Companies Act, 2013 related to appointment of Cost Auditor is not applicable to the Company. The Company has maintained Cost Records as specified by the Central Government under sub-section (1) of Section 148 of the Act.

## CODE FOR PREVENTION OF INSIDER TRADING PRACTICES

In compliance with the SBEI regulations on prevention of Insider Trading, the Company has instituted a comprehensive Code of Conduct to regulate, monitor and report trading by Insiders for prevention of Insider Trading by Insiders for prevention of Insider Trading for its management and staff to prevent Insider Trading. Further, it also seeks to ensure timely and adequate disclosure of price sensitive information to the investor community by the Company to enable them to take informed investment decisions with regard to the Company's securities. The Insider Trading Code is available on the company's website at [https://cdn.shopify.com/s/files/1/0031/8809/7069/files/Insider\\_Trading\\_Code\\_5d9098b2-c1f2-4730-9792-b89485183b62.pdf?v=1647946237](https://cdn.shopify.com/s/files/1/0031/8809/7069/files/Insider_Trading_Code_5d9098b2-c1f2-4730-9792-b89485183b62.pdf?v=1647946237)

The Company has in place a Structured Digital Database (SDD) in compliance with the provisions of PIT Regulations, to ensure that the unpublished price sensitive information



('UPSI') disseminated has been captured in the system along with date, time and nature of UPSI and control exists as to who can access the SDD and an audit trail is also maintained in compliance with the requirements of law.

### **CEO/CFO CERTIFICATION**

In compliance with Regulation 17(8) of the Listing Regulations, the Managing Director and Chief Financial Officer of the Company have certified to the Board regarding the Financial Statements for the year ended March 31, 2023 which is annexed to this report.

### **CERTIFICATE ON CORPORATE GOVERNANCE**

The Company has obtained a certificate from Secretarial Auditors regarding compliance with the provisions relating to Corporate Governance laid down in Listing Regulations. The Certificate is enclosed as Annexure along with Corporate Governance Report.

### **CODE OF CONDUCT**

The Board has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The code is displayed in the website of the Company [https://cdn.shopify.com/s/files/1/0031/8809/7069/files/Code\\_of\\_Conduct\\_for\\_Board\\_of\\_Directors\\_and\\_Senior\\_Management\\_Personnel.pdf?v=1661595040](https://cdn.shopify.com/s/files/1/0031/8809/7069/files/Code_of_Conduct_for_Board_of_Directors_and_Senior_Management_Personnel.pdf?v=1661595040)

All Board members and Senior Management personnel have affirmed compliance with Code of Conduct. A declaration signed by the Managing Director is enclosed to this report.

### **SUCCESSION PLAN**

The Board of Directors have satisfied itself that plans are in place for orderly succession for appointment to the Board of Directors and Senior Management.

## **SHAREHOLDERS**

### **RE-APPOINTMENT/APPOINTMENT OF DIRECTORS**

The Companies Act, 2013 provides for appointment of Independent Directors for a term of up to five consecutive years on the Board of Company but shall be eligible for re-appointment on passing a special resolution by the shareholders of the company. Further, it provides that no Independent Director shall be eligible for appointment for more than two consecutive terms up to five years each, but shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. As per Reg. 25(2A) of Listing Regulations, the appointment, reappointment or removal of an Independent Director of a Company shall be subject to the approval of shareholders by way of special resolution.

The appointment of Mr. Pawan Dixit who was appointed as Additional (Independent) Director by the Board of Directors in Board meeting held on April 14, 2022 was confirmed by the shareholders as Independent Director in the extraordinary general meeting held on May 10, 2022. During the financial year 2022-23, the Board of Directors in their meeting held on April 14, 2022 appointed Mrs. Richa Kalra (DIN: 07632571) as an Additional Director in the category of Independent Director w.e.f. April 14, 2022 and Mr. Nikhil Aggarwal (DIN: 03599964) as an Additional Director in the category of Whole Time Director w.e.f. April 14, 2022. The appointments of Mrs. Richa Kalra as an Independent Director for a period of five years w.e.f. April 14, 2022 and Nikhil Aggarwal as a Whole Time Director for a period of five years w.e.f. April 14, 2022 were confirmed by shareholders in the extraordinary general meeting held on May 10, 2022. The Board of Directors in their meeting held on August 29, 2022 appointed Mr. Sushil Kumar Goyal (DIN: 09719226) as an Additional Director in the category of Independent Director for a period of five years w.e.f. August 29, 2022, whose appointment was confirmed by the shareholders as an Independent Director in the Annual General Meeting held on September 28, 2022.

Further, Mrs. Iti Goyal (DIN: 07983845) resigned from the directorship of the Company w.e.f. July 31, 2022 vide her resignation letter dated July 31, 2022.

The tenure of five years of appointment of Mr. Sushil Kumar Aggarwal (DIN: 00248707) as Chairman & Whole Time Director, Mr. Sahil Aggarwal (DIN: 02515025) as a Managing Director and Mrs. Vandana Gupta (DIN: 00013488) completed on March 20, 2023. The Board of Directors based on the recommendations of Nomination and Remuneration Committee approved their reappointments w.e.f. March 21, 2023 for a period of five years which was approved by the shareholders of the Company in Extraordinary General Meeting held on March 17, 2023.

In accordance with the provisions of the Act, not less than 2/3<sup>rd</sup> (Two-Third) of the total number of Directors (other than Independent Directors) shall be liable to retire by rotation at every Annual General Meeting. Accordingly, pursuant to Act read with Article 96 of the Articles of Association of the company, Mr. Sushil Kumar Aggarwal (DIN: 00248707) is liable to retire by rotation and being eligible, offers himself for re-appointment at the forthcoming Annual General Meeting.

The detailed profile of Mr. Sushil Kumar Aggarwal is provided in the notice convening the Annual General Meeting.

## WEBSITE

Company's Website-www.avrofurniture.com contains a separate section 'Investor Desk where shareholder information is available. The quarterly, half yearly and annual financial results, official news releases and Investor presentation are promptly displayed on the website. Annual reports, Quarterly Corporate Governance report, Shareholding pattern and other Corporate Communications made to Stock exchanges are also available on the website.

## ANNUAL REPORT

The Annual Report of the Company, containing Audited Financial statements, Management Discussion and Analysis Report, Director's Report along with its all annexures, Auditors' Report is circulated to the members and others entitled to and is available on the website of the Company. Annual report is also uploaded on the website of the

Company and hard copy of the same is also available to the shareholders of the Company on demand for the same.

## SECRETARIAL COMPLIANCE REPORT

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated 08<sup>th</sup> February, 2019 read with Regulation 24(A) of the Listing Regulations, directed listed entities to conduct Annual Secretarial Compliance audit from a Practicing Company Secretary. The said Secretarial Compliance report is in addition to the Secretarial Audit Report by Practicing Company Secretaries under Form MR-3 and is required to be submitted to Stock Exchanges within 60 days of the end of the financial year.

Accordingly, the Company has engaged the services of M/s Chaturvedi & Company, Practicing Company Secretary for providing his certification. The said compliance report has been submitted by the Company to Exchange.

## CONFIRMATION OF COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATIONS 17 TO 27 AND CLAUSES (b) to (i) of SUB-REGULATION (2) OF REGULATION 46

Particulars	Regulation Number	Compliance Status
Independent Director(s) have been appointed in terms of specified criteria of 'Independence' and/or 'eligibility'	16(1)(b)	Yes
Board Composition	17(1), 17(1A) & 17(1B)	Yes
Meeting of Board of Directors	17(2)	Yes
Quorum of Board Meeting	17(2A)	Yes
Review of Compliance Reports	17(3)	Yes
Plans for orderly succession of appointments	17(4)	Yes
Code of Conduct	17(5)	Yes

Particulars	Regulation Number	Compliance Status
Fees/Compensation	17(6)	Yes
Minimum Information	17(7)	Yes
Compliance Certificate	17(8)	Yes
Risk Assessment & Management	17(9)	Yes
Performance Evaluation of Independent Directors	17(10)	Yes
Recommendation of Board	17(11)	Yes
Maximum number of Directorships	17A	Yes
Composition of Audit Committee	18(1)	Yes
Meeting of Audit Committee	18(2)	Yes
Composition of Nomination & Remuneration Committee	19(1) & (2)	Yes
Quorum of Nomination & Remuneration Committee	19(2A)	Yes
Meeting of Nomination & Remuneration Committee	19(3A)	Yes
Composition of Stakeholders Relationship Committee	20(1), (2) & (2A)	Yes
Meeting of Stakeholders Relationship Committee	20(3A)	Yes
Composition and Role of Risk Management Committee	21(1),(2),(3), (4)	N.A.
Meeting of Risk Management Committee	21(3A)	N.A.
Vigil Mechanism	22	Yes
Policy for Related Party Transactions	23(1), (1A), (5), (6), (7) & (8)	Yes
Prior or Omnibus approval of Audit Committee for all related party transactions	23(2), (3)	Yes
Approval for material related party transactions	23(4)	Yes

Particulars	Regulation Number	Compliance Status
Disclosure of related party transactions on consolidated basis	23(9)	Yes
Composition of Board of Directors of unlisted material subsidiary	24(1)	N.A.
Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2),(3), (4),(5) & (6)	Yes
Annual Secretarial Compliance Report	24(A)	Yes
Alternate Director to Independent Director	25(1)	N.A.
Maximum Tenure	25(2)	Yes
Meeting of Independent Directors	25(3) & (4)	Yes
Familiarization of Independent Directors	25(7)	Yes
Declaration from Independent Directors	25(8) & (9)	Yes
D&O Insurance for Independent Directors	25(10)	N.A.
Membership in Committees	26(1)	Yes
Affirmation with compliance to Code of Conduct from members of Board of Directors and Senior Management Personnel	26(3)	Yes
Disclosure of Shareholding by Non-Executive Directors	26(4)	Yes
Policy with respect to Obligations of Directors and Senior Management	26(2) & (5)	Yes
Disclosure on the website of the Company	46(2)	Yes

### CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE COMPANY

We, Sahil Aggarwal, Managing Director and Ghanshyam Singh, Chief Financial Officer of Avro India Limited to the best of our knowledge and belief, certify that:-

- d. We have reviewed financial statements and cash flow statement for the year ended on March 31, 2023 and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together presents a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- e. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- f. They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and that they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- g. They have indicated to the auditors and the Audit Committee
  - (1) significant changes in internal control over financial reporting during the year
  - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control over financial reporting.

Sd/-  
**Sahil Aggarwal**  
(Managing Director)

Sd/-  
**Ghanshyam Singh**  
(Chief Financial Officer)

**Date: May 23, 2023**  
**Place: Ghaziabad**

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### CEO'S DECLARATION TO COMPLIANCE OF CODE OF CONDUCT

I, Sahil Aggarwal, Managing Director of the Company hereby declare that as of March 31, 2023, all the Members of the Board of Directors & Senior Management Personnel have affirmed compliance with Code of Conduct of Board of Directors and Senior Management.

Sd/-  
**Sahil Aggarwal**  
(Managing Director)

**Date: 23.05.2023**  
**Place: Ghaziabad**

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Avro India Limited, having CIN: L25200UP1996PLC101013 and having registered office at A-7/36-39, South of G.T Road Industrial Area, Electrosteel Casting Compound, Ghaziabad, Uttar Pradesh-201009 (hereinafter referred to as “the Company”), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (“DIN”) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers and declarations received from respective Directors, we hereby certify that, none of the directors on the Board of the Company as stated below for the financial year ended on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

S. No.	Name of Directors	DIN	Date of Appointment in Company
1.	Mr. Sushil Kumar Aggarwal	00248707	28/09/2002
2.	Mr. Sahil Aggarwal	02515025	02/12/2009
3.	Mrs. Anita Aggarwal	00248972	26/12/2017
4.	Mr. Nikhil Aggarwal	03599964	14/04/2022
5.	Mrs. Vandana Gupta	00013488	21/03/2018
6.	Mr. Pawan Dixit	09502555	11/02/2022
7.	Mrs. Richa Kalra	07632571	14/04/2022
8.	Mr. Sushil Kumar Goyal	09719226	29/08/2022

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency 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**

**Peer Reviewed Unit: UIN S2018UP599000**

**UDIN: F005961E000897148**

**Place: Noida**

**Date: 30.08.2023**

**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

The Members

**Avro India Limited**

A-7/36-39, South of G.T Road Industrial Area  
Electrosteel Casting Compound,  
Ghaziabad-201009, Uttar Pradesh

We have examined all relevant records of Avro India Limited ("the Company") for the purpose of certifying all the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the financial year ended March 31, 2023. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

The Compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof. This Certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

On the basis of our examination of the records produced explanations and information furnished, we certify that the Company has complied with the conditions of the Corporate Governance under Listing Regulations.

**For Chaturvedi & Company**

Sd/-

**Lalit Chaturvedi**

**Practicing Company Secretaries**

**CP No. 13708**

**Membership No. F 5961**

**Peer Reviewed Unit: UIN S2018UP599000**

**UDIN: F005961E000897148**

**Place: Noida**

**Date: 30.08.2023**

# INDEPENDENT AUDITOR'S REPORT

## To the Members of AVRO India 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 comprise the Balance Sheet as at March 31, 2023, 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its profit (financial performance including comprehensive income), changes in equity and its cash flows 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. 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. For each matter below, description of how our audit addressed the matter is provided in that context. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b>1. Contingent Liabilities</b></p> <p>There are a number of litigations pending before various forums against the Company and the management's judgment is required for estimating the amount to be disclosed as contingent liability.</p> <p>We identified this as a key audit matter because the estimates on which these amounts are based involve a significant degree of management judgment in interpreting the cases and it may be subject to management bias.</p>	<p>We have obtained an understanding of the Company's internal instructions and procedures in respect of estimation and disclosure of contingent liabilities and adopted the following audit procedures:</p> <ul style="list-style-type: none"> <li>understood and tested the design and operating effectiveness of controls as established by the management for obtaining all relevant information for pending litigation cases;</li> <li>discussed with the management regarding any material developments thereto and latest status of legal matters;</li> </ul>



Key Audit Matter	How our audit addressed the Key Audit Matter
<p>(Refer Note 2.26 (a) to the Standalone Financial Statements, read with the Accounting Policy 1(E.17))</p>	<ul style="list-style-type: none"> <li>• read various correspondences and related documents pertaining to litigation cases and relevant external legal opinions obtained by the management and performed substantive procedures on calculations supporting the disclosure of contingent liabilities;</li> <li>• examined management's judgments and assessments in respect of whether provisions are required;</li> <li>• considered the management assessments of those matters that are not disclosed as contingent liability since the probability of material outflow is considered to be remote;</li> <li>• reviewed the adequacy and completeness of disclosures;</li> </ul> <p>Based on the above procedures performed, the estimation and disclosures of contingent liabilities are considered to be adequate and reasonable.</p>

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b>2. Revenue Recognition:</b> 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</p>	<p>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:</p> <ul style="list-style-type: none"> <li>o Evaluating the Company's accounting policies for revenue recognition, in terms of applicable accounting standards.</li> </ul>

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>performance of the Company. The management considers revenue as a key measure for evaluation of performance.</p> <p>(Refer Note 2.18 to the Standalone Financial Statements, read with the Accounting Policy 1(E.12))</p>	<ul style="list-style-type: none"> <li>o 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.</li> <li>o 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.</li> <li>o Tested, by selecting statistical samples, the underlying documentation related to credit notes such as invoices and sales return.</li> <li>o 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>

**Emphasis of Matter**

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

Note no. 2.26(3) to the standalone financial statements which states that 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 ₹ 9.21 lakhs along with interest @ 24% p.a. as on February 28, 2019 amounting to ₹ 12.65 lakhs against the supply of raw material in financial year 2017-18. However, the Company made a counter claim of ₹ 17.64 lakhs 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. The Hon'ble Bench of NCLT, Allahabad vide its order dated 13<sup>th</sup> 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 15<sup>th</sup> June, 2022, Hon'ble National Company Law Appellate Tribunal, Delhi ("NCLAT") vide its order dated 22<sup>th</sup> 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 06<sup>th</sup> July, 2022 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. As on March 31, 2023, no proceeding is pending under the Insolvency and Bankruptcy Code, 2016.

Note no. 2.26(5) to the standalone financial statements which states that Company has filed a case against National Insurance Company Limited on January 17, 2009 seeking recovery of an amount with damages. The Company had suffered financial loss due to a fire and insurance company paid the some amount. However, the insurance company did not pay the complete amount and no explanation was offered for unreasonable deductions, therefore present complaint was filed before the consumer

court. The last date of hearing was 03.05.2023. The order has been reserved in the matter.

Note no. 2.26(9) to the standalone financial statements which states that 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 design 286049 and consequential reliefs under Section 25 of the Design Act, 2000 in district court of Ludhiana for amount of ₹ 5.00 lakhs. 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 next date of hearing is 11.05.2023.

Note no. 2.26(10) to the standalone financial statements which states that the Director of the Company 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 on January 21, 2020. The damage of ₹ 25.00 lakhs was claimed. On 26.03.2021, the matter was transferred to Hon'ble High Court of Gujarat and is pending for hearing.

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 Corporate Governance report, and the information included in the Annual Report including annexures, Management Discussion and Analysis and other Company related information but does not include the standalone financial statements and our auditors' report which are expected to be made available to us after the date of this auditor's report

Our opinion on the Standalone financial statements does not cover the other information and we do not and will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and appropriate actions, if required.

#### **Responsibilities of management and those charged with governance 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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. 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, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), The Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.
- e) On the basis of the written representations received from the directors as on March 31<sup>st</sup>, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31<sup>st</sup>, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting with reference to the standalone financial statements 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 the impact of pending litigations in its Financial position in its Standalone Financial Statements – Refer Note No. 2.26 (1)(a) 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, 2023.
- 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 or on behalf of the Ultimate Beneficiaries.
- b) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note no. 2.26 (44) (xi) to the accounts, 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 parties), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause iv (a)
- 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, as disclosed in the note no. 2.26 (44) (xi) to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person (s) or entity (ies) including foreign entities (intermediaries), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, directly or indirectly lend or
- and iv (b) contain any material misstatement.
- v) The Company has neither declared nor paid any dividend during the year
- vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 1 April 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31 March 2023.

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

**Sd/-**  
**CA (Dr.) S. K. Lal**  
**Partner**  
**M. No.: 509185**  
 UDIN: 23509185BGYOJS7233

Place: Ghaziabad  
 Date: May 23, 2023

# “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 on the standalone financial statements for the year ended March, 31, 2023.

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	The Company is taking appropriate step for completion of legal formalities.

(d) The Company has not revalued its Property, Plant and Equipment and intangible assets during the year. Accordingly, the provision of clause (i) (d) of the Order are not applicable.

(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.

ii. (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. and Plot No. C-19, UPSIDC, Masuri Gulawthi, Tehsil- Dhaulana, Distt- Hapur, U.P. Owned by Company M/s. AVRO India Limited. Further, Collateral on property situated at Plot No. 28-32, UPSIDC, Masuri Gulawthi Road, Tehsil- Dhaulana, Distt- Hapur, U.P and Plot No. 17, 18, 25, UPSIDC, Masuri Gulawthi Road, Tehsil- Dhaulana, Distt- Hapur, U.P owned by M/s. Bonita Furniture Private Limited.

Further, the facilities have been secured by Unconditional and Irrevocable personal guarantee of Mr. Sushil Kumar Aggarwal, Mr. Sahil Aggarwal and Mrs. Anita Aggarwal, Directors of the company and Corporate Guarantee given by M/s. Bonita Furniture Private Limited.

- (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, 2023 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) and hence reporting under clause (x) (b) of the order is not applicable.

(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 no. 2.26 (44) (xv) 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: 23509185BGYOJS7233

Place: Ghaziabad  
Date: May 23, 2023

# “ANNEXURE B”

## TO THE INDEPENDENT AUDITORS' REPORT

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 on Standalone Financial Statements for the year ended March 31, 2023.

Report on the Internal Financial Controls Over Financial Reporting with reference to the standalone financial statements 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 with reference to the standalone financial statements of AVRO India Limited (“the company”) as on March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 with reference to the standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial control an, 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 with reference to the standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to the standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to the standalone financial statements included obtaining an understanding of internal financial controls over financial reporting with reference to the standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 with reference to the standalone financial statements.

### Meaning of Internal Financial Controls Over Financial Reporting with reference to the standalone financial statements

A company's internal financial controls over financial reporting with reference to the standalone financial statements is a process designed to provide reasonable assurance regarding

the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting with reference to the standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 with reference to the standalone financial statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to the standalone financial statements, including the possibility of collusion or

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

Sd/-  
**CA (Dr.) S. K. Lal**  
**Partner**  
**M. No.: 509185**  
UDIN: 23509185BGYOJS7233

Place: Ghaziabad  
Date: May 23, 2023

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 with reference to the standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to the standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, 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 with reference to the standalone financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, 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.

# Balance Sheet

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

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	2.1	1,461.92	1,214.70
(b) Capital work-in-progress	2.2	44.18	-
(c) Other Intangible assets	2.3	0.15	0.38
(d) Financial assets			
(i) Investments	2.4	-	-
(ii) Trade receivables	2.5	-	-
(iii) Other financial assets	2.6	-	-
(e) Deferred tax assets (net)	2.17	-	0.67
(f) Other non-current assets	2.7	27.76	27.57
<b>Total non-current assets</b>		<b>1,534.01</b>	<b>1,243.32</b>
<b>(2) Current assets</b>			
(a) Inventories	2.8	640.71	504.94
(b) Financial assets			
(i) Investments	2.4	105.00	35.99
(ii) Trade receivables	2.5	1,664.46	1,864.37
(iii) Cash and cash equivalents	2.9	54.37	44.60
(iv) Other financial assets	2.6	67.66	12.75
(c) Current tax assets (net)	2.17	-	-
(d) Other current assets	2.7	32.46	25.58
<b>Total current assets</b>		<b>2,564.66</b>	<b>2,488.23</b>
<b>Total assets</b>		<b>4,098.67</b>	<b>3,731.55</b>
<b>EQUITY AND LIABILITIES</b>			
<b>(1) EQUITY</b>			
(a) Equity share capital	2.10	1,008.74	1,008.74
(b) Other equity	2.11	1,475.30	1,059.71
<b>Total equity</b>		<b>2,484.04</b>	<b>2,068.45</b>
<b>LIABILITIES</b>			
<b>(2) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	2.12	283.10	117.35
(ii) Trade payables	2.13		

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
(A) total outstanding dues of micro enterprises and small enterprises; and		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(iii) Other financial liabilities	2.14	-	-
(b) Provisions	2.15	8.08	7.54
(c) Deferred tax liabilities (net)	2.17	3.79	-
(d) Other non-current liabilities	2.16	-	-
<b>Total non-current liabilities</b>		<b>294.97</b>	<b>124.89</b>
<b>(3) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	2.12	874.72	651.11
(ii) Trade payables	2.13		
(A) total outstanding dues of micro enterprises and small enterprises; and		145.87	497.00
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		222.29	294.49
(iii) Other financial liabilities	2.14	14.63	13.03
(b) Other current liabilities	2.16	47.07	47.32
(c) Provisions	2.15	1.11	0.97
(d) Current tax liabilities (net)	2.17	13.97	34.29
<b>Total current liabilities</b>		<b>1,319.66</b>	<b>1,538.21</b>
<b>Total equity and liabilities</b>		<b>4,098.67</b>	<b>3,731.55</b>
Significant Accounting Policies	1		

The accompanying notes from an integral part of the standalone financial statements (Note No. 2.1 to 2.26).

As per our report of even date attached

**For S A A R K AND CO**  
**Chartered Accountants**

FRN: 021758N

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

**M. No.: 509185**  
UDIN: 23509185BGYOJS7233

Place: Ghaziabad  
Date: May 23, 2023

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

**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: CHKPB0878G

# Statement of Profit and Loss

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

(₹ in Lakhs)

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
<b>I</b> Revenue from operations	2.18	8,001.30	6,474.08
<b>II</b> Other income	2.19	232.79	46.40
<b>III Total income (I+II)</b>		<b>8,234.09</b>	<b>6,520.48</b>
<b>IV EXPENSES</b>			
Cost of materials consumed	2.20	4,243.97	4,581.19
Purchases of stock-in-trade	2.21	1,917.48	228.71
Changes in inventories of finished goods	2.22	(8.48)	(35.36)
Employee benefits expense	2.23	137.18	127.68
Finance costs	2.24	95.89	41.53
Depreciation and amortization expense	2.1 & 2.3	181.92	128.28
Other expenses	2.25	1,083.33	1,055.95
<b>Total expenses (IV)</b>		<b>7,651.29</b>	<b>6,127.98</b>
<b>V Profit before exceptional items and tax (III-IV)</b>		<b>582.80</b>	<b>392.50</b>
<b>VI</b> Exceptional items		-	-
<b>VII Profit before tax (V-VI)</b>		<b>582.80</b>	<b>392.50</b>
<b>VIII Tax expense:</b>			
(1) Current tax	2.17	163.37	95.87
(2) Deferred tax	2.17	4.31	(0.97)
<b>IX Profit for the period ((VII-VIII))</b>		<b>415.12</b>	<b>297.60</b>
<b>X Other comprehensive income</b>			
(i) Items that will not be reclassified to profit or loss		-	-
(ii) Remeasurement of the net defined benefit liability/asset		0.61	2.37
(iii) Income tax effect		(0.15)	(0.59)
<b>Total other comprehensive income, net of tax</b>		<b>0.46</b>	<b>1.78</b>
<b>XI Total comprehensive income for the year (IX+X)</b>		<b>415.58</b>	<b>299.38</b>
<b>XII Earning per equity share of ₹ 10 each</b>			
(1) Basic (₹)		4.12	2.95
(2) Diluted (₹)		4.12	2.95
Significant Accounting Policies	1		

The accompanying notes from an integral part of the standalone financial statements (Note No. 2.1 to 2.26).

As per our report of even date attached

**For S A A R K AND CO**

**Chartered Accountants**

FRN: 021758N

**Sd/-**

**CA (Dr.) S. K. Lal**

**Partner**

**M. No.: 509185**

UDIN: 23509185BGYOJS7233

Place: Ghaziabad

Date: May 23, 2023

**For and on behalf of the Board of Directors of**

**Avro India Limited**

**Sd/-**

**Sushil Kumar Aggarwal**

Chairman & Whole Time Director

DIN: 00248707

**Sd/-**

**Ghanshyam Singh**

Chief Financial Officer

PAN: CWCP54843P

**Sd/-**

**Sahil Aggarwal**

Managing Director

DIN: 02515025

**Sd/-**

**Sumit Bansal**

Company Secretary

PAN: CHKP80878G

# Statement of Cash Flows

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

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>A Cash flows from operating activities</b>		
<b>Profit before taxation, and extraordinary items</b>	<b>582.80</b>	<b>392.50</b>
<b>Adjustments for:</b>		
Depreciation and amortization	181.92	128.28
Finance costs	95.89	41.48
Other Comprehensive income	0.61	2.37
Bad Debts	7.63	-
Profit on sale of property, plant and equipment	(14.28)	(1.19)
Other Non-Operating Expenses	2.67	0.05
Gain on redemption of mutual fund	-	(6.68)
Provision for doubtful debts	34.81	0.24
<b>Operating profit before working capital changes</b>	<b>892.05</b>	<b>557.05</b>
<b>Change in working capital</b>		
Decrease/(increase) in inventories	(135.78)	(335.70)
Decrease/ (increase) in trade receivables	157.45	(786.14)
Decrease/ (increase) in other financial assets	(9.78)	18.87
Decrease/ (increase) in other non - current assets	(0.18)	0.08
Decrease/ (increase) in other current assets	(6.97)	(12.45)
Increase/(Decrease) in trade payables	(423.33)	557.54
Increase/(Decrease) in other financial liabilities	1.60	(4.29)
Increase/(Decrease) in other current liabilities	(0.25)	2.12
Increase/(Decrease) in long term provisions	0.54	(0.91)
Increase/(Decrease) in short- term provisions	0.14	0.16
<b>Cash generated from operations</b>	<b>(416.56)</b>	<b>(560.72)</b>
Less: Income taxes paid	(185.89)	(54.60)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>289.60</b>	<b>(58.27)</b>
<b>B Cash flows from Investing activities</b>		
Purchase of property, plant and equipment (including CWIP and Capital Advance)	(538.56)	(319.23)
Proceeds from sale of property, plant and equipment	34.25	22.50
Purchase of investments	(69.00)	(36.00)
Proceeds from sale of investments	-	84.71
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(573.31)</b>	<b>(248.02)</b>



(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>C Cash flows from financing activities</b>		
Proceeds from long term borrowings	234.61	141.78
Repayment of long term borrowings	(71.08)	(67.57)
Proceeds from short term borrowings	9,284.64	6,432.53
Repayment of short term borrowings	(9,058.80)	(6,153.05)
Finance costs	(95.89)	(41.47)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>293.48</b>	<b>312.22</b>
<b>Net increase /(decrease) in cash and cash equivalents (A+B+C)</b>	<b>9.77</b>	<b>5.93</b>
Cash and cash equivalents at the beginning of the year	44.60	38.67
Cash and cash equivalents at the end of the year	<b>54.37</b>	<b>44.60</b>
Reconciliation of cash and cash equivalents		
Cash and cash equivalents comprise of:		
Cash on hand	9.28	1.53
Balance with banks		
(i) In current accounts	45.09	41.83
(ii) In deposit accounts	-	-
(iii) INR value of foreign currency in hand	-	1.24
<b>Total cash and cash equivalents at the end of the year</b>	<b>54.37</b>	<b>44.60</b>
Significant Accounting Policies 1		

The accompanying notes form an integral part of the standalone financial statements (Note No. 2.1 to 2.26).

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

As per our report of even date attached

**For S A A R K AND CO**

**Chartered Accountants**

FRN: 021758N

**Sd/-**

**CA (Dr.) S. K. Lal**

**Partner**

**M. No.: 509185**

UDIN: 23509185BGYOJS7233

Place: Ghaziabad

Date: May 23, 2023

**For and on behalf of the Board of Directors of**

**Avro India Limited**

**Sd/-**

**Sushil Kumar Aggarwal**

Chairman & Whole Time Director

DIN: 00248707

**Sd/-**

**Ghanshyam Singh**

Chief Financial Officer

PAN: CWCP54843P

**Sd/-**

**Sahil Aggarwal**

Managing Director

DIN: 02515025

**Sd/-**

**Sumit Bansal**

Company Secretary

PAN: CHKPB0878G

# Statement of Changes in Equity

## A. Equity Share Capital

### 1. Current Reporting Period

(₹ in Lakhs)

Particulars	Amount
Balance as at the beginning of the current period 1 <sup>st</sup> April 2022	1,008.74
Changes in Equity Share Capital during the Current Period	-
Balance at the end of current reporting period 31 <sup>st</sup> March, 2023	1,008.74

### 2. Previous Reporting Period

(₹ in Lakhs)

Particulars	Amount
Balance as at the beginning of the current period 1 <sup>st</sup> April 2021	325.40
Changes in Equity Share Capital during the Current Period	683.34
Balance at the end of current reporting period 31 <sup>st</sup> March, 2022	1,008.74

## B. Other Equity

### 1. Other Equity as at March 31, 2023

(₹ in Lakhs)

Particulars	Share Application money pending allotment	Equity component of compound financial instruments	Capital Reserve	Security Premium	Retained Earnings	Reserves & Surplus				Total
						Debt instruments through Other Comprehensive Income	Equity Instruments through other comprehensive income	Revaluation Surplus	Other items of other comprehensive income	
Balance as at April 1, 2022	-	-	-	-	440.63	-	-	618.70	0.38	1,059.71
<b>Changes in equity for the period ended March 31, 2023</b>										
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-	-	-	-
Total Comprehensive income for the current period	-	-	-	-	415.12	-	-	-	0.46	415.58
Dividends	-	-	-	-	-	-	-	-	-	-
Amount Capitalized for issue of Bonus Shares	-	-	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2023</b>	-	-	-	-	<b>855.75</b>	-	-	<b>618.70</b>	<b>0.84</b>	<b>1,475.30</b>

## 2. Other Equity as at March 31, 2022

(₹ in Lakhs)

Particulars	Share Application money pending allotment	Equity component of compound financial instruments	Reserves & Surplus							Total
			Capital Reserve	Security Premium	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through other comprehensive income	Revaluation Surplus	Other items of other comprehensive income	
Balance as at April 1, 2021	-	-	-	362.44	463.93	-	-	618.70	(1.40)	1,443.67
<b>Changes in equity for the period ended March 31, 2022</b>										
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-	-	-	-
Total Comprehensive income for the current year	-	-	-	-	297.60	-	-	-	1.78	299.38
Dividends	-	-	-	-	-	-	-	-	-	-
Amount Capitalized for issue of Bonus Shares	-	-	-	(362.44)	(320.90)	-	-	-	-	(683.34)
<b>Balance as at March 31, 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>440.63</b>	<b>-</b>	<b>-</b>	<b>618.70</b>	<b>0.38</b>	<b>1,059.71</b>

The accompanying notes form an integral part of the standalone financial statements (Note No. 2.1 to 2.26).

As per our report of even date attached

**For S A A R K AND CO**  
**Chartered Accountants**

FRN: 021758N

**Sd/-**

**CA (Dr.) S. K. Lal**

**Partner**

**M. No.: 509185**

UDIN: 23509185BGYOJS7233

Place: Ghaziabad

Date: May 23, 2023

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

**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: CHKPB0878G

## 1. COMPANY INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

### A. Reporting Entity

AVRO INDIA LIMITED (the “Company”) is a company domiciled in India and limited by shares (CIN: L25200UP1996PLC101013). The shares of the Company are listed and traded on the National Stock Exchange of India Limited (NSE) and BSE Limited in India. The address of the Company’s registered office is A-7/36-39, South of G.T. Road Industrial Area, Electrosteel Casting Compound Ghaziabad, U.P. - 201009. 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.

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.

### B. Basis of preparation of Financial Statements:

#### 1. Statement of Compliance

The financial statements are prepared on going concern basis following accrual system of accounting and comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, and other relevant provisions of the Companies Act, 2013. Financial statements for the year ended 31st 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 date of transition to Ind AS is 1st April, 2020.

These financial statements were approved for issue by the Board of Directors in its meeting held on May 23, 2023.

#### 2. Basis of measurement

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

- Certain financial assets and liabilities (including derivative instruments) that are measured at fair value; and
- Plan assets in the case of employees defined benefit plans that are measured at fair value.

The methods used to measure fair values are discussed in notes to the financial statements.

Historical cost is the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition or the amount of proceeds received in exchange for the obligation, or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### 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.

#### 4. Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

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

Assets and liabilities are classified between current and non-current considering 12 months period as normal operating cycle.

#### C. 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. 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.

### **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.

### **Assets held for sale**

Significant judgment is required to apply the accounting of non-current assets held for sale under Ind AS 105 - 'Non-current assets held for sale and discontinued

operations'. In assessing the applicability, management has exercised judgment to evaluate the availability of the asset for immediate sale, management's commitment for the sale and probability of sale within one year to conclude if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

### **Provisions and contingencies**

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37-'Provisions, contingent liabilities and contingent assets'. The evaluation of the likelihood of the contingent events require best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

### **Income taxes**

Significant estimates are involved in determining the provision for current and deferred tax, including amount expected to be paid/recovered for uncertain tax positions.

## **D. Standards/amendments issued but not yet effective**

The Ministry of Corporate Affairs ,vide notification dated 31 March 2023, has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 which amends certain Indian Accounting Standards which are effective 1 April 2023. Below is a summary of such amendments:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced

a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

The Company has evaluated the above amendments and the impact of the same on the financial statements is not material.

## **E. Significant accounting policies**

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the financial statements.

### **1. Property, plant and equipment:**

#### **1.1 Recognition and measurement**

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

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.

### 1.2 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.

### 1.3. Decommissioning costs

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met

### 1.4. De-recognition

Property, plant and equipment is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on de-recognition of an item of property, plant and equipment are determined as the difference between sale proceeds from disposal, if any, and the carrying amount of

property, plant and equipment and are recognized in the statement of profit and loss. In circumstance, where an item of property, plant and equipment is abandoned, the net carrying cost relating to the property, plant and equipment is written off in the same period.

### 1.5 Depreciation/Amortization

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.

### 2. Capital work-in-progress

Cost incurred for property, plant and equipment that are not ready for their intended use as on the reporting date, is classified under capital work- in-progress. The cost of self-constructed assets includes the cost of materials & direct labour, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management and the borrowing costs attributable to the acquisition or construction of qualifying asset. Expenses directly attributable to



construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis on the cost of related assets. Deposit works/cost plus contracts are accounted for on the basis of statements of account received from the contractors. Unsettled liabilities for price variation/exchange rate variation in case of contracts are accounted for on estimated basis as per terms of the contracts

### **3. Intangible Assets**

#### **3.1. Recognition and measurement**

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.

#### **3.2. Subsequent expenditure**

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably

#### **3.3 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.

### **4. 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 foreign exchange 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, 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.

### **5. 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.

## 6. 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. The Company recognizes a financial asset or a financial liability only when it becomes party to the contractual provisions of the instrument.

### 6.1 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
- 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.

## 6.2 Financial liabilities

### Initial recognition and measurement

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

### 6.3. 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.

### 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.

## 7. Investment Property

Investment properties are properties held to earn rental or for capital appreciation or for both and are not intended to be used in the operations of the Company. Investment properties are measured initially at its cost, including transaction costs. Cost of investment property comprises its purchase price and any directly attributable expenditure. Investment properties are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are expensed when incurred. Investment properties are depreciated / amortised considering the significant accounting policy no.1.5. Leasehold Land (Perpetual in

nature) and Properties under construction are not depreciated.

A property shall be transferred to or from investment property when, and only when, there is change in use. A change in use occurs when the property meets, or ceases to meet the definition of investment property and there is evidence of the change in use.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

## 8. 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. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

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.

## 9. Employee Benefits:

### 9.1 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.

### 9.2 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.

#### 10. 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.

#### 11. 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. Income earned on temporary investment made out of the borrowings pending utilization for expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalization.

Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended use are complete.

Other borrowing costs are recognised as an expense in the period in which they are incurred.

#### 12. 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.

### 13. 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.

Leasehold land, in the opinion of the management it is perpetual in nature than its treated as freehold land.

#### **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.

## 14. Impairment of non-financial assets

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

### 15. 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.

### 16. 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.

#### 16.1 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.

#### 16.2 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.

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:

- a) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) 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.

## 17. 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.

## 18. 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.

## **19. Operating segments**

In accordance with Ind AS 108-'Operating segments', the operating segments used to present segment information are identified on the basis of internal reports used by the Company's management to allocate resources to the segments and assess their

performance. The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. The indicators used for internal reporting purposes may evolve in connection with performance assessment measures put in place.

## **20. Material prior period errors**

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

## **21. Statement of cash flows**

Statement of cash flows is prepared in accordance with the indirect method prescribed in Ind AS 7-'Statement of cash flows'.

## Note 2.1 : Property, plant and equipment

## The changes in the carrying value of property, plant and equipment for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	Leasehold Land	Building	Plant & Equipment	Moulds	Computers	Vehicles	Furniture & Fixtures	Electrical Installation & Equipment	Office Equipment	Laboratory Equipment	Total
Gross carrying value as at April 1, 2022	596.65	121.12	533.85	630.04	10.50	140.50	3.67	30.90	5.13	-	2,072.36
Additions	-	-	268.61	137.45	1.26	-	2.51	35.81	2.94	0.65	449.25
Deletions	-	-	(1.35)	(90.62)	(2.69)	-	-	-	(0.15)	-	(94.81)
<b>Gross carrying value as at March 31, 2023</b>	<b>596.65</b>	<b>121.12</b>	<b>801.12</b>	<b>676.88</b>	<b>9.07</b>	<b>140.50</b>	<b>6.18</b>	<b>66.71</b>	<b>7.93</b>	<b>0.65</b>	<b>2,426.80</b>
Depreciation:											
Accumulated depreciation as at April 1, 2022	-	10.36	334.60	426.10	8.87	48.42	2.44	23.37	3.50	-	857.65
Depreciation during the period	-	15.15	48.14	81.93	1.59	28.73	0.49	4.45	1.35	0.01	181.84
Deduction/adjustments during the period	-	-	(1.42)	(70.65)	(2.56)	0.02	-	-	-	-	(74.61)
<b>Accumulated depreciation as at March 31, 2023</b>	<b>-</b>	<b>25.51</b>	<b>381.32</b>	<b>437.38</b>	<b>7.90</b>	<b>77.18</b>	<b>2.92</b>	<b>27.81</b>	<b>4.85</b>	<b>0.01</b>	<b>964.88</b>
<b>Carrying value as at March 31, 2023</b>	<b>596.65</b>	<b>95.61</b>	<b>419.79</b>	<b>239.50</b>	<b>1.17</b>	<b>63.32</b>	<b>3.26</b>	<b>38.89</b>	<b>3.08</b>	<b>0.64</b>	<b>1,461.92</b>

## 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	Electrical Installation & Equipment	Office Equipment	Total
Gross carrying value as at April 1, 2021	561.86	85.14	402.76	647.14	10.12	68.51	3.19	27.16	3.41	1,809.29
Additions	34.79	35.98	131.09	39.06	0.38	71.99	0.48	3.74	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>533.85</b>	<b>630.04</b>	<b>10.50</b>	<b>140.50</b>	<b>3.67</b>	<b>30.90</b>	<b>5.13</b>	<b>2,072.35</b>
Depreciation:										
Accumulated depreciation as at April 1, 2021	-	5.40	11.68	105.48	0.80	11.15	0.42	0.96	0.23	136.10
Depreciation during the year	-	4.96	18.23	83.11	1.13	17.17	0.34	1.95	1.24	128.14
Deduction/adjustments during the year	-	-	304.69	237.51	6.94	20.10	1.68	20.46	2.03	593.41
<b>Accumulated depreciation as at March 31, 2022</b>	<b>-</b>	<b>10.36</b>	<b>334.60</b>	<b>426.10</b>	<b>8.87</b>	<b>48.42</b>	<b>2.44</b>	<b>23.37</b>	<b>3.50</b>	<b>857.65</b>
<b>Carrying value as at March 31, 2022</b>	<b>596.65</b>	<b>110.76</b>	<b>199.26</b>	<b>203.94</b>	<b>1.63</b>	<b>92.07</b>	<b>1.23</b>	<b>7.53</b>	<b>1.63</b>	<b>1,214.70</b>

**Note:**

1. 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. and Plot No. C-19, UPSIDC, Masuri Gulawthi, Tehsil- Dhaulana, Distt- Hapur, U.P. Owned by Company M/s. AVRO India Limited. Further, Collateral on property situated at Plot No. 28-32, UPSIDC, Masuri Gulawthi Road, Tehsil- Dhaulana, Distt- Hapur, U.P and Plot No. 17, 18, 25, UPSIDC, Masuri Gulawthi Road, Tehsil- Dhaulana, Distt- Hapur, U.P owned by M/s. Bonita Furniture Private Limited.

Further, the facilities have been secured by Unconditional and Irrevocable personal guarantee of Mr. Sushil Kumar Aggarwal, Mr. Sahil Aggarwal and Mrs. Anita Aggarwal, Directors of the company and Corporate Guarantee given by M/s. Bonita Furniture Private Limited.

2. Two (2) Motor vehicles Mercedes Benz and Innova Crysta are hypothecated with the Axis Bank Limited and Toyota Financial Services India Limited respectively. Details of loans are given in note 2.12.
3. Previous figures have been regrouped/reclassified and recasted wherever applicable.

**Note 2.2: Capital work-in progress**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital work-in-progress	44.18	-
<b>Total</b>	<b>44.18</b>	<b>-</b>

**Capital Work-in-Progress Ageing Schedule**

(₹ in Lakhs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Capital work-in-progress	44.18	-	-	-	44.18
<b>Total</b>	<b>44.18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>44.18</b>

### Note 2.3: Other Intangible Assets

The changes in the carrying value of other intangible assets for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	Computer Software	Total
Gross carrying value as at April 1, 2022	0.98	0.98
Additions	-	-
Deletions	(0.70)	(0.70)
<b>Gross carrying value as at March 31, 2023</b>	<b>0.28</b>	<b>0.28</b>
<b>Amortization:</b>		
Amortization as at April 1, 2022	0.59	0.59
Amortization during the period	0.09	0.09
Deduction/adjustments during the period	(0.55)	(0.55)
<b>Accumulated amortization as at March 31, 2023</b>	<b>0.13</b>	<b>0.13</b>
<b>Carrying value as at March 31, 2023</b>	<b>0.15</b>	<b>0.15</b>

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

(₹ in Lakhs)

Particulars	Computer Software	Total
Amortization during the period	0.14	0.14
Deduction/adjustments during the period	-	-
<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>

### Note 2.4: Investments

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non-current investments</b>		
Investments in Equity Instruments	-	-
Investments in Mutual Funds	-	-
<b>Current investments</b>		
Investments in Equity Instruments	-	-
Investments in Mutual Funds		
- Aditya Birla SL Short Term Fund	48.00	15.00
- Kotak Balanced AF Regular Growth	19.00	6.99
- Kotak Bond Fund (Short Term) Growth Regular Plan	38.00	14.00
	105.00	35.99
<b>Total</b>	<b>105.00</b>	<b>35.99</b>

**Note:**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Aggregate amount of quoted investments- at cost	105.00	35.99
(b) Aggregate market value of quoted investments	108.76	36.30
(c) Aggregate amount of unquoted investments	-	-
(d) Aggregate amount of impairment in value of investments	-	-

**Note 2.5: Trade receivables**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non-current</b>		
Unsecured, considered good	-	-
Unsecured, considered doubtful	-	-
Less: Allowance for doubtful debts	-	-
	-	-
<b>Current</b>		
Unsecured, considered good	1,699.52	1,864.61
Unsecured, considered doubtful	-	-
Less: Allowance for doubtful debts	(35.06)	(0.24)
	<b>1,664.46</b>	<b>1,864.37</b>
<b>Total</b>	<b>1,664.46</b>	<b>1,864.37</b>

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

### Trade receivables ageing schedule

(₹ in Lakhs)

Particulars	As at March 31, 2023					Total
	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	1,491.36	104.04	23.04	-	-	1,618.43
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	5.22	-	5.22
(iv) Disputed Trade receivables - considered good	-	-	46.03	-	-	46.03
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	7.04	22.79	29.84
<b>Sub-Total</b>	<b>1,491.36</b>	<b>104.04</b>	<b>69.07</b>	<b>12.26</b>	<b>22.79</b>	<b>1,699.52</b>
Less: Allowance for credit impaired trade receivables	-	-	-	(12.26)	(22.79)	(35.06)
<b>Total</b>	<b>1,491.36</b>	<b>104.04</b>	<b>69.07</b>	<b>-</b>	<b>-</b>	<b>1,664.46</b>

(₹ in Lakhs)

Particulars	As at March 31, 2022					Total
	Outstanding for following periods from due date of payment					
	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



(₹ in Lakhs)

Particulars	As at March 31, 2022					Total
	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(iv) Disputed Trade receivables - considered good	-	-	16.85	6.36	-	23.21
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-
<b>Sub-Total</b>	<b>1,742.53</b>	<b>47.63</b>	<b>48.09</b>	<b>26.36</b>	<b>-</b>	<b>1,864.61</b>
Less: Allowance for credit impaired trade receivables	-	-	(0.24)	-	-	(0.24)
<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 2.6: Other financial assets**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non-current</b>		
Security deposits	-	-
	-	-
<b>Current</b>		
Security Deposits - Others	22.53	2.72
Capital Advances	45.13	8.82
Other Advances	-	1.21
	67.66	12.75
<b>Total</b>	<b>67.66</b>	<b>12.75</b>

**Note 2.7: Other assets**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non-current</b>		
Deposit with UPSEB	27.40	27.40
Prepaid expenses	0.36	0.17
	<b>27.76</b>	<b>27.57</b>
<b>Current</b>		
GST input credit	5.18	0.01
Income Tax Refundable	0.02	7.81
Prepaid expenses	8.29	9.09
Advance to suppliers	18.97	8.67
	32.46	25.58
<b>Total</b>	<b>60.22</b>	<b>53.15</b>

**Note 2.8: Inventories**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials	450.00	339.67
Stores, spares and packing materials	87.71	70.75
Finished goods	103.00	94.52
<b>Total</b>	<b>640.71</b>	<b>504.94</b>

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

**Note:**

- (a) Raw material, work-in-progress, finished goods, store & spare, packing material are valued at lower of cost and net realizable value.
- (b) 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.
- (c) 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.
- (d) Store, spare parts, packing material etc.: Cost is determined on FIFO basis.

**Note 2.9: Cash & cash equivalents**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Balance with banks:</b>		
In current accounts	45.09	41.83
Bank deposits	-	-
Cash on hand	9.28	1.53
INR value of foreign currency in hand	-	1.24
(Amount in USD : Nil, previous year USD: 1630)		
<b>Total</b>	<b>54.37</b>	<b>44.60</b>

**Note 2.10: Equity share capital**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Authorized</b>		
110,00,000 (Previous year 110,00,000) Equity shares of ₹ 10/- each	1,100.00	1,100.00
<b>Total</b>	<b>1,100.00</b>	<b>1,100.00</b>
Issued, subscribed and fully paid up		
100,87,400 (Previous year: 100,87,400) Equity shares of ₹ 10/- each	1,008.74	1,008.74
<b>Total</b>	<b>1,008.74</b>	<b>1,008.74</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, 2023		As at March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	1,00,87,400	1,008.74	32,54,000	325.40
Add: Bonus Shares Issued during the year	-	-	68,33,400	683.34
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	1,00,87,400	1,008.74	1,00,87,400	1,008.74

During the year, company has issued bonus equity share of ₹ nil (previous year: ₹ 683.34 Lacs 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.

**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, 2023		As at March 31, 2022	
	No. of Shares	% of holding	No. of Shares	% of holding
Sushil Kumar Aggarwal	25,60,600	25.38%	25,60,600	25.38%
Anita Aggarwal	22,13,400	21.94%	22,13,400	21.94%
Sahil Aggarwal	13,95,000	13.83%	13,95,000	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	2022-23	2021-22	2020-21	2019-20	2018-19
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)	-	68,33,400	-	-	-
Aggregate number and class of shares bought back	-	-	-	-	-

**e) Details of Shareholding of Promoters**

Name of Promoters	Shareholding at the end of March 31, 2023		Shareholding at the end of March 31, 2022		% 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	25,60,600	25.38%	25,60,600	25.38%	0.00%
Sahil Aggarwal	13,95,000	13.83%	13,95,000	13.83%	0.00%
Anita Aggarwal	22,13,400	21.94%	22,13,400	21.94%	0.00%
Nikhil Aggarwal	2,32,500	2.30%	2,32,500	2.30%	0.00%
Sahil Aggarwal HUF	2,32,500	2.30%	2,32,500	2.30%	0.00%
Sushil Kumar Aggarwal HUF	2,32,500	2.30%	2,32,500	2.30%	0.00%
Kundita Aggarwal	2,32,500	2.30%	2,32,500	2.30%	0.00%

**Note 2.11: Other Equity**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>(a) Retained Earnings</b>		
At the beginning of the year	440.63	463.93
Add: Profit for the year	415.12	297.60
Less: Amount Capitalized for issue of Bonus Share	-	(320.90)
	<b>855.75</b>	<b>440.63</b>
<b>(b) Securities Premium</b>		
At the beginning of the year	-	362.44
Less: Amount Capitalized for issue of Bonus Share	-	(362.44)
	-	-
<b>(c) Revaluation Surplus</b>		
At the beginning of the year	618.70	618.70
	<b>618.70</b>	<b>618.70</b>
<b>(d) Other items of other comprehensive income</b>		
At the beginning of the year	0.38	(1.40)
Add: Total Comprehensive income for the current year	0.46	1.78
	<b>0.84</b>	<b>0.38</b>
<b>Total Other Equity</b>	<b>1,475.30</b>	<b>1,059.71</b>

**Note 2.12: Borrowings**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non-current Borrowings</b>		
<b>Term Loans (Secured)</b>		
From Banks		
- IDFC Bank	293.17	83.47
- ICICI Bank	-	30.74

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
- Axis Bank	44.04	54.01
Loan from Toyota Finance	3.88	9.34
	<b>341.09</b>	<b>177.56</b>
Current Maturities of Long Term Borrowings disclosed under the head "Current Borrowings"	(57.99)	(60.21)
	<b>283.10</b>	<b>117.35</b>
<b>Unsecured</b>		
Loans from related parties	-	-
	<b>283.10</b>	<b>117.35</b>
<b>Current Borrowings</b>		
<b>Secured</b>		
Working capital loan from IDFC Bank	816.73	590.90
Current maturities of long term borrowings	57.99	60.21
Unsecured		
Loans from related parties	-	-
	<b>874.72</b>	<b>651.11</b>
<b>Total</b>	<b>1,157.82</b>	<b>768.46</b>

**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 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. and Plot No. C-19, UPSIDC, Masuri Gulawthi, Tehsil- Dhaulana, Distt- Hapur, U.P. Owned by Company M/s. AVRO India Limited. Further, Collateral on

property situated at Plot No. 28-32, UPSIDC, Masuri Gulawthi Road, Tehsil- Dhaulana, Distt- Hapur, U.P and Plot No. 17, 18, 25, UPSIDC, Masuri Gulawthi Road, Tehsil- Dhaulana, Distt- Hapur, U.P owned by M/s. Bonita Furniture Private Limited.

Further, the facilities have been secured by Unconditional and Irrevocable personal guarantee of Mr. Sushil Kumar Aggarwal, Mr. Sahil Aggarwal and Mrs. Anita Aggarwal, Directors of the company and Corporate Guarantee given by M/s. Bonita Furniture Private Limited.

**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 2.13: Trade payables

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<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	145.87	497.00
Total outstanding dues of creditors other than micro enterprises and small enterprises	222.29	294.49
	<b>368.16</b>	<b>791.49</b>
<b>Total</b>	<b>368.16</b>	<b>791.49</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	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Principal amount due at the year end	145.87	497.00
Interest due on the principal amount unpaid at the year end	-	-

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
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>145.87</b>	<b>497.00</b>

**Trade Payables Ageing Schedule:**

(₹ in Lakhs)

Particulars	As at March 31, 2023				Total
	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	145.87	-	-	-	145.87
(ii) Others	222.29	-	-	-	222.29
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>368.16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>368.16</b>

(₹ in Lakhs)

Particulars	As at March 31, 2022				Total
	Outstanding for following periods from due date of payment				
	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 note no. 2.26(3).

**Note 2.14: Other financial liabilities**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non-current</b>	-	-
	-	-
<b>Current</b>		
Interest Accrued but not due on Borrowings	0.56	0.39
Audit Fees payable	1.31	2.41
Expenses payable	0.24	0.22
Salary, wages and bonus payable	12.52	10.01
	<b>14.63</b>	<b>13.03</b>
<b>Total</b>	<b>14.63</b>	<b>13.03</b>

**Note 2.15: Provisions**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non-current</b>		
<b>Provision for employee benefits</b>		
Provision for gratuity	8.08	7.54
Provision for leave encashment	-	-
	<b>8.08</b>	<b>7.54</b>
<b>Current</b>		
<b>Provision for employee benefits</b>		
Provision for gratuity	1.11	0.97
Provision for leave encashment	-	-
	<b>1.11</b>	<b>0.97</b>
<b>Total</b>	<b>9.19</b>	<b>8.51</b>

**Note 2.16: Other liabilities**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non-current</b>	-	-
	-	-
<b>Current</b>		
Revenue received in advance	20.23	27.50
Statutory dues	3.56	3.96
Directors Sitting fees payable	0.12	
Electricity Charges Payable	23.16	15.86
	<b>47.07</b>	<b>47.32</b>
<b>Total</b>	<b>47.07</b>	<b>47.32</b>

**Note 2.17: Income taxes**
**Income tax expense in the statement of profit and loss comprises:**

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current taxes	159.25	95.71
Taxes for earlier years	4.12	0.16
Deferred taxes	4.31	(0.97)
Deferred tax on Other comprehensive income	(0.15)	(0.59)
<b>Income tax expense</b>	<b>167.53</b>	<b>94.31</b>

Entire deferred income tax for the year ended March 31, 2023 and March 31, 2022 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, 2023	Year ended March 31, 2022
Profit before income taxes	582.80	392.50
Profit before income taxes (restated)	582.80	392.50
Enacted tax rates in India	25.17%	25.17%
Computed expected tax expense	146.68	98.78
Tax due to temporary difference	12.57	(3.07)
Adjustments	4.12	0.16
<b>Income tax expense</b>	<b>163.38</b>	<b>95.87</b>

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

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Income tax assets	145.28	61.42
Current income tax liabilities	159.25	95.71
<b>Net current income tax assets/(liabilities) at the end</b>	<b>(13.97)</b>	<b>(34.29)</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, 2023	As at March 31, 2022
<b>Deferred tax liabilities</b>		
Property, Plant & Equipment	14.60	-
Gratuity	-	0.60
	<b>14.60</b>	<b>0.60</b>
<b>Deferred tax assets</b>		
Property, Plant & Equipment	-	1.21
Provision for doubtful debt	8.76	0.06
Gratuity	2.05	-
	10.81	1.27
<b>Deferred tax Liabilities/(Assets)</b>	<b>3.79</b>	<b>(0.67)</b>

Note 2.18: Revenue from operations

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Sale of Products:</b>		
Sales of Plastic Furniture	5,833.99	6,408.42
Sale of Almiraah	191.51	54.03
<b>Sale of Services</b>	-	-
<b>Other operating revenues:</b>		
Sale of granules	1,975.80	11.63
<b>Total</b>	<b>8,001.30</b>	<b>6,474.08</b>

**Note 2.19: Other income**

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Rental Income	18.00	7.51
Interest on deposits	-	1.26
Miscellaneous income	2.38	0.01
Commission on Sales	198.13	29.75
Profit on sale of Property, plant & equipment	14.28	1.19
Gain on redemption of mutual fund	-	6.68
<b>Total</b>	<b>232.79</b>	<b>46.40</b>

**Note 2.20: Cost of material consumed**

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Raw material consumed</b>		
Opening stock	339.67	70.11
Add: Purchases	4,014.86	4,523.20
Less : Closing stock	(450.00)	(339.67)
	<b>3,904.53</b>	<b>4,253.64</b>
<b>Packing and other Spare Parts consumed</b>		
Opening stock	70.75	39.96
Add: Purchases	356.40	358.34
Less : Closing stock	(87.71)	(70.75)
	<b>339.44</b>	<b>327.55</b>
<b>Cost of material consumed</b>	<b>4,243.97</b>	<b>4,581.19</b>

**Note 2.21: Purchase of stock-in-trade**

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Purchase of stock-in-trade	1,917.48	228.71
<b>Total</b>	<b>1,917.48</b>	<b>228.71</b>

**Note 2.22: Changes in inventories of finished goods**

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Inventories at the beginning of the year	94.52	59.16
Inventories at the end of the year	(103.00)	(94.52)
<b>Net (increase)/decrease</b>	<b>(8.48)</b>	<b>(35.36)</b>

**Note 2.23 : Employee benefits expense**

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	97.79	94.33
Directors remuneration	31.73	24.00
Contribution to provident and other funds	5.33	5.73
Gratuity	2.33	2.53
Staff Welfare expenses	-	1.09
<b>Total</b>	<b>137.18</b>	<b>127.68</b>

**Note 2.24 : Finance costs**

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest on Borrowings	89.39	40.84
Interest on Direct and Indirect Taxes/ others	5.87	0.05
Bank charges	1.71	1.55
Exchange fluctuation (gain)/ loss	(1.08)	(0.91)
<b>Total</b>	<b>95.89</b>	<b>41.53</b>

**Note 2.25 : Other Expenses**

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Manufacturing expenses</b>		
Power & fuel	169.15	155.19
Freight Inward	35.28	41.98
Job work charges	435.06	502.80
Repair & maintenance- plant & machinery	50.51	32.15
	<b>690.00</b>	<b>732.12</b>
<b>Selling and Distribution Expenses</b>		
E-Commerce Expense	96.09	157.94
Advertisement expenses	56.15	36.66
Rebate & discount	29.31	28.74
Business promotion	5.28	24.55
Freight outward	58.12	15.05
Royalty to use brand name	3.50	1.73
Rent (Depot)	22.58	8.43
	<b>271.03</b>	<b>273.10</b>

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Other Expenses</b>		
Legal & professional charges	24.02	20.32
GST/ Sales tax demand & other penalty	1.44	0.52
Audit Fees	4.00	3.20
Insurance	4.67	4.08
Provision for Doubtful Debts	34.81	0.24
Freight Inward	3.28	-
Bad Debts	7.63	0.06
Software / License Renewal Charges	2.63	2.25
Security guard expenses	3.58	2.76
Miscellaneous expenses	9.69	6.27
Fees, subscription & others	12.71	8.65
Power & Fuel	3.37	1.79
Directors sitting fees	0.74	0.57
Repair & maintenance-Others	0.81	-
Repair & maintenance-Building	2.62	-
Travelling Expenses	1.75	-
Printing & stationary	1.99	-
Postage & Courier	2.56	-
	<b>122.30</b>	<b>50.73</b>
<b>Total</b>	<b>1,083.33</b>	<b>1,055.95</b>

**Note (a): Details of remuneration to auditors:**

(₹ in Lakhs)

As auditor	Year ended March 31, 2023	Year ended March 31, 2022
Audit fee	2.00	1.75
Tax audit fee	0.80	0.75
Limited review fee	1.20	0.90
Others services (Certification fee)	-	0.43
<b>Total</b>	<b>4.00</b>	<b>3.83</b>

**2.26 Notes to the Financial Statements**

- Contingent Liabilities and commitments (to the extent not provided for):

**a. Contingent liabilities**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Corporate Guarantees	-	-
Claim against the Company not acknowledged as debt		
a) Goods and Services Tax Matter	12.83	-
b) MCA Matter	-	6.00
c) Other Matter	0.25	2.00
<b>Total</b>	<b>13.08</b>	<b>8.00</b>

**b. Commitments (net of advances)**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Property, plant and equipment	101.49	135.67
Intangible assets	-	-
<b>Total</b>	<b>101.49</b>	<b>135.67</b>

- The company had applied for Migration of listing of its Equity shares from Emerge platform of National Stock Exchange of India Limited (NSE Ltd.) to main board of NSE Ltd. and main board platform of BSE Ltd. With effect from April 7, 2022.
- 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 ₹ 9.21 lakhs along with interest @ 24% p.a. as on February 28, 2019 amounting to ₹ 12.65 lakhs against the supply of raw material in financial year 2017-18. However, the Company made a counter claim of ₹ 17.64 lakhs 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. The Hon'ble Bench of NCLT, Allahabad vide its order dated 13<sup>th</sup> 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 15<sup>th</sup> June, 2022, Hon'ble National Company Law Appellate Tribunal, Delhi ("NCLAT") vide its order dated 22<sup>th</sup> 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 06<sup>th</sup> July, 2022 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. As on March 31, 2023, no proceeding is pending under the Insolvency and Bankruptcy Code, 2016.

4. a) The Company has a system of obtaining periodic confirmation of balances from banks and other parties. There are no unconfirmed balances in respect of bank accounts and borrowings from banks & financial institutions. In addition, reconciliation with customers is generally done on quarterly basis. So far as trade/other payables and loans and advances are concerned, the balance confirmation letters/emails with the negative assertion as referred in the Standard on Auditing (SA) 505 (Revised) 'External Confirmations', were sent to the parties. Some of such balances are subject to confirmation/reconciliation. Adjustments, if any will be accounted for on confirmation/reconciliation of the same, which in the opinion of the management will not have a material impact.
- b) In the opinion of the management, the value of assets, other than property, plant and equipment, on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.
5. Company has filed a case against National Insurance Company Limited on January 17, 2009 seeking recovery of an amount with damages. The Company had suffered financial loss due to a fire and insurance company paid the some amount. However, the insurance company did not pay the complete amount and no explanation was offered for unreasonable deductions, therefore present complaint was filed before the consumer court. The last date of hearing was 03.05.2023. The order has been reserved in the matter.
6. Kumar Sales Corporation who was a distributor did not pay the outstanding dues of ₹ 2.56 lakhs against the supplies of plastic furniture. The legal notice dated June 14, 2019 was sent to the party. Despite the receipt of legal notice, Miss Meenu Aggarwal, proprietor of Kumar Sales Corporation failed to make payment of outstanding dues. Thereafter, the Company initiated a 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 she failed to participate in the said proceedings. The Company has filed suitable application bearing no. UDYAM-UP-29-0017300/S/00002 before MSME Council on 22.07.2021. The Hard copy of application along with annexures is yet to be filed.
7. Sri Sai Furnitures who was a distributor did not pay the outstanding dues of ₹ 0.70 lakhs against the supplies of plastic furniture. The legal notice dated 03.05.2019 was sent to Shri Penuguri Venkata Lakshmi, proprietor of M/s Sri Sai Furnitures. Thereafter, the Company initiated a 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/00001 before MSME Council on 22.07.2021. The Hard copy of application along with annexures is yet to be filed.
8. The Company took depot in Patna and deposited security of ₹ 2.25 lakhs to Shri Virju Lal & ors. But Company terminated the rent agreement on 27.02.2019 after giving one month notice. The security of ₹ 2.25 lakhs was not refunded to the Company due to which, the company issued legal notice on 7<sup>th</sup> March 2019 for the recovery of the said amount. Company has filed criminal case against party on 14.10.2020. The matter is pending before the same authority.
9. 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 design 286049 and consequential reliefs under Section 25 of the Design Act, 2000 in district court of Ludhiana for amount of ₹ 5.00 lakhs. 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 next date of hearing is 11.05.2023.

10. The Director of the Company 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 on January 21, 2020. The damage of ₹ 25.00 lakhs was claimed. On 26.03.2021, the matter was transferred to Hon'ble High Court of Gujarat and is pending for hearing.
11. The Company sent a legal notice dated 14.03.2021 to M/s Maa Katyayani and its proprietor Mr. Manoj Garg for dishonour of cheque of ₹ 10.14 lakhs. The Complaint was filed against M/s MAA Katyayani and its proprietor on 26.06.2021 under Section 138 read with Section 141 & 142 of Negotiable Instrument Act, 1881 against dishonour of cheque no. 487805 of ₹ 10.14 lakhs. The Summons were submitted in court on 24.09.2021. Both parties signed the mediation agreement. But, the accused violated the provisions of mediation agreement. The next date of hearing is 03.06.2023.
12. M/s Shreeji Enterprises did not pay the outstanding dues. Therefore, the Company sent a legal notice dated September 20, 2022 to M/s Shreeji Enterprises, its proprietor and Authorized Signatory for dishonour of cheque of ₹ 7.72 lakhs against supplies of Plastic Furniture. Thereafter, the Company filed a complaint against Shreeji Enterprises & others under Section 138 of Negotiable Instrument Act, 1881 and Section 406 & 420 of Indian Penal Code, 1860 for dishonour of cheque of ₹ 7.72 lakhs on 11.03.2022. Next date of hearing is 12.09.2023.
13. The Company sent a legal notice dated March 03, 2022 to Mr. Suresh Singh, proprietor of M/s Jai Bajrang Distributor against dishonour of cheque of ₹ 5.35 lakhs. Thereafter, Company sent him various reminders for payment of outstanding dues but Mr. Suresh Singh did not pay the outstanding dues. The Company has filed a Criminal Complaint dated January 23, 2023 against Suresh Singh, proprietor of M/s Jai Bajrang Distributors for committing cheating, criminal breach of trust, criminal intimidation etc. at Vijay Nagar Police Station and S.S.P, Raj Nagar. Thereafter, the Company filed an application on 02.03.2023 before District Court, Ghaziabad under Section 156(3) of Cr. P.C. for issuing directions to S.H.O/ IO to register FIR and investigate the matter.
14. The proprietor of M/s Santosh Traders did not pay the outstanding amount of ₹ 9.30 lakhs. The party issued a cheque no. 000006 of ₹ 9.30 lakhs and the same was dishonoured with reasons "Funds Insufficient". Therefore, the Company sent a Legal Notice dated 23.12.2022 in respect of dishonour of cheque, but the same was not served. Party did not pay the outstanding dues. Thereafter, the Company filed a Complaint against Sangeeta Giri alias Sangeeta Puri, proprietor of M/s Santosh Traders before Chief Metropolitan Magistrate, Patiala House Court, Delhi under Section 138 of Negotiable Instrument Act on February 22, 2023. The Complainant is directed to enter appearance and submit original documents two days before next date of hearing. The next date of hearing is September 04, 2023.
15. The proprietor of M/s Kasaudhan Furniture issued a cheque dated January 24, 2023 of ₹ 2.47 lakhs which was dishonoured with reasons "Funds Insufficient". Therefore, the Company sent a legal notice dated February 04, 2023 in respect of dishonour of cheque. But Mr. Shubham Kasaudhan, proprietor of M/s Kasaudhan Furniture did not pay the outstanding dues within fifteen days of receipt of notice. Therefore, the Company had filed a complaint against Shubham Kasaudhan, proprietor of M/s Kasaudhan Furniture before Chief Metropolitan Magistrate, Patiala House Court, Delhi under Section 138 of Negotiable Instrument Act on 16.03.2023. The Complainant is directed to submit the complaint and documents to court and appear on next date of hearing. The next date of hearing is 13.07.2023.
16. Ms. Pooja Jindal, proprietor of M/s 3A Marketing Group did not pay the outstanding dues of ₹ 4.18 lakhs. The Company sent her a legal notice dated December 20, 2022 for non-payment of said outstanding dues. But

she failed to pay the outstanding dues. Thereafter, the Company filed premeditation application before District Legal Services Authority, Ghaziabad on 24.03.2023.

17. 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 date in the matter was 14.07.2022 and the same was fixed for pre summoning evidence.

18. Company has received Notices by Senior Inspector, Legal Metrology (Weight & Measure), Agra for violation of Section 18(1) and 36(1) of the Legal Metrology Act 2009 and Rule 6(1)(a)(b) & Rule 6 (C)(d)(e) & Rule 6(2) of Legal Metrology (Packaged Commodities Rules) 2011 on 15.09.2022.

19. Company has received Notices by Senior Inspector, Legal Metrology (Weight & Measure), Khatauli Distt. Muzaffarnagar, Uttar Pradesh for violation of Section 18(1) and 36(1) of the Legal Metrology Act 2009 and Rule 6 of Legal Metrology (Packaged Commodities Rules) 2011 on 04.01.2023.

20. The Company received a notice dated 04.06.2022 from Deputy Commissioner, Uttar Pradesh Commercial Tax Department under Section 61 of UP GST Act, 2017 for discrepancies with respect to ITC Claimed in GSTR-3B and ITC auto-populated in GSTR-2A during financial year 2017-18. The Company paid the demand of ₹ 2.62 lakhs on 06.08.2022. The Company filed a reply dated 07.07.2022 to the notice and final settlement of ₹ 2.62 lakhs was made. The Deputy Commissioner acknowledged the acceptance of reply vide its order dated 20.08.2022 and confirmed that no further action is required to be taken.

21. The Company received a notice dated 02.01.2023 from Deputy Commissioner, Ghaziabad under Section 61 of UPSGST Act, 2017 for discrepancy in ITC Claimed in GSTR-3B and ITC auto-populated in GSTR-2A during

the financial year 2018-19. The Company has filed the reply dated 04.03.2023 to the notice. The matter is pending for assessment.

22. The Company received a notice dated 03.01.2023 from Deputy Commissioner, Ghaziabad under Section 61 of UPSGST Act, 2017 for discrepancy in ITC Claimed in GSTR-3B and ITC auto-populated in GSTR-2A during the financial year 2019-20. The Company is in the process of filing the reply to the notice.

23. The Company received a notice dated 13.02.2023 from Deputy Commissioner, Ghaziabad under Section 61 of UPSGST Act, 2017 for discrepancy in the GST returns during the financial year 2021-22. The Company is in the process of filing the reply to the notice.

24. The Company has received a notice for demand of ₹ 0.07 from department of Income Tax for financial year 2021-22. The amount of ₹ 0.07 lakhs paid on 10.04.2023.

25. The Company has sent legal notice to the various parties for non-payment of outstanding dues.

26. 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.

**27. Disclosure as per Ind AS 1 'Presentation of financial statements'**

**a) Changes in significant accounting policies:**

There is no change in accounting policies during the year.

**b) Reclassifications and comparative figures**

There has been no reclassification in the comparative period's financial statements and hence no change in the cash flow from operating, investing and financing activities on account of these reclassification.

**28. Disclosure as per Ind AS 2 'Inventories'**

- a) Amount of inventories consumed and recognized as expense during the year is as under:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2023
Domestic	4243.97	4581.19
Imported	-	-

- b) Carrying amount of inventories pledged as security for borrowings as at March 31, 2023 is ₹ 1109.90 Lakhs (March 31, 2022: ₹ 674.37 Lakhs).

**29. Disclosure as per Ind AS 8 - 'Accounting Policies, Changes in Accounting Estimates and Errors'**

**Recent accounting pronouncements Standards / amendments issued but not yet effective:**

The Ministry of Corporate Affairs ,vide notification dated 31 March 2023, has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 which amends certain Indian Accounting Standards which are effective 1 April 2023. Below is a summary of such amendments:

- a. Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies.

- b. Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.

- c. Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

The Company has evaluated the above amendments and the impact of the same on the financial statements is not material.

- 30.** 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.

**31. Disclosure as per Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets'**

**i) Provision for taxation:**

(Rs in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
	<b>Provision for Tax</b>	
Opening balance	95.71	65.19
Additions	159.25	95.71
Utilisations / Reversals	95.71	65.19
Closing balance	159.25	95.71



## ii) Provision for Gratuity:

(₹ in Lakhs)

Particulars	As at	As at
	31 March, 2023	31 March, 2022
	<b>Provision for Gratuity</b>	
Opening balance	8.51	9.26
Additions	1.72	0.16
Utilisations / Reversals	1.04	0.91
Closing balance	9.19	8.51

## iii) Contingent liabilities

Disclosure with respect to claims against the Company not acknowledged as debts is made in Note 2.26 (1) (a).

## 32. Disclosure as per Ind AS 38 'Intangible Assets'

Computer software amortised in the statement of Profit and Loss during the year is ₹ 0.09 lakhs (March 31, 2022: ₹ 0.46 lakhs).

## 33. Capital Management

The Company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and
- maintain an appropriate capital structure of debt and equity.

The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management in deployment of funds and sourcing by leveraging opportunities in domestic and international financial markets so as to maintain investors, creditors & markets' confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as returns from operating activities divided by total shareholders' equity deployed in operating activities.

## 34. Fair Value Measurements

### a) Categories of Financial Instruments

(₹ in Lakhs)

31 <sup>st</sup> March, 2023	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	-	-	105.00	105.00	-	-	-	-
- Trade receivables	-	-	1664.46	1664.46	-	-	-	-
- Cash and cash equivalents	-	-	54.37	54.37	-	-	-	-
- Other financial assets	-	-	67.66	67.66	-	-	-	-
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>1891.49</b>	<b>1891.49</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(₹ in Lakhs)

31 <sup>st</sup> March, 2023	Carrying amount				Fair Value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>B) Financial Liabilities</b>								
<b>Non-current</b>								
- Borrowings	-	-	283.10	283.10	-	-	283.10	283.10
<b>Current</b>								
- Borrowings	-	-	874.72	874.72	-	-	-	-
- Trade payables	-	-	368.16	368.16	-	-	-	-
- Other financial liabilities	-	-	14.63	14.57	-	-	-	-
<b>Total financial liabilities</b>	-	-	<b>1540.61</b>	<b>1540.55</b>	-	-	<b>283.10</b>	<b>283.10</b>

(₹ 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>

## b) 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.

## 35. 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 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.

### 36. Disclosure as per Ind AS 19 '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 ₹ 5.33 Lakhs (Previous year ₹ 5.73 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.

Based on the actuarial valuation obtained in this respect, the following table set out the status of Gratuity and amounts recognised in the company's financial statements as at balance sheet date:

#### Reconciliation of defined benefit obligation:

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Opening defined benefit obligation	8.51	9.26
Current Service Cost	1.73	1.93

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Past service cost	-	-
Interest Cost	0.60	0.60
Benefit payments directly by employer	(1.04)	(0.91)
Actuarial Loss (Gain) – Demographics	-	-
Actuarial Loss (Gain) – Experience	(0.44)	(1.81)
Actuarial Loss (Gain) – Financial	(0.17)	(0.56)
Settlements	-	-
<b>Closing Defined Benefit Obligation</b>	<b>9.19</b>	<b>8.51</b>

#### Reconciliation of Plan Assets:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Plan asset as at the beginning of the year	N.A.	N.A.
Expected return on plan assets	N.A.	N.A.
Actuarial Gains/(Losses)	N.A.	N.A.
Assets distributed on settlements	N.A.	N.A.
Contributions by employer	N.A.	N.A.
Assets acquired in an amalgamation in the nature of purchase	N.A.	N.A.
Exchange differences on foreign plans	N.A.	N.A.
Benefits Paid	N.A.	N.A.
<b>Closing value of plan assets</b>	<b>N.A.</b>	<b>N.A.</b>

**Reconciliation of net defined benefit liability:**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Net opening provision in books of accounts	8.51	9.26
Effects of acquisition/ merger	-	-
Employer contributions	-	-
Defined benefit cost in P&L	2.33	2.53
Total remeasurements included in OCI	(0.61)	(2.37)
Direct benefit payments by employer	(1.04)	(0.91)
Exchange differences on foreign plans	-	-
<b>Closing provision in books of accounts</b>	<b>9.19</b>	<b>8.51</b>

**Funded status of the plan:**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of unfunded obligations	-	-
Present value of funded obligations	9.19	8.51
Fair value of plan assets	N.A.	N.A.
Unrecognized past service cost	-	-
<b>Net Liability (Asset)</b>	<b>9.19</b>	<b>8.51</b>

**Composition of the plan assets:**

Particulars	As at March 31, 2023 %	As at March 31, 2022 %
Government of India Securities	N.A.	N.A.
State Government Securities	N.A.	N.A.
High quality corporate bonds	N.A.	N.A.
Equity shares of listed companies	N.A.	N.A.
Policy of insurance	N.A.	N.A.
Property	N.A.	N.A.
Special Deposit Scheme	N.A.	N.A.
Bank Balance	N.A.	N.A.
Others Investment	N.A.	N.A.
<b>Total</b>	<b>N.A.</b>	<b>N.A.</b>

**Bifurcation of liability as per Schedule III:**

(₹ in Lakhs)

Particulars	(₹ in Lakhs)	As at March 31, 2022
Current liability	1.11	0.97
Non-current liability	8.08	7.54
Fair value of assets	N.A.	N.A.
<b>Net liability</b>	<b>9.19</b>	<b>8.51</b>

### Effects Recognized in Other Comprehensive Income (OCI):

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Actuarial loss/(gain) due to experience on DBO	(0.44)	(1.81)
Actuarial loss/(gain) due to financial assumption changes in DBO	(0.17)	(0.56)
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>(0.61)</b>	<b>(2.37)</b>

### Total Cost Recognized in Comprehensive Income:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Cost Recognized in Profit & Loss	2.33	2.53
Remeasurement Effects Recognized in OCI	(0.61)	(2.37)
<b>Total cost recognized in comprehensive income</b>	<b>1.72</b>	<b>0.16</b>

### Reconciliation of Statement of Other Comprehensive Income (OCI):

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Cumulative OCI (Income) /Loss at the Beginning of the year	(0.51)	1.87
Remeasurement effects recognized in OCI	(0.61)	(2.37)
<b>Cumulative OCI (Income) / Loss at the end of the Year</b>	<b>(1.12)</b>	<b>(0.51)</b>

### Expected cashflows based on past service liability:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Year 1	1.19	1.03
Year 2	0.70	0.63
Year 3	0.68	0.60
Year 4	0.63	0.59
Year 5	0.61	0.55
Year 6 to 10	5.44	4.89

### Sensitivity of key assumptions:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate sensitivity		
Increase by 1%	8.40	7.75
(% change)	-8.58%	-8.85%
Decrease by 1%	10.12	9.40
(% change)	10.17%	10.46%

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Salary growth rate sensitivity		
Increase by 1%	10.04	9.32
(% change)	9.27%	9.53%
Decrease by 1%	8.46	7.82
(% change)	-7.95%	-8.22%
Withdrawal Rates		
Increase by 1%	9.37	8.66
(% change)	1.99%	1.76%
Decrease by 1%	8.97	8.34
(% change)	-2.30%	-2.01%

### 38. Disclosure as per Ind AS 24 '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 (KMP)	<p><b>Wholetime Directors:</b>            Sh. Sushil Kumar Aggarwal, Chairman &amp; Wholetime Director            Sh. Nikhil Aggarwal, Wholetime Director (Appointed w.e.f. 14.04.2022)            Sh. Sahil Aggarwal, Managing Director</p> <p><b>Independent Directors:</b>            Smt. Vandana Gupta, Non- executive Director            Smt. Iti Goyal, Non- executive Director (ceased to be Director w.e.f. 31.07.2022)            Sh. Pawan Dixit, Non- executive Director            Smt. Richa Kalra, Non- executive Director (Appointed w.e.f. 14.04.2022)            Sh. Sushil Kumar Goyal, Non- executive Director (Appointed w.e.f. 29.08.2022)</p>

### Financial assumptions:

Particulars	As at March 31, 2023	As at March 31, 2022
Discount Rate	7.30%	7.10%
Salary Growth Rate	5.00%	5.00%
Expected Rate of return	N.A.	N.A.

### 37. Disclosure as per Ind AS 23 'Borrowing Costs'

Borrowing costs capitalised during the year is ₹ 1.70 Lakhs (March 31, 2022: ₹ Nil).

S. No.	Nature of Relationship	Name of Parties
		<b><u>Non- Executive Director</u></b> Smt. Anita Aggarwal, Non –Executive Director
		<b><u>Chief Financial Officer and Company Secretary:</u></b> Sh. Ghanshyam Singh, Chief Financial Officer Sh. Sumit Bansal, Company Secretary
5	Relatives of Key Management Personnel	Sh. Nikhil Aggarwal, Chief Marketing Officer (Till 13.04.2022) Smt. Akshita Aggarwal, Head Communication
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, 2023:**

(₹ 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	- (-)	- (-)	- (-)	42.81 (37.90)	3.39 (6.00)	- (-)
2	Sitting Fees	- (-)	- (-)	- (-)	0.74 (0.58)	- (-)	- (-)
3	Purchase of Goods	- (-)	- (-)	- (-)	- (-)	- (-)	- (134.17)
4	Purchase of Capital Items	- (-)	- (-)	- (-)	- (-)	- (-)	114.11 (-)
5	Job Work Charges	- (-)	- (-)	- (-)	- (-)	- (-)	503.75 (557.67)
6	Rental Income of Molds & Injection Machines	- (-)	- (-)	- (-)	- (-)	- (-)	21.24 (8.58)
7	Rent paid for Warehouse	- (-)	- (-)	- (-)	- (-)	- (-)	7.08 (7.26)



(₹ 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*
8	Rental/ Maintenance Income	- (-)	- (-)	- (-)	- (-)	- (-)	0.28 (0.28)
9	Sales	- (-)	- (-)	- (-)	- (-)	- (-)	- (3.75)
10	Rent paid for Recycling Machine	- (-)	- (-)	- (-)	- (-)	- (-)	3.16 (-)
11	Corporate Guarantee received	- (-)	- (-)	- (-)	- (-)	- (-)	1402.00 (-)
<b>12</b>	<b>Outstanding as on 31.03.2023</b>						
a.	Amount Receivable	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
b.	Amount Payable	- (-)	- (-)	- (-)	1.05 (5.12)	0.25 (0.41)	- (-)
c.	Corporate Guarantee received outstanding	- (-)	- (-)	- (-)	- (-)	- (-)	1402.00 (-)

\*Amount including 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.

c) The company has taken collateral from company in which Directors are interested i.e. M/s. Bonita Furniture Pvt. Ltd.

### 39. Disclosure as per Ind AS 33 'Earnings per share'

#### i) Profit attributable to equity shareholders of the Company

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit attributable to equity holders of the Company:		
Continuing operations	415.12	297.60
Profit attributable to equity holders of the Company for basic earnings	415.12	297.60
Profit attributable to equity holders of the Company adjusted for the effect of dilution	415.12	297.60

**ii) Weighted average number of ordinary shares (Nos.)**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening balance of issued equity shares	10087400	10087400
Closing balance of issued equity shares	10087400	10087400
Weighted average number of equity shares for Basic and Diluted EPS	10087400	10087400

**iii) Basic and diluted earnings per share (in ₹)**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Basic Earnings per share	4.12	2.95
Diluted Earnings per share	4.12	2.95

**40. Disclosure as per Ind AS 108 'Operating Segments'**

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.

**41. Disclosure as per Ind AS 115, 'Revenue from contracts with customers'**

**i) Nature of goods and services**

The revenue of the Company comprises of income from sale of plastic furniture, sale of Almirah and sale of granules.

**42. Disclosure as required by Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

- a. Disclosures in compliance with the Accounting Standard on "Related Party Disclosures" made in note 2.26 (38).
- b. **Loans and advances in the nature of loans:**

Holding Company: N.A.  
 Subsidiary Company: N.A.  
 Firm/ companies in which directors are interested: Nil

c. Investment by the loanee (as detailed above) in the share of Avro India Limited and its subsidiaries: N.A.

#### 43. Disclosure as per Ind AS 116 'Leases'

The Company has acquired land on leasehold basis. As per the management opinion, this lease is perpetual in nature and hence Ind AS 116 is not applied.

#### 44. Additional Regulatory Information

i. 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 is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the Company
Property, Plant and Equipment	Leasehold Land	561.86 Lakhs	Avon Moldplast Private Limited	Mr. Sushil Kumar Aggarwal (Promoter & Director)	30.11.2002	The Company is taking appropriate step for completion of legal formalities.

- ii. 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.
- iii. During the year Company has not revalued any of its Property, Plant and Equipment.
- iv. During the year Company has not revalued any of its Intangible assets.
- v. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- vi. The Company has taken working capital loans from IDFC 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. and Plot No. C-19, UPSIDC, Masuri Gulawthi, Tehsil- Dhaulana, Distt- Hapur, U.P. Owned by Company M/s. AVRO India Limited. Further, Collateral on property situated at Plot No. 28-32, UPSIDC, Masuri Gulawthi Road, Tehsil- Dhaulana, Distt- Hapur, U.P and Plot No. 17, 18, 25, UPSIDC, Masuri Gulawthi Road, Tehsil- Dhaulana, Distt- Hapur, U.P owned by M/s. Bonita Furniture Private Limited.

Further, the facilities have been secured by Unconditional and Irrevocable personal guarantee of Mr. Sushil Kumar Aggarwal, Mr. Sahil Aggarwal and Mrs. Anita Aggarwal, Directors of the company and Corporate Guarantee given by M/s. Bonita Furniture Private Limited.

- vii. 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.
- viii. 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.
- ix. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- x. The Company does not have any subsidiaries, associates and joint ventures and hence has not made any investment in subsidiaries, associates and joint ventures.
- xi. The Company has not advanced or loaned or invested any fund to any entity (Intermediaries) with the understanding that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party with the understanding that the Company shall whether, directly or indirectly lend or invest in other entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- xii. The quarterly returns / statement of current assets filed by the company with banks are in agreement with the books of accounts.
- xiii. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- xiv. The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

#### xiv. Disclosure of Ratios

Ratio	Numerator	Denominator	As at 31 March, 2023	As at 31 March, 2022	% variance	Reason for variance
Current Ratio (in times)	Current Assets	Current Liabilities	1.94	1.62	(19.75)	
Debt-Equity Ratio (in times)	Total Debt	Shareholder's Equity	0.47	0.37	(27.02)	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	0.68	0.69	1.45	
Return on Equity (in %)	Net Profit after tax	Average Shareholder's Equity	18.24	15.51	(17.60)	
Inventory Turnover Ratio (in times)	Cost of Goods sold	Average Inventory	12.20	16.69	26.90	The ratio is decreasing due to increase in closing inventory
Trade Receivables Turnover Ratio (in times)	Net Credit sales	Average Trade Receivables	4.53	4.39	(3.19)	
Trade payables turnover ratio (in times)	Total Purchases	Average Trade Payables	10.85	9.97	(8.82)	
Net Capital Turnover Ratio (in times)	Net Sales	Average working capital	7.18	7.60	5.53	
Net Profit Ratio (in %)	Net Profit after tax	Net Sales	5.19	4.60	(12.83)	

Ratio	Numerator	Denominator	As at 31 March, 2023	As at 31 March, 2022	% variance	Reason for variance
Return on Capital Employed (in %)	Earnings before interest and taxes	Capital Employed = Net Worth + Total Debt + Deferred Tax Liability	18.46	15.28	(20.81)	
Return on Investment (in %)	Income from investments	Average investments	-	11.72	100	Decrease in ratio because of trading has not done during the year.

**45.** On the basis of the total income of the Company, the figures appearing in the financial statements have been rounded off to nearest lakhs.

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

**Sd/-**  
**CA (Dr.) S. K. Lal**  
**Partner**  
**M. No.: 509185**  
 UDIN: 23509185BGYOJS7233

Place: Ghaziabad  
 Date: May 23, 2023

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

**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: CHKPBO878G









## 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  
09910039125, 0120-4376091  
Email Us:- [support@avrofurniture.com](mailto:support@avrofurniture.com)