

## Independent Auditor's Report

To the Members of Avon Solutions and Logistics Private Limited

Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Avon Solutions and Logistics Private Limited (the "Company") which comprise the balance sheet as at 31 March 2024, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material 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 financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

### Management's and Board of Directors Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are 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 the Board of Directors 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.

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Registered Office:

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

**Independent Auditor's Report (Continued)**  
**Avon Solutions and Logistics Private Limited**

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

**Other Matter**

- a. The financial statements of the Company for the year ended 31 March 2023 were audited by the predecessor auditor who had expressed an unmodified opinion on 21 June, 2023.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement

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**Independent Auditor's Report (Continued)**  
**Avon Solutions and Logistics Private Limited**

on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. 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, except that the back-up of the books of account and other relevant books and papers in electronic mode has not been kept on servers physically located in India on a daily basis and for the matters stated in the paragraph 2(B)(f) below on reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014.
- 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 financial statements comply with the Ind AS specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. 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, in our opinion and to the best of our information and according to the explanations given to us:

- a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its financial statements - Refer Note 16 to the financial statements.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 26 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 26 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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**Independent Auditor's Report (Continued)**  
**Avon Solutions and Logistics Private Limited**

- (iii) 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 (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with Section 123 of the Act.
- f. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that the audit trail (edit log) facility was not enabled for the period April 01, 2023 to January 10, 2024. Further, for the periods where audit trail (edit log) facility was enabled and operated, we did not come across any instance of audit trail feature being tampered with.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.:101248WW-100022



**Pratima Narang**

*Partner*

Place: Chennai

Date: 17 May 2024

Membership No.: 226898

ICAI UDIN:24226898BKHJCM5613

**Annexure A to the Independent Auditor's Report on the Financial Statements of Avon Solutions and Logistics Private Limited for the year ended 31 March 2024**

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, all property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company is a service company, primarily rendering logistics and mailroom management solutions. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (ii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in, or provided guarantees or securities or advances in the nature of loans to any companies, firms, limited liability partnership or any other parties. The Company has granted loans to fellow subsidiary during the year in respect of which the requisite information is as below. The Company has not granted loans to any firms, limited liability partnership or any other parties.
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans, as below:

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**Annexure A to the Independent Auditor's Report on the Financial Statements of Avon Solutions and Logistics Private Limited for the year ended 31 March 2024 (Continued)**

Particulars	Loans (Rs. Millions)
Aggregate amount during the year	10.00
– Fellow Subsidiary Global Flight Handling Services Private Limited	
Balance outstanding as at balance sheet date	-
– Fellow Subsidiary Global Flight Handling Services Private Limited	

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the terms and conditions of the grant of loans during the year are, prima facie, not prejudicial to the interest of the Company
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the payment of interest has been stipulated and the principal is repayable on demand. The payment of interest has been regular. As informed to us, the Company has not demanded repayment of the principal. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loans or advances in the nature of loans to its Promoters and related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):

Particulars	Related Parties (Rs. millions)
Aggregate of loans/advances in nature of loan	
- Repayable on demand (A) Global Flight Handling Services Private Limited (Fellow subsidiary)	50.00
- Agreement does not specify any terms or period of Repayment (B)	-

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**Annexure A to the Independent Auditor's Report on the Financial Statements of Avon Solutions and Logistics Private Limited for the year ended 31 March 2024 (Continued)**

Particulars	Related Parties (Rs. millions)
Total (A+B)	50.00
Percentage of loans/advances in nature of loan to the total loans	Refer Note 1

**Note 1:**

As at 31 March 2024, the loan had been transferred to and adjusted against the dividend paid to Updater Services Limited (Holding Company)

- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of the loans granted by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with. There are no investments made or guarantee and security given by the Company.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

Name of the statute	Nature of the dues	Amount (Rs.millions )	Period to which the amount relates	Due date	Date of payment
Labour Welfare Fund Act , 1965	Dues relating to salary and bonus payable to employees unpaid greater than 3 years to be transferred to Labour Welfare fund	9.60	FY 2012-13 to FY 2019-20	Various dates	Not paid

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**Annexure A to the Independent Auditor's Report on the Financial Statements of Avon Solutions and Logistics Private Limited for the year ended 31 March 2024 (Continued)**

Name of the statute	Nature of the dues	Amount (Rs. millions )	Period to which the amount relates	Due date	Date of payment
The Employees Provident funds and Miscellaneous Provisions Act, 1952	Provident Fund	2.83*	FY 2007-08 to FY 2011-12	Various dates	Not paid

- \*excludes interest

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(e) is not applicable.
- (f) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(f) is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the



**Annexure A to the Independent Auditor's Report on the Financial Statements of Avon Solutions and Logistics Private Limited for the year ended 31 March 2024 (Continued)**

information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) Based on the information and explanations provided to us, the Company does not have a vigil mechanism and is not required to have a vigil mechanism as per the Act or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion and based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Act.  
(b) In our opinion and based on the information and explanations provided to us, the Company does not have an internal audit system and is not required to have an internal audit system as per Section 138 of the Act. Accordingly, clause 3(xiv)(b) of the Order is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.  
(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.  
(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.  
(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been resignation of the statutory auditors during the year and there were no issues, objections or concerns raised by the outgoing auditor.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the 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

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**Annexure A to the Independent Auditor's Report on the Financial Statements of Avon Solutions and Logistics Private Limited for the year ended 31 March 2024 (Continued)**

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 and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.:101248W/W-100022



**Pratima Narang**

*Partner*

Membership No.: 226898

ICAI UDIN:24226898BKHJCM5613

Place: Chennai

Date: 17 May 2024

**Annexure B to the Independent Auditor's Report on the financial statements of Avon Solutions and Logistics Private Limited for the year ended 31 March 2024**

**Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

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

**Opinion**

We have audited the internal financial controls with reference to financial statements of Avon Solutions and Logistics Private Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

**Management's and Board of Directors' Responsibilities for Internal Financial Controls**

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 Act.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

**Meaning of Internal Financial Controls with Reference to Financial Statements**

A company's internal financial controls with reference to financial statements is a process designed to

**Annexure B to the Independent Auditor's Report on the financial statements of Avon Solutions and Logistics Private Limited for the year ended 31 March 2024 (Continued)**

provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

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

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.:101248W/W-100022

**Pratima Narang**

*Partner*

Place: Chennai

Date: 17 May 2024

Membership No.: 226898

ICAI UDIN:24226898BKHJCM5613

**Avon Solutions & Logistics Private Limited**

Balance sheet as at March 31, 2024

(All amounts are in millions of Indian Rupees, except share data and as stated)

	Note	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3 (a)	4.48	3.67
Other intangible assets	3 (b)	0.47	0.78
Right-of-use assets	3 (c)	36.16	5.45
<b>Financial assets</b>			
- Loans	4	-	40.00
- Other financial assets	5	27.85	61.52
Other tax assets, net	6	31.78	33.86
Deferred tax assets, net	17	19.74	27.81
<b>Total non-current assets</b>		<b>120.48</b>	<b>173.09</b>
<b>Current assets</b>			
<b>Financial assets</b>			
- Trade receivables	8	205.82	117.84
- Cash and cash equivalents	9 (a)	0.32	5.50
- Bank balances other than cash and cash equivalents	9 (b)	-	161.42
- Other financial assets	5	77.02	7.59
Other current assets	7	51.28	7.79
<b>Total current assets</b>		<b>334.44</b>	<b>300.14</b>
<b>Total assets</b>		<b>454.92</b>	<b>473.23</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	10	2.48	2.48
Other equity	10	201.66	301.59
<b>Total equity</b>		<b>204.14</b>	<b>304.07</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
- Lease liabilities	12	26.42	3.85
Provisions	13	27.22	17.70
<b>Total non-current liabilities</b>		<b>53.64</b>	<b>21.55</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
- Borrowings	11	13.38	-
- Lease liabilities	12	10.04	1.62
- Trade payables			
Total outstanding dues of micro enterprises and small enterprises; and	14	1.65	0.29
Total outstanding dues of creditors other than micro enterprises and small enterprises	14	86.42	18.73
- Other financial liabilities	15	40.31	81.94
Other current liabilities	16	27.63	22.58
Provisions	13	17.71	22.45
<b>Total current liabilities</b>		<b>197.14</b>	<b>147.61</b>
<b>Total liabilities</b>		<b>250.78</b>	<b>169.16</b>
<b>Total equity and liabilities</b>		<b>454.92</b>	<b>473.23</b>

Material accounting policies

1 and 2

The notes from 1 to 35 are an integral part of these financial statements

As per our report of even date attached

for **BSR & Co. LLP**

Chartered Accountants

Firm's Registration no. 101248W/W-100022


**Pratima Narang**

Partner

Membership Number: 226898

Place: Chennai

Date: May 17, 2024

for and on behalf of the Board of Directors of

**Avon Solutions & Logistics Private Limited**

CIN : U72200TN2002PTC049961



**Raghunandana Tangirala**

Director

DIN: 00628914

Place: Chennai

Date: May 17, 2024

**J. Ameer Basha**

Director

DIN: 07546786

Place: Chennai

Date: May 17, 2024

**Avon Solutions & Logistics Private Limited****Statement of profit and loss for the year ended March 31, 2024***(All amounts are in millions of Indian Rupees, except share data and as stated)*

	Note	Year ended March 31, 2024	Year ended March 31, 2023
<b>Income</b>			
Revenue from operations	18	709.45	604.53
Other income	19	10.08	11.68
<b>Total income</b>		<b>719.53</b>	<b>616.21</b>
<b>Expenses</b>			
Employee benefits expense	20	238.30	268.77
Finance costs	21	5.84	0.42
Depreciation and amortization expense	22	13.70	2.14
Clearing and freight forwarding charges	23	227.35	3.56
Other expenses	24	171.39	241.15
<b>Total expenses</b>		<b>656.58</b>	<b>516.04</b>
<b>Profit before tax</b>		<b>62.95</b>	<b>100.17</b>
<b>Tax expense:</b>			
Current tax			
-tax relating to current years	17	7.30	29.64
-tax relating to earlier years	17	6.59	8.19
Deferred tax	17	9.15	(4.19)
<b>Total tax expense</b>		<b>23.04</b>	<b>33.64</b>
<b>Profit for the year</b>		<b>39.91</b>	<b>66.53</b>
<b>Other comprehensive income (OCI)</b>			
<b>Items that will not be reclassified to profit or loss</b>			
- Re-measurement (loss)/ gains on defined benefit plans	17	(4.28)	0.52
- Income tax effect on above	17	1.08	(0.13)
<b>Total other comprehensive income</b>		<b>(3.20)</b>	<b>0.39</b>
<b>Total comprehensive Income for the year</b>		<b>36.71</b>	<b>66.92</b>
<b>Earnings per equity share</b>			
(Face value of equity shares of Rs. 100/- each)			
Basic and Diluted earnings per share (in Rs.)	25	1,606.52	2,677.84

Material accounting policies

1 and 2

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As per our report of even date attached

for **BSR & Co. LLP**

Chartered Accountants

Firm's Registration no. 101248W/W-100022


**Pratima Narang**

Partner

Membership Number: 226898

Place: Chennai

Date: May 17, 2024

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CIN : U72200TN2002PTC049961



Director

DIN: 00628914

Place: Chennai

Date: May 17, 2024



Director

DIN: 07546786

Place: Chennai

Date: May 17, 2024

**Avon Solutions & Logistics Private Limited**
**Statement of changes in equity for the year ended March 31, 2024**
*(All amounts are in millions of Indian Rupees, except share data and as stated)*

	Note	Amount
<b>A. Equity share capital</b>		
Balance as at April 1, 2023	10	2.48
Changes in equity share capital due to prior period errors		-
Restated balance as at April 1, 2023		2.48
Changes in equity share capital during the year		-
Balance as at March 31, 2024	10	2.48
Balance as at April 1, 2022		2.48
Changes in equity share capital due to prior period errors		-
Restated balance as at April 1, 2022		2.48
Changes in equity share capital during the year		-
Balance as at March 31, 2023	10	2.48

**B. Other equity**

Particulars	Reserves and Surplus				Total
	General reserve	Capital redemption reserve	Retained earnings	Share options outstanding account	
<b>Balances as at April 1, 2023</b>	26.60	0.40	274.59	-	301.59
Profit for the year	-	-	39.91	-	39.91
Other comprehensive income for the year	-	-	(3.20)	-	(3.20)
<b>Total Comprehensive Income for the year</b>			36.71		36.71
<b>Transactions with the owners of the Company</b>					
Dividend Paid (Refer Note 10B)	-	-	(136.64)	-	(136.64)
Employee stock options provided (Refer Note 31)	-	-	-	1.93	1.93
Employee stock options costs payable to holding Company (refer note 31)	-	-	-	(1.93)	(1.93)
<b>Total transactions with the owners of the Company</b>	-	-	(136.64)	-	(136.64)
<b>Balances as at March 31, 2024</b>	26.60	0.40	174.66	-	201.66
<b>Balance as at April 1, 2022</b>	26.60	0.40	247.42	-	274.42
Profit for the year	-	-	66.53	-	66.53
Other comprehensive income for the year	-	-	0.39	-	0.39
<b>Total Comprehensive Income for the year</b>			66.92		66.92
<b>Transactions with the owners of the Company</b>					
Dividend Paid (Refer Note 10B)	-	-	(39.75)	-	(39.75)
Employee stock options provided (Refer Note 31)	-	-	-	0.87	0.87
Employee stock options costs payable to holding Company (refer note 31)	-	-	-	(0.87)	(0.87)
<b>Total transactions with the owners of the Company</b>	-	-	(39.75)	-	(39.75)
<b>Balances as at March 31, 2023</b>	26.60	0.40	274.59	-	301.59

Material accounting policies

1 and 2

The notes from 1 to 35 are an integral part of these financial statements

As per our report of even date attached

 for **BSR & Co. LLP**

Chartered Accountants

Firm's registration number: 101248W/W-100022


**Pratima Narang**

Partner

Membership Number: 226898

Place: Chennai

Date: May 17, 2024

 for and on behalf of the Board of Directors of  
**Avon Solutions & Logistics Private Limited**  
 CIN : U72200TN2002PTC049961


  
**Raghunandana Tangirala**  
 Director  
 DIN: 00628914


  
**J. Ameer Basha**  
 Director  
 DIN: 07546786

 Place: Chennai  
 Date: May 17, 2024

 Place: Chennai  
 Date: May 17, 2024

**Avon Solutions & Logistics Private Limited**  
**Statement of cash flows for the year ended March 31, 2024**

(All amounts are in millions of Indian Rupees, except share data and as stated)

	Note	Year ended March 31, 2024	Year ended March 31, 2023
<b>A. Cash flows from operating activities</b>			
Profit before tax		62.95	100.17
<b>Adjustments for:</b>			
Depreciation of Property, plant and equipment and amortization of Intangible assets	22	2.22	1.70
Depreciation of right of use of assets	22	11.48	0.44
Equity-settled share-based payment transactions		-	0.87
Finance costs	21	5.84	0.42
Bad debts written off		-	0.85
Loss allowance on trade receivables		3.47	(4.16)
Provision for doubtful advances		-	0.26
Interest income		(9.31)	(11.68)
Loss / (gain) on disposal of property, plant and equipment		0.20	0.01
<b>Operating profit before working capital changes</b>		<b>76.85</b>	<b>88.88</b>
<b>Adjustments for changes in working capital:</b>			
(Increase) / Decrease in trade receivables		(91.45)	117.35
(Increase) in other financial assets		(0.30)	-
(Increase) in other assets		(43.49)	(7.92)
Increase/ (Decrease) in trade payables		69.05	(15.30)
(Decrease) in Other financial liabilities		(41.64)	-
Increase in current liabilities and provisions		5.54	17.33
<b>Cash generated / (used in) from operating activities</b>		<b>(25.44)</b>	<b>200.34</b>
Income taxes paid, net		(11.81)	(72.45)
<b>Net cash generated / (used in) from operating activities</b>		<b>(37.25)</b>	<b>127.89</b>
<b>B. Cash flows from investing activities</b>			
Acquisition of property, plant and equipment		(2.94)	(2.18)
Proceeds from sale of property, plant and equipment		0.03	-
Interest received		12.85	8.65
Loans to fellow subsidiary	4	(10.00)	(40.00)
Maturity of / (Investment) in Bank deposits		120.62	(38.50)
<b>Net cash used in investing activities</b>		<b>120.57</b>	<b>(72.03)</b>
<b>C. Cash flows from financing activities</b>			
Dividends paid		(86.64)	(39.75)
Proceeds/ (repayment) of borrowings (Net)		13.38	(10.88)
Payment of principal portion of lease liabilities		(9.40)	(0.54)
Payment of interest portion of lease liabilities		(2.56)	(0.05)
Finance cost paid		(3.28)	(0.37)
<b>Net cash from financing activities</b>		<b>(88.50)</b>	<b>(51.59)</b>
<b>D. Net cash flows during the year (A + B + C)</b>		<b>(5.18)</b>	<b>4.27</b>
E. Cash and cash equivalents at the beginning of the year		5.50	1.23
<b>F. Cash and cash equivalents at the end of the year (D + E)</b>		<b>0.32</b>	<b>5.50</b>
<b>Reconciliation of the cash and cash equivalents as per the cash flow statement</b>			
		<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Cash on hand		0.00	-
Balances with banks in current accounts		0.32	5.50
<b>Cash and cash equivalents as per note 9</b>		<b>0.32</b>	<b>5.50</b>

Material accounting policies

1 and 2

The notes from 1 to 35 are an integral part of these financial statements

As per our report of even date attached

for **BSR & Co. LLP**

Chartered Accountants

Firm's registration number: 101248W/W-100022

*Pratima Narang*

**Pratima Narang**

Partner

Membership Number: 226898

Place: Chennai

Date: May 17, 2024

for and on behalf of the Board of Directors of  
**Avon Solutions & Logistics Private Limited**  
 CIN : U72200TN2002PTC049961

*Raghunandana Tangirala*

**Raghunandana Tangirala**

Director

DIN: 00628914

Place: Chennai

Date: May 17, 2024

*J. Ameer Basha*

**J Ameer Basha**

Director

DIN: 07546786

Place: Chennai

Date: May 17, 2024



**1. Corporate information**

Avon Solutions & Logistics Private Limited ("the Company") was incorporated on December 2, 2002. The Company is a private company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the company is located at Balammal Building, No. 33, 1st Floor, Burkit Road, T. Nagar, Chennai – 600017. The Company is primarily into rendering integrated mailroom management solutions across diverse industries such as banking, insurance, consultancy, technology, and manufacturing. The Company is engaged in providing Mailroom operations, mail logistics, freight & logistics and pickup & delivery services. The Company is a subsidiary of Updater Services Limited.

**1A. Basis of preparation**

**1.1 Statement of compliance**

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements for the year ended March 31, 2024 (including comparative figures) are authorised by the Board on May 17, 2024.

Details of the Company's accounting policies are included in note 2.

**1.2 Functional and presentation currency**

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

**1.3 Basis of measurement**

The financial statements have been prepared on the historical cost basis except for the following items;

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefit asset/ liability	Fair value of plan assets less present value of defined benefit obligations

**1.4 Use of estimates and judgments**

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

**Judgements**

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 2(4) and 33 : Leases - whether an arrangement contains a lease;
- Note 2(5) and 28: Financial instruments: Classification and measurement.

**Assumptions and estimation uncertainty**

Information about assumptions and estimation uncertainties at the reporting date that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is mentioned below :-

- Note 2(2) and 2(3): Useful lives of property, plant and equipment and intangible assets;
- Note 2(7) and 17 – Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 2(6): Impairment test on financial and non-financial assets; key assumptions underlying recoverable amounts;
- Note 2(7), 2(9), 17 and 32: recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources; and
- Note 2(8) and 13: measurement of defined benefit obligation; key actuarial assumptions.

**1.5 Measurement of fair values**

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes personnel responsible for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief operating officer.

Such personnel 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 such personnel assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the Accounting Standards, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Company's Board of Directors.

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).



### 1.5 Measurement of fair values (continued)

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. The inputs used to measure the fair value of assets or liabilities fall into different levels of the fair value hierarchy. Accordingly, 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.

Management uses various valuation techniques to determine fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management based on its assumptions on observable data as far as possible but where it not available, the management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date (also refer notes). The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

### 1.6 Current and non-current classification

The Company classifies an asset as current asset when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the asset primarily for the purpose of trading;
- it expects to realise the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent unless the asset is 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 expects to settle the liability in its normal operating cycle;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company's normal operating cycle is twelve months.

## 2. Summary of material accounting policies

These financial statements have been prepared applying material accounting policies and measurement bases summarized below.

### 1. Revenue recognition

The Company derives revenue primarily from mailroom management, courier services and freight and logistic services.

The Company recognizes revenue when it satisfies performance obligations under the terms of its contracts, and control of its services is transferred to its customers in an amount that reflects the consideration the Company expects to receive from its customers in exchange for those services. This process involves identifying the customer contract, determining the performance obligations in the contract, determining the contract price, allocating the contract price to the distinct performance obligations in the contract, and recognizing revenue. when the performance obligations have been satisfied.

Taxes assessed by a government authority that are both imposed on and concurrent with a specific revenue-producing transaction, that are collected by the Company from a customer, are excluded from Revenue from operations.

Revenue from Mailroom management services is recognised over time as the services are provided as customers simultaneously receives and consumes the benefits as and when the services are provided.

Revenue from courier services and freight and logistic services are recognised at the point of time at which the Company transfers control of the goods and services to the customer. An entity has 'control' of a service when it has the ability to direct the use of and obtain substantially all of the remaining benefits from the services.

### Other Income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate. Interest income is included under the head "other income" in the Statement of Profit and Loss.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortized cost of the financial liability



## 2. Property, plant and equipment

### 2.1 Recognition and measurement

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

All other items of property, plant and equipment (including capital-work-in progress) are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

After initial recognition, subsequent measurement of freehold land is at its fair value as at each balance sheet date. Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the revaluation reserve.

Cost of an item of property, plant and equipment comprises:

- purchase price, including import duties and non-refundable taxes on purchase (goods and service tax, value added tax), after deducting trade discounts and rebates.
- any directly attributable cost of bringing the item to its working condition for its intended use, estimated costs of dismantling and removing the item and restoring the site on which it is located.
- The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Any gain/ loss on disposal of an item of property, plant and equipment except for freehold land is recognised in statement of profit and loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

The component of assets are capitalized only if the life of the components vary significantly and whose cost is significant in relation to the cost of the respective asset, the life of the component in assets are determined based on technical assessment and past history of replacement of such components in the assets. The carrying amount of any component accounted for as separate asset is derecognised when replaced.

### 2.2 Depreciation:

- a. Depreciation is calculated on the cost of items of property, plant and equipment less their estimated residual values. It is recognized on a straight-line basis, over useful life of buildings and other equipment as prescribed under Schedule II of Companies Act, 2013.
- b. Depreciation on property, plant and equipment is charged over the estimated useful life of the asset or part of the asset as evaluated on technical assessment and in accordance with Part A of Schedule II to the Companies Act, 2013, on a straight-line basis.
- c. The estimated useful life of the property, plant and equipment on technical assessment followed by the Company is furnished below:

Asset category	Management estimate of useful life (in years)	Useful life as per Schedule II (in years)
Office Equipment	5	5
Furniture and fixtures	10	10
Computer and accessories	3	3-6
Vehicles	8	8-10

- d. Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted, if necessary, for each reporting period.
- e. On property, plant and equipment added/ (disposed) off during the year, depreciation is charged on pro-rata basis from/ (up to) the date on which asset is ready for use/ (disposed off).

## 3. Intangible assets

Intangible assets are initially measured at cost. Subsequently, such intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in statement of profit and loss as incurred.

Amortisation of Intangible assets is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives of 3 years and is generally recognised in depreciation and amortisation in Statement of profit and loss. Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if necessary, for each reporting period.



#### 4. Leases

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

##### 4.1 Assets held under leases

###### Assets taken on lease

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and 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.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate.

The Company determines its incremental borrowing rate by obtaining interest rates from external financing sources that reflects the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- 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.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company presents right-of-use assets and lease liabilities separately on the face of the balance sheet.

##### 4.2 Short-term leases

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

#### 5. Financial instruments

##### 5.1 Recognition and initial measurement:

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

##### 5.2 Financial assets

###### 5.2.1 Classification and subsequent measurement of financial assets:

For the purpose of subsequent measurement, financial assets are classified and measured based on the entity's business model for managing financial asset and contractual cash flow characteristics of financial asset at:

- a. Those measured at amortised cost.
- b. Those to be measured at Fair value through other comprehensive Income (FVTOCI)
- c. Those to be measured at Fair value through profit and loss (FVTPL);

###### a. Financial assets at amortised cost

Financial assets are measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- assets that are held within a business model where objective is to hold financial assets to collect contractual cash flows; and
- contractual terms gives rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.



## 5.2 Financial assets (continued)

These assets are measured subsequently at amortised cost using the effective interest method.

### b. Financial assets at Fair Value Through Other Comprehensive Income ('OCI')

Financial assets is measured at Fair value through Other Comprehensive Income if it meets both of the following conditions and is not designated as at FVTPL:

- assets that are held within a business model where objective is both collecting contractual cash flows and selling financial assets; and
- contractual terms giving rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to represent subsequent changes in the investment's fair value in OCI. This election is to be made on an investment-by-investment basis.

### c. Financial assets at Fair Value Through profit and loss

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### **Financial assets: Business model assessment**

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and the information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest, maintaining a particular interest rate profile, matching the duration of financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of assets;

- how the performance of the portfolio is evaluated and reported to the Company's management

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- how managers of the business are compensated – e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on fair value basis are measured at FVTPL.

#### **Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest**

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In

making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that pertains or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

#### **Financial assets: Subsequent measurement and gains and losses**

##### **Financial assets at FVTPL**

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.



## 5.2 Financial assets (continued)

### *Financial assets at amortised cost*

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

### *Financial assets at FVOCI*

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

## 5.3 Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

## 5.4 De-recognition

### Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

### Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

## 5.5 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

## 6. Impairment

### 6.1 Impairment of financial instruments

The Company recognise loss allowance for expected credit loss on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit - impaired includes the following observable data:

- significant financial difficulty;
- a breach of contract such as a default or being past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for trade receivables are measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are credit losses that result from all possible default events over expected life of financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company assumes that credit risk on a financial asset has increased significantly if it is past due.



### 6.1 Impairment of financial instruments (continued)

The Company considers a financial asset to be in default when:

- the recipient is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is past due.

#### 6.1.1 Measurement of expected credit losses

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL impairment loss allowance (or reversal) recognized during the period is recognised as income/ expense in the Statement of Profit and Loss under the head 'Other expenses

#### 6.1.2 Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

#### 6.1.3 Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

### 6.2 Impairment of non-financial assets

The Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU if any, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimates used to determine recoverable amount. Such a reversal is made only to an extent that asset's carrying amount does not exceed carrying amount that would have been determined, net of depreciation/ amortisation, if no impairment loss was recognised.

## 7 Income taxes

Income tax comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

### i. Current tax

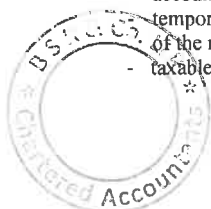
Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. Calculation of current tax is based on tax rates in accordance with tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

### ii. Deferred tax

Deferred tax is recognised in respect of temporary difference between carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising 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 at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements 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.



## 7 Income taxes (continued)

Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising deferred tax.

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. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans of the Company. 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.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by 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 if there is a legally enforceable right to offset current tax liabilities and /assets, and they relate to income taxes levied by same tax authority on same taxable entity, or on different tax entities, but they intend to settle such tax liabilities and assets on a net basis or its tax assets and liabilities will be realised simultaneously.

## 8 Post-employment benefits and short-term employee benefits

### 8.1 Short term employee benefit obligations:

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

### 8.2 Post-employment obligation:

#### 8.2.1 Defined benefit plans:

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Gratuity: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan"), covering eligible employees. The Plan provides payment to vested employees at retirement, death, or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. The Company provides the gratuity benefit through annual contribution to a fund managed by the Life Insurance Corporation of India (LIC). Such contributions are determined by LIC based on actuarial valuation using "projected unit credit method" as at the balance sheet date.

Compensated absences: The Company has a policy under which un-availed leave of their employees is allowed to be accumulated within certain limits and allowed to be availed during the employment period or en-cashed at the time of the employees' separation on the basis of their last drawn salary. The Company accounts for its liability towards compensated absences based on actuarial valuation done as at the year-end by an independent actuary using the projected unit credit method. Remeasurements gain or losses are recognised in statement of profit and loss in the period which they arise.

#### 8.2.2 Defined contribution plans:

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

### 8.3 Other long-term employee benefit obligations:

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurement gains or losses are recognised in profit or loss in the period in which they arise.





## **9 Provisions and contingent liabilities**

### **9.1 Provisions:**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Expected future operating losses are not provided for. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

#### **9.1.1 Onerous contract**

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

#### **9.2 Contingent liabilities:**

Whenever there is possible obligation 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 or a present obligation that arises from past events but is not recognised because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability are considered as contingent liability. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

## **10. Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are considered for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless they have been issued at a later date. In computing the diluted earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

## **11. Cash and cash equivalents and cash flow statement**

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within three months from the date of acquisition and which are readily convertible into cash and which are subject to only an insignificant risk of changes in value.

Cash flows are reported using the indirect method, whereby profit/ (loss) before extraordinary items and tax is appropriately classified for the effects of transactions of non-cash nature and any deferrals or accruals of past or future receipts or payments. In cash flow statement, cash and cash equivalents include cash in hand, balances with banks in current accounts and other short-term highly liquid investments with original maturities of three months or less

## **12. Segment reporting**

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



## Avon Solutions & Logistics Private Limited

Notes to financial statements for the year ended March 31, 2024 (continued)

(All amounts are in millions of Indian Rupees, except share data and as stated)

### 3 (a) Property, plant and equipment

Reconciliation of carrying amount	Office Equipment	Computer and accessories	Furniture and fixtures	Total
<b>Cost:</b>				
Balance as at April 1, 2022	2.35	3.34	2.25	7.94
Additions	0.40	1.20	0.21	1.81
Disposals	(0.04)	(0.16)	(0.13)	(0.33)
<b>Balance as at March 31, 2023</b>	<b>2.71</b>	<b>4.38</b>	<b>2.33</b>	<b>9.42</b>
Additions	1.32	0.34	1.06	2.72
Disposals	(0.16)	(0.36)	(0.52)	(1.04)
<b>Balance as at March 31, 2024</b>	<b>3.87</b>	<b>4.36</b>	<b>2.87</b>	<b>11.10</b>
<b>Accumulated depreciation</b>				
Balance as at April 1, 2022	1.69	2.06	1.05	4.80
Depreciation	0.23	0.79	0.21	1.23
Disposals	(0.04)	(0.15)	(0.09)	(0.28)
<b>Balance as at March 31, 2023</b>	<b>1.88</b>	<b>2.70</b>	<b>1.17</b>	<b>5.75</b>
Depreciation	0.44	0.97	0.27	1.68
Disposals	(0.16)	(0.35)	(0.30)	(0.81)
<b>Balance as at March 31, 2024</b>	<b>2.16</b>	<b>3.32</b>	<b>1.14</b>	<b>6.62</b>
<b>Carrying amounts</b>				
As at March 31, 2023	0.83	1.68	1.16	3.67
As at March 31, 2024	1.71	1.04	1.73	4.48

### 3 (b) Other Intangible assets

Reconciliation of carrying amount	Computer Software	Total
<b>Cost:</b>		
Balance as at April 1, 2022	2.42	2.42
Additions	0.37	0.37
Disposals	-	-
<b>Balance as at March 31, 2023</b>	<b>2.79</b>	<b>2.79</b>
Additions	0.23	0.23
Disposals	-	-
<b>Balance as at March 31, 2024</b>	<b>3.02</b>	<b>3.02</b>
<b>Accumulated depreciation</b>		
Balance as at April 1, 2022	1.54	1.54
Depreciation	0.47	0.47
Disposals	-	-
<b>Balance as at March 31, 2023</b>	<b>2.01</b>	<b>2.01</b>
Depreciation	0.54	0.54
Disposals	-	-
<b>Balance as at March 31, 2024</b>	<b>2.55</b>	<b>2.55</b>
<b>Carrying amounts</b>		
As at March 31, 2023	0.78	0.78
As at March 31, 2024	0.47	0.47



**Avon Solutions & Logistics Private Limited**

Notes to financial statements for the year ended March 31, 2024 (continued)

*(All amounts are in millions of Indian Rupees, except share data and as stated)***3 (c) Right of use assets**

<b>Reconciliation of carrying amount</b>	<b>Building</b>	<b>Total</b>
<b>Cost:</b>		
<b>Balance as at April 1, 2022</b>	<b>1.99</b>	<b>1.99</b>
Additions	5.60	5.60
Disposals	-	-
<b>Balance as at March 31, 2023</b>	<b>7.59</b>	<b>7.59</b>
Additions	42.19	42.19
Disposals	-	-
<b>Balance as at March 31, 2024</b>	<b>49.78</b>	<b>49.78</b>
<b>Accumulated depreciation</b>		
<b>Balance as at April 1, 2022</b>	<b>1.70</b>	<b>1.70</b>
Depreciation	0.44	0.44
Disposals	-	-
<b>Balance as at March 31, 2023</b>	<b>2.14</b>	<b>2.14</b>
Depreciation	11.48	11.48
Disposals	-	-
<b>Balance as at March 31, 2024</b>	<b>13.62</b>	<b>13.62</b>
<b>Carrying amounts</b>		
<b>As at March 31, 2023</b>	<b>5.45</b>	<b>5.45</b>
<b>As at March 31, 2024</b>	<b>36.16</b>	<b>36.16</b>



# Avon Solutions & Logistics Private Limited

Notes to financial statements for the year ended March 31, 2024 (continued)

(All amounts are in millions of Indian Rupees, except share data and as stated)

	As at March 31, 2024	As at March 31, 2023
<b>4 Loans</b>		
(Unsecured, Considered good unless stated otherwise)		
Loans to related parties (Refer Note 30)	-	40.00
	-	40.00

## Particulars of loan under Section 186 of Companies Act, 2013 during the financial year ended March 31, 2024

Name of the body corporate	Nature of transaction	Amount of transaction- Year ending March 2024	Amount of transaction- Year ending March 2023	Purpose for which the loan is utilised by the recipient
Global Flight Handling Services Private Limited (refer Note 1)	Loan given	10.00	40.00	for working capital purpose
<b>Total</b>				

Note- The loan granted to Global Flight Handling Services Private Limited during the year amounting to INR 10.00 million (March 31, 2023- 40 million) (outstanding as on March 31, 2024, nil and outstanding as on March 31, 2023 INR 40.00 million) was for purpose of its working capital requirement with an effective interest rate of 9% p.a. During the year, vide board resolution dated August 21, 2023, the company has assigned the loan granted to Global Flight Handling Services Private Limited amounting to INR 50.00 million to Updater Services Limited. (Holding Company), the consideration of which has been adjusted against the dividend payable as detailed in Note 10B.

	As at March 31, 2024		As at March 31, 2023	
	Non-current	Current	Non-current	Current
<b>5 Other financial assets</b>				
Security deposits	4.76	4.02	7.05	3.23
Bank deposits with original maturity of more than 12 months	20.80	73.00	53.00	-
Interest accrued	2.28	-	1.46	4.36
Other deposits	0.01	-	0.01	-
	<b>27.85</b>	<b>77.02</b>	<b>61.52</b>	<b>7.59</b>

Note : Current portion of bank deposits includes deposits worth INR 15.5 million which is earmarked against working capital loan.

	As at March 31, 2024	As at March 31, 2023
<b>6 Other tax assets, net</b>		
Advance income tax, net of provision	31.78	33.86
	<b>31.78</b>	<b>33.86</b>
<b>7 Other assets</b>		
Prepaid expenses	1.76	1.44
Balance with government authorities	5.51	3.31
Other advances	0.01	0.01
Advances to suppliers		
- considered good	44.00	3.03
- credit impaired	-	0.26
	<b>44.00</b>	<b>3.29</b>
Less: Provision for doubtful advances	-	(0.26)
	<b>44.00</b>	<b>3.03</b>
	<b>51.28</b>	<b>7.79</b>



**Avon Solutions & Logistics Private Limited**

Notes to financial statements for the year ended March 31, 2024 (continued)

(All amounts are in millions of Indian Rupees, except share data and as stated)

	As at March 31, 2024	As at March 31, 2023
<b>8 Trade receivables</b>		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	205.82	117.84
Trade receivables which have significant increase in credit risk	-	-
Trade receivables- credit impaired	6.79	3.32
<b>Total trade receivables</b>	<b>212.61</b>	<b>121.16</b>
Loss allowance	(6.79)	(3.32)
<b>Net trade receivables</b>	<b>205.82</b>	<b>117.84</b>
<b>Of the above, trade receivables from related parties are as below:-</b>		
Total trade receivables from related parties (refer note 31)	2.47	0.02
Less: Loss allowance	-	-
<b>Net trade receivables</b>	<b>2.47</b>	<b>0.02</b>
<b>Movement in loss allowance on trade receivables</b>		
Opening balance	3.32	-
Loss allowance made during the year	3.47	3.32
Loss allowance reversed during the year	-	-
Amount written off	-	-
<b>Closing balance</b>	<b>6.79</b>	<b>3.32</b>

**8 Trade receivables (continued)**
**8(a) Ageing schedule**

As at March 31, 2024

Particulars	Outstanding for following periods from the due date of payment						Total
	Unbilled and Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed trade receivables</b>							
(i) Considered good	152.83	52.99	-	-	-	-	205.82
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Credit impaired	1.44	1.82	0.62	0.21	-	2.70	6.80
<b>Disputed trade receivables</b>							
(i) Considered good	-	-	-	-	-	-	-
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>154.27</b>	<b>54.81</b>	<b>0.62</b>	<b>0.21</b>	<b>-</b>	<b>2.70</b>	<b>212.61</b>
Less : Loss allowance							(6.79)
<b>Net trade receivables</b>							<b>205.82</b>

As at March 31, 2023

Particulars	Outstanding for following periods from the due date of payment						Total
	Unbilled and Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade receivables</b>							
(i) Considered good	60.04	55.20	2.60	-	-	-	117.84
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Credit impaired	-	0.29	0.41	0.16	0.06	2.40	3.32
<b>Disputed Trade receivables</b>							
(i) Considered good	-	-	-	-	-	-	-
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>60.04</b>	<b>55.49</b>	<b>3.01</b>	<b>0.16</b>	<b>0.06</b>	<b>2.40</b>	<b>121.16</b>
Less : Loss allowance							(3.32)
<b>Total trade receivables</b>							<b>117.84</b>

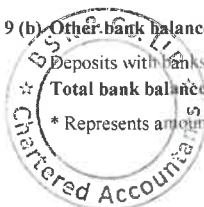
**9 (a) Cash and cash equivalents**

	As at March 31, 2024	As at March 31, 2023
Cash on hand*	0.00	0.00
Balances with banks		
- On current accounts	0.32	5.50
<b>Total cash and cash equivalents</b>	<b>0.32</b>	<b>5.50</b>

**9 (b) Other bank balances**

Deposits with banks (original maturity more than 3 months but less than 12 months)	-	161.42
<b>Total bank balance other than cash and cash equivalents</b>	<b>-</b>	<b>161.42</b>

\* Represents amount below INR 5,000



# Avon Solutions & Logistics Private Limited

Notes to financial statements for the year ended March 31, 2024 (continued)

(All amounts are in millions of Indian Rupees, except share data and as stated)

	As at March 31, 2024	As at March 31, 2023
<b>10 Share capital and other equity</b>		
<b>A Equity Share capital</b>		
<b>Authorized</b>		
30,000 (March 31, 2023: 30,000) equity shares of Rs 100 each	3.00	3.00
<b>Issued, subscribed and paid up</b>		
24,845 (March 31, 2023: 24,845) equity shares of Rs 100 each fully paid up	2.48	2.48

	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
<b>a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period</b>				
<b>Equity shares</b>				
At the commencement and end of the year	24,845	2.48	24,845	2.48
<b>b) Shares held by the holding company, the ultimate holding company, their subsidiaries and associates</b>				
<b>Equity shares</b>				
Updater Services Limited (Holding Company ) (Equity shares of Rs. 100/- each, fully paid up)	18,883	1.89	18,883	1.89
<b>c) Shareholders holding more than 5% of the aggregate shares in the Company</b>				
<b>Equity shares of Rs. 100/- each, fully paid up</b>				
Updater Services Limited	18,883	76.00%	18,883	76.00%
Latha Krishna Kumar	5,962	24.00%	5,962	24.00%
As per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.				

**d) Shares held by promoters at the end of the year**

Name of the shareholder	Equity shares		
	No. of shares held	% of total shares	% of change during the year
<b>As at March 31, 2024</b>			
Updater Services Limited	18,883	76%	0%
Latha Krishna Kumar	5,962	24%	0%
<b>As at March 31, 2023</b>			
Updater Services Limited	18,883	76%	0%
Latha Krishna Kumar	5,962	24%	0%

**e) Rights, preferences, and restrictions attached to shares**

**Equity shares**

The Company has a single class of equity shares having a par value of Rs. 100/-. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. The equity shareholders are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to his/its share of the paid-up equity share capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable has not been paid. Failure to pay any amount called up on shares may lead to their forfeiture.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.

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

Particulars	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019
Equity shares bought back by the company	-	4,000	-	-	-
Equity shares allotted as fully paid bonus shares by capitalisation of securities premium	-	-	-	-	-

**g) Employee stock options/ share purchase plan**

Terms attached to stock options granted/ share purchase plan to employees are described in Note 32 regarding share-based payments.



**Avon Solutions & Logistics Private Limited**

Notes to financial statements for the year ended March 31, 2024 (continued)

(All amounts are in millions of Indian Rupees, except share data and as stated)

**10 Share capital and other equity (continued)****h) Capital management**

The Company's capital management objective is to ensure adequate return to the shareholder by maintaining the optimal capital structure. The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. It sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments.

For the purpose of the Company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholder value.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure. The Company manages its capital structure and makes adjustments, as it deems necessary, in the light of changes in economic conditions and the risk characteristics of the underlying assets.

		As at March 31, 2024	As at March 31, 2023
Total debt*		49.84	5.47
Cash and cash equivalents		(0.32)	(5.50)
<b>Net debt</b>	A	<b>49.52</b>	<b>(0.03)</b>
Total equity		204.14	304.07
<b>Equity</b>	B	<b>204.14</b>	<b>304.07</b>
<b>Net debt to equity</b>	C = (A/B)*100	<b>24.26%</b>	<b>-0.01%</b>

\* Total debt represents current borrowings and lease liabilities

Year ended March 31, 2024	Year ended March 31, 2023
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**B) Other Equity- Reserves and Surplus****(a) Dividends**

The Following dividends were declared and paid by the Company during the year

Interim dividend of Rs 5,500/- per equity share in the respective years (Refer note below)

Interim dividend of Rs 1,600/- per equity share in the respective years

136.64	-
-	39.75
<b>136.64</b>	<b>39.75</b>

**Note**

During the current year, the Company had declared and paid Interim dividend of INR 136.64 vide board resolution dated August 21, 2023. Out of the dividend attributable to the Holding Company (Updater Services Limited), an amount of INR 50 million had been adjusted against the assignment of loan balance with Global Flight Handling Services Private Limited to Updater Services Limited (the Holding Company) as detailed in Note 4.

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Dividend paid to		
<b>Latha Krishna Kumar</b>	<b>32.80</b>	<b>9.54</b>
<b>Updater Services Limited</b>	<b>103.84</b>	<b>30.21</b>
less dividend payable adjusted towards assignment of loan advanced to Global Flight Handling Services Private Limited	(50.00)	-
<b>Net dividend paid to Updater Services Limited (Holding Company)</b>	<b>53.84</b>	<b>30.21</b>
<b>Total cash flow of dividend paid</b>	<b>86.64</b>	<b>39.75</b>

There are no proposed dividends for the year ended March 31, 2024 and March 31, 2023

**(b) Nature and purpose of reserves****Retained earnings**

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

**General reserve**

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

**Capital redemption reserve**

Capital redemption reserve is a non-distributable reserve created in an earlier year. This reserve will be utilized in accordance with provisions of Companies Act, 2013.

**Securities Premium**

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.



# Avon Solutions & Logistics Private Limited

Notes to financial statements for the year ended March 31, 2024 (continued)

(All amounts are in millions of Indian Rupees, except share data and as stated)

	As at	
	March 31, 2024	March 31, 2023
<b>11 Borrowings</b>		
Financial liabilities at amortized cost		
Secured		
Working capital loans		
- from banks	13.38	-
	13.38	-

Note:

(i) Working capital loan from banks (secured)

The Company had availed secured working capital facilities with limit of INR 20.5 million from Kotak Mahindra Bank and HDFC bank, the carrying amount of which aggregates to INR 13.38 million (March 31, 2023 : nil) with interest ranging from 8.75% - 10.54%. These facilities are repayable on demand and are secured by first charge on all current assets of the Company as primary security, with collateral security consisting of lien on fixed deposit amounting to INR 15.5 million.

	As at March 31, 2024		As at March 31, 2023	
	Non-current	Current	Non-current	Current
<b>12 Lease liabilities</b>				
Lease liabilities (also refer note 33)	26.42	10.04	3.85	1.62
	26.42	10.04	3.85	1.62

	As at March 31, 2024		As at March 31, 2023	
	Non-current	Current	Non-current	Current
<b>13 Provisions</b>				
Provision for employee benefits				
Provision for gratuity	18.38	10.88	17.70	7.24
Provision for compensated absences	8.84	6.83	0.00	15.21
	27.22	17.71	17.70	22.45

i) Gratuity

The following tables summarize the components of net benefit expenses recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the Gratuity.

The Company has its defined benefit gratuity plan as per the Payment of Gratuity Act, 1972. The plan entitles an employee, who has rendered at least five years of continuous service, to gratuity payable on termination of his employment at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned. The gratuity plan is a funded plan and the Company makes its contributions to a recognized fund in India.

These defined benefit plans expose the Company to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

The Company obtains an actuarial valuation from an independent actuary measured using projected unit credit method to determine the liability as at the reporting dates.

	Year ended March 31, 2024	Year ended March 31, 2023
Amount recognized in statement of profit and loss	4.22	4.25
Amount recognized in other comprehensive income	4.28	(0.51)
	8.50	3.74
<b>Recognized in statement of profit and loss</b>		
Current service cost	2.38	2.74
Interest cost on benefit obligation	1.84	1.51
	4.22	4.25
<b>Recognized in other comprehensive income</b>		
Actuarial (gain)/loss arising from change in financial assumptions	1.14	(0.52)
Actuarial (gain) arising from change in demographic assumptions	(0.90)	-
Actuarial loss arising from experience adjustments	4.03	-
Actuarial loss arising from return on plan assets, excluding amount recognized in net interest expense	0.01	0.01
	4.28	(0.51)

The following table sets out the defined obligation and funded status

	As at March 31, 2024	As at March 31, 2023
<b>Net defined obligation</b>		
Present value of defined benefit obligation	29.76	25.77
Fair value of plan assets	(0.50)	(0.83)
<b>Net defined obligation</b>	29.26	24.94





**Avon Solutions & Logistics Private Limited**

Notes to financial statements for the year ended March 31, 2024 (continued)

(All amounts are in millions of Indian Rupees, except share data and as stated)

**13 Provisions (continued)**

	Year ended March 31, 2024	Year ended March 31, 2023
<b>Changes in present value of the defined benefit obligation are as follows:</b>		
Balance at the beginning of the year	25.77	25.31
Interest cost	1.88	1.57
Current service cost	2.38	2.74
Benefits paid	(4.55)	(3.33)
Actuarial (gains) on obligation	4.28	(0.52)
<b>Balance at the end of the year</b>	<b>29.76</b>	<b>25.77</b>

**Changes in the fair value of plan assets are as follows:**

Balance at the beginning of the year	0.83	1.01
Expected return on plan assets	0.04	0.07
Contribution made by the employer	4.18	3.10
Benefits paid	(4.55)	(3.33)
Actuarial (losses) on plan assets	-	(0.01)
<b>Balance at the end of the year</b>	<b>0.50</b>	<b>0.83</b>

**Plan assets comprises of :**

	As at March 31, 2024	As at March 31, 2023
% of Investment with insurer	100.00	100.00

**Principal actuarial assumptions used**

Discount rate	7.18%	7.30%
Salary escalation rate	7.52%	6.10%
Attrition rate	38.93%	28.00%

**Maturity profile**

Weighted average duration (based on discounted cashflows)	26.95 Years	27.39 years
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**Classification**

- Current	10.88	7.24
- Non-current	18.38	17.70

**Sensitivities**

	Year ended March 31, 2024		Year ended March 31, 2023	
	Increase	Decrease	Increase	Decrease
<b>A. Discount rate</b>				
> Sensitivity level	0.50%	0.50%	0.50%	0.50%
Defined benefit obligation	29.53	29.99	25.47	26.09
> Impact on defined benefit obligation	(0.23)	0.23	(0.30)	0.32
<b>B. Salary escalation rate</b>				
> Sensitivity level	1.00%	1.00%	1.00%	1.00%
Defined benefit obligation	30.23	29.30	26.41	25.17
> Impact on defined benefit obligation	0.47	(0.46)	0.64	(0.60)
<b>C. Attrition rate</b>				
> Sensitivity level	0.50%	0.50%	0.50%	0.50%
Defined benefit obligation	29.43	30.13	25.56	25.97
> Impact on defined benefit obligation	(0.33)	0.39	(0.21)	0.20

**ii) Compensated absences**

The Company's net obligation in respect of Compensated absences is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method.

**Bifurcation of Present value of Obligation**

	As at March 31, 2024	As at March 31, 2023
Current	6.83	15.21
Non-current	8.84	0.00
	<b>15.67</b>	<b>15.21</b>

**Financial assumptions**

Discount rate	7.18%	7.30%
Salary Growth rate	7.52%	6.10%



**Avon Solutions & Logistics Private Limited**
**Notes to financial statements for the year ended March 31, 2024 (continued)**
*(All amounts are in millions of Indian Rupees, except share data and as stated)*

	As at March 31, 2024	As at March 31, 2023
<b>14 Trade payables</b>		
Total outstanding dues of micro enterprises and small enterprises	1.65	0.29
Total outstanding dues of creditors other than micro enterprises and small enterprises	86.42	18.73
	<b>88.07</b>	<b>19.02</b>
Of the above, trade payable to related parties (refer note 30)	6.06	1.11
<b>Dues to micro and small enterprises - As per Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED' Act)</b>		
i. the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;	1.65	0.29
ii. the amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
iii. the 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 the MSMED Act;	-	-
iv. the amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
	<b>1.65</b>	<b>0.29</b>

The above disclosures have been provided based on the information available with the Company in respect of the registration status of its vendors/suppliers. All trade payables are 'current'. The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 33.

**14 (a) Ageing schedule**
**As at March 31, 2024**

Particulars	Outstanding for following periods from the due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed dues</b>						
(i) MSME	1.65	-	-	-	-	1.65
(ii) Others	12.65	0.79	0.03	0.22	0.28	13.97
<b>Disputed dues</b>						
(i) MSME	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-
<b>Unbilled dues</b>	72.45	-	-	-	-	72.45
<b>Total</b>	<b>86.76</b>	<b>0.79</b>	<b>0.03</b>	<b>0.22</b>	<b>0.28</b>	<b>88.07</b>

**As at March 31, 2023**

Particulars	Outstanding for following periods from the due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed dues</b>						
(i) MSME	-	0.29	-	-	-	0.29
(ii) Others	13.61	3.17	1.65	0.07	0.23	18.73
<b>Disputed dues</b>						
(i) MSME	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-
<b>Unbilled dues</b>	-	-	-	-	-	-
<b>Total</b>	<b>13.61</b>	<b>3.46</b>	<b>1.65</b>	<b>0.07</b>	<b>0.23</b>	<b>19.02</b>



**Avon Solutions & Logistics Private Limited**

Notes to financial statements for the year ended March 31, 2024 (continued)

*(All amounts are in millions of Indian Rupees, except share data and as stated)*

	As at March 31, 2024	As at March 31, 2023
<b>15 Other financial liabilities</b>		
<b>Financial liabilities at amortized cost</b>		
Employee benefits payable	36.30	77.61
Other payables to related parties (refer note 30)	2.80	0.87
Others	1.21	3.46
	<b>40.31</b>	<b>81.94</b>
<b>16 Other current liabilities</b>		
Advance from customers	3.99	-
Statutory dues	19.08	18.36
Others (Refer Note 1)	4.56	4.22
	<b>27.63</b>	<b>22.58</b>

**Note 1:**

The Company received an order from the High Court (against the appeal made by the PF department) directing the Company to pay PF on certain allowances to be considered for PF computation for the salary paid for the period FY 2007-12. Based on the High court order and in compliance with Supreme Court judgement in 2019, the Company has created provision amounting for INR 2.83 million. (March 31, 2023: INR 2.83 million ). Further, the Company has also accrued for interest during the year amounting to Rs. 0.34 million (March 31, 2023: INR 1.39 million.) totalling to INR 4.56 million ( March 31, 2023- 4.22 million)

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**Avon Solutions & Logistics Private Limited**

Notes to financial statements for the year ended March 31, 2024 (continued)

(All amounts are in millions of Indian Rupees, except share data and as stated)

**17 Income tax**
**A Amount recognized in statement of profit and loss**

	Year ended March 31, 2024	Year ended March 31, 2023
<b>Current tax (a)</b>		
Current period	7.30	29.64
Tax relating to earlier years	6.59	8.19
<b>Deferred tax (b)</b>		
Benefits attributable to - origination and reversal of temporary differences	9.15	(4.19)
<b>Tax expense (a) + (b)</b>	<b>23.04</b>	<b>33.64</b>

**B Income tax recognized in other comprehensive income**

Particulars	Year ended March 31, 2024			Year ended March 31, 2023		
	Amount	Tax (expense) / benefit	Net of tax	Amount	Tax (expense) / benefit	Net of tax
- Re-measurement gains on defined benefit plans	(4.28)	1.08	(3.20)	0.52	(0.13)	0.39
<b>Total</b>	<b>(4.28)</b>	<b>1.08</b>	<b>(3.20)</b>	<b>0.52</b>	<b>(0.13)</b>	<b>0.39</b>

**C Reconciliation of effective tax rate**

Particulars	Year ended March 31, 2024		Year ended March 31, 2023	
	%	Amount	%	Amount
<b>Profit before tax</b>		<b>62.95</b>		<b>100.17</b>
Tax using the Company's domestic tax rate	25.17%	15.84	25.17%	25.21
Effect of:				
- Interest on income tax	0.00%	-	0.11%	0.11
- tax relating to earlier years*	10.46%	6.59	8.17%	8.19
- Disallowance of CSR expenditure	1.18%	0.74	0.61%	0.61
- 80JJA deduction	0.00%	-	-0.89%	(0.89)
- Others	-0.21%	(0.13)	0.41%	0.41
<b>Effective tax rate / tax expense</b>	<b>36.60%</b>	<b>23.04</b>	<b>33.58%</b>	<b>33.64</b>

\* tax relating to earlier year pertains to tax demand for the preceding assessment years adjusted against the refund receivable by the Company.

**D Recognized deferred tax assets and liabilities**

Deferred tax assets and liabilities are attributable to the following

Particulars	Net deferred tax (assets) / liabilities	
	As at March 31, 2024	As at March 31, 2023
Property, plant and equipment and intangible assets	0.95	0.86
Employee benefits	13.90	10.10
Provision for litigations	1.15	1.06
Expenditure covered by section 43B of Income tax Act, 1961	-	12.87
Others	3.74	2.92
	<b>19.74</b>	<b>27.81</b>

**17 Income tax (continued)**
**E Movement in temporary differences for the year ended March 31, 2024**

Particulars	Balance as at April 1, 2023	Recognized in profit and loss during 2023-24	Recognized in OCI during 2023 24	Balance as at March 31, 2024
Property, plant and equipment and intangible assets	0.86	0.09	-	0.95
Employee benefits	10.10	(10.16)	1.08	1.02
Provision for litigations	1.06	0.10	-	1.16
Expenditure covered by section 43B of Income tax Act, 1961	12.87	-	-	12.87
Others	2.92	0.82	-	3.74
<b>Total</b>	<b>27.81</b>	<b>(9.15)</b>	<b>1.08</b>	<b>19.74</b>

**Movement in temporary differences for the year ended March 31, 2023**

Particulars	Balance as at April 01, 2022	Recognized in profit and loss during 2022-23	Recognized in OCI during 2022 23	Balance as at March 31, 2023
Property, plant and equipment and intangible assets	0.98	(0.12)	-	0.86
Employee benefits	9.70	0.53	(0.13)	10.10
Provision for litigations	0.98	0.08	-	1.06
Expenditure covered by section 43B of Income tax Act, 1961	10.26	2.61	-	12.87
Others	1.84	1.08	-	2.92
<b>Total</b>	<b>23.76</b>	<b>4.18</b>	<b>(0.13)</b>	<b>27.81</b>



# Avon Solutions & Logistics Private Limited

## Notes to financial statements for the year ended March 31, 2024 (continued)

(All amounts are in millions of Indian Rupees, except share data and as stated)

	Year ended March 31, 2024	Year ended March 31, 2023
<b>18 Revenue from operations</b>		
<i>see accounting policy note 2(1)</i>		
Revenue from contracts with customers	709.45	604.53
	<b>709.45</b>	<b>604.53</b>
<b>(i) Disaggregated revenue information</b>		
Sale of Mailroom management services	217.66	183.15
Sale of Courier services	203.56	381.80
Sale of Freight and Logistic services	246.95	5.20
Sale of Other services	41.28	34.37
<b>Total revenue from operations</b>	<b>709.45</b>	<b>604.53</b>
<b>(ii) Timing of revenue recognition</b>		
Services transferred at a point in time	450.50	387.01
Services transferred over time	258.95	217.53
	<b>709.45</b>	<b>604.53</b>
<b>(iii) Reconciliation of revenue recognised with the contracted price</b>		
Revenue as per contracted price	709.45	604.53
<b>Total revenue from contract with customers</b>	<b>709.45</b>	<b>604.53</b>
<b>(iv) Trade receivables</b>		
The following disclosure provides information about receivables, contract assets and liabilities from contracts with customers		
Trade receivables (refer note 8)	205.82	117.84
Advance from customers (refer note 16)	3.99	-
<b>19 Other income</b>		
Interest income on financial assets that are measured at amortised cost		
- on bank deposits	7.06	10.35
- on loan to related parties	1.70	1.33
- on security deposits	0.54	-
Interest income on refund of income tax	0.78	-
	<b>10.08</b>	<b>11.68</b>
<b>20 Employee benefits expense</b>		
Salaries, wages and bonus	207.88	239.56
Contribution to provident and other funds (refer note below and note 13)	26.02	23.70
Share based payments to employees (refer note 31)		
- equity based	1.93	0.87
Staff welfare expenses	2.47	4.64
	<b>238.30</b>	<b>268.77</b>
<b>Note :</b> The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards employee provident fund, which is a defined contribution plan. The same is charged to statement of profit and loss as and when it is accrued. The amount recognized as expense towards such provident fund contribution, Employee state Insurance contribution and Labour welfare fund aggregated to Rs. 21.82 million (March 31, 2023: Rs. 19.46 million).		
<b>21 Finance costs</b>		
Interest expense on financial liabilities that are not measured at fair value through profit or loss		
- on financial liabilities measured at amortized cost	1.19	0.00
- on lease liabilities	2.56	0.05
Other borrowing costs	2.09	0.37
	<b>5.84</b>	<b>0.42</b>



**Avon Solutions & Logistics Private Limited**

Notes to financial statements for the year ended March 31, 2024 (continued)

(All amounts are in millions of Indian Rupees, except share data and as stated)

	Year ended March 31, 2024	Year ended March 31, 2023
<b>22 Depreciation and amortization expense</b>		
Depreciation on property, plant and equipment (refer note 3(a))	1.68	1.23
Depreciation on right of use assets (refer note 3(c) and note 33)	11.48	0.47
Amortization of intangible assets (refer note 3(b))	0.54	0.44
	<b>13.70</b>	<b>2.14</b>
<b>23 Clearing and freight forwarding charges</b>		
Transportation costs*	227.35	3.56
	<b>227.35</b>	<b>3.56</b>
* Transportation costs primarily include INR 226.89 million incurred towards providing freight and logistic services.		
<b>24 Other expenses</b>		
Postage and courier charges	129.40	170.42
Communication	0.58	0.55
Expenditure on corporate social responsibility (refer note 26)	2.95	2.41
Insurance	3.05	16.14
Legal and professional costs	6.91	3.54
Loss on sale of property, plant and equipment	0.20	0.01
Power and fuel	0.97	0.89
Printing and stationery	3.38	9.01
Rent	1.54	9.12
Repairs and maintenance - others	1.43	1.23
Rates and taxes	2.33	2.97
Travelling and conveyance	4.25	15.87
Provision for doubtful advances	-	0.26
Payment to Audit fee (refer note below)	0.84	0.81
Provision / (reversal) for expected credit loss of trade receivables	3.47	(4.16)
Bad trade receivables and advances written off	-	0.85
Miscellaneous expenses	10.09	11.23
	<b>171.39</b>	<b>241.15</b>
<b>Note:</b>		
<b>Auditor's remuneration</b>		
As auditor		
Statutory Audit	0.80	0.80
Tax Audit	-	-
Other services	-	-
Reimbursement of expenses	0.04	0.01
	<b>0.84</b>	<b>0.81</b>



# Avon Solutions & Logistics Private Limited

Notes to financial statements for the year ended March 31, 2024 (continued)

(All amounts are in millions of Indian Rupees, except share data and as stated)

		Year ended March 31, 2024	Year ended March 31, 2023
<b>25 Earnings per share (EPS)</b>			
Profit for the year	A	39.91	66.53
Net profit attributable to equity shareholders for basic EPS	B	39.91	66.53
Add: Employee stock option	C	-	-
Net profit attributable to equity shareholders for diluted EPS	D = A+C	39.91	66.53
Weighted average number of equity shares outstanding as at reporting date for basic EPS	E	24,845	24,845
Add: Potential equity shares	F	-	-
Weighted average number of equity shares outstanding as at reporting date for diluted EPS	G = E + F	24,845	24,845
<b>Basic earnings per equity share (in Rs. )</b>	H = B / E	<b>1,606.52</b>	<b>2,677.84</b>
<b>Diluted earnings per share (in Rs.)</b>	I = D / G	<b>1,606.52</b>	<b>2,677.84</b>

## 26 Other statutory information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company has not traded or invested in Crypto currency or virtual currency.
- (ii) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the current or previous year.
- (iii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries other than those stated below

The Company had advanced loans of Rs. 50 (March 31, 2023- Rs. 40) to its fellow subsidiary, Global Flight Handling Services Private limited ('GFHSPL' CIN U74900TN2014PTC097283) on various dates towards funding requirements for business purposes, Subsequently, GFHSPL had further advanced loans aggregating Rs. 2.92, Rs. 9.83, Rs. 2.11, Rs. 14.93 and Rs 2.54 to its subsidiaries, namely Global Flight Handling Services (Pune) Private limited (CIN U93090PN2021PTC198665), Global flight Handling Services (Patna) Private limited (CIN U622008R2021PTC052021), Global Flight Handling Services (Raipur) Private limited (CIN U63040CT2021PTC012256), Global Flight Handling Services (Vizag) Private limited (CIN U62100AP2021PTC118299) and Global Flight Handling Services (Surat) Private limited (CIN U63030GJ2021PTC126393) respectively on various dates for the purpose of providing funding to these step-down subsidiaries in connection with their pursuit of flight handling services business at the respective airports operated by these entities during the year. The loan has been assigned to Updater Services Limited (Holding Company) and consequently no amount is outstanding as at March 31, 2024.

The Company has complied with the relevant provisions of the Companies Act for the above transactions and the transactions are not violative of the Prevention of Money-

### Complete details of the intermediary and Ultimate Beneficiary:

Name of the entity	Registered Address	Government Identification Number (CIN)	Relationship with the Company
Global Flight Handling Services Private Limited	"Rayala Towers", Tower II, First Floor, New No.158 Old No.781, Shop No.24A, Anna Salai, Chennai TN 600002	U74900TN2014PTC097283	Fellow Subsidiary
Global Flight Handling Services (Patna) Private Limited (Ultimate Beneficiary)	Door No 401, 4th Floor, OP Complex P N Mall Road (Patliputra - Kurji Road) NA Patna Patna BR 800010 IN	U622008R2021PTC052021	Fellow Subsidiary
Global Flight Handling Services (Pune) Private Limited (Ultimate Beneficiary)	No 101, Amrut Siddhi Apartment, Lakshmi Park, Behind Bhide Hospital, Navi Peth Na Pune Pune MH 41 1030 India	U93090PN2021PTC198665	Fellow Subsidiary
Global Flight Handling Services (Raipur) Private Limited (Ultimate Beneficiary)	OTB Ground Floor, Swami Vivekananda Airport, Mana Na Raipur Raipur CT 492015 India	U63040CT2021PTC012256	Fellow Subsidiary
Global Flight Handling Services (Surat) Private Limited (Ultimate Beneficiary)	Cabin No.2, First Floor, Inside Terminal Building Arrival Hall, Atc Building, Dumas Road, Na Surat Surat GJ 395007 India	U63030GJ2021PTC126393	Fellow Subsidiary
Global Flight Handling Services (Vizak) Private Limited (Ultimate Beneficiary)	First Floor, D.No. 1-168, Susarla Colony Gopalapatnam Na Visakhapatnam Vishakhapatnam AP 530027 India	U62100AP2021PTC118299	Fellow Subsidiary

- (iv) The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (v) 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 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (vi) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond statutory period.
- (vii) The Company does not have any transactions with the companies struck off
- (viii) The Company does not have any scheme of arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.



**Avon Solutions & Logistics Private Limited**

Notes to financial statements for the year ended March 31, 2024 (continued)

(All amounts are in millions of Indian Rupees, except share data and as stated)

	Year ended March 31, 2024	Year ended March 31, 2023
<b>27 Expenditure on corporate social responsibility (CSR)</b>		
a) Amount required to be spent by the Company during the year	2.90	2.41
b) Amount approved by the Board to be spent during the year	2.95	2.50
c) Amount spent during the year (in cash):		
(i) Construction / acquisition of asset	-	-
(ii) On purposes other than (i) above	2.95	2.50
	<b>2.95</b>	<b>2.50</b>
d) Shortfall at the end of the year	-	-
e) Total of previous years shortfall	-	-
f) Reason for shortfall	Not applicable	Not applicable
g) Details of related party transactions	Not applicable	Not applicable
h) Details of excess amount spent by the company	(0.26)	(0.21)
i) Nature of CSR activities undertaken by the company	Ensuring environmental sustainability and Promotion of health and education	
j) The movements in the provision for unspent CSR (relating to ongoing project) is as follows:		
<b>Opening balance</b>	(0.21)	(0.12)
Amount required to be spent during the year	2.90	2.41
Amount spent during the year	2.95	2.50
<b>Closing balance</b>	<b>(0.26)</b>	<b>(0.21)</b>





**Avon Solutions & Logistics Private Limited**

Notes to financial statements for the year ended March 31, 2024 (continued)

(All amounts are in millions of Indian Rupees, except share data and as stated)

**28 Ratios as per the schedule III requirements:****a) Current ratio = Current assets divided by Current liabilities**

Particulars	March 31, 2024	March 31, 2023
Current assets	334.44	300.14
Current liabilities	197.14	147.61
<b>Ratio</b>	<b>1.70</b>	<b>2.03</b>
<b>% change from previous year</b>	<b>-16.6%</b>	

Reason for change more than 25% : Not applicable

**b) Debt-Equity Ratio = Total debt divided by total equity where total debt represents aggregate of current and non-current borrowings**

Particulars	March 31, 2024	March 31, 2023
Total debt	49.84	5.47
Total equity	204.14	304.07
<b>Ratio</b>	<b>0.24</b>	<b>0.02</b>
<b>% change from previous year</b>	<b>1257.5%</b>	

Reason for change more than 25% : The Increase in debt equity ratio is on account of increase in working capital borrowings and lease liabilities.

**c) Debt Service Coverage Ratio = Earnings available for debt services divided by total interest and principal repayments**

Particulars	March 31, 2024	March 31, 2023
Earnings available for debt services (refer note 1 below)	59.65	69.10
Total interest and principal repayments (refer note 2 below)	9.40	0.54
<b>Ratio</b>	<b>6.35</b>	<b>127.97</b>
<b>% change from previous year</b>	<b>-95.0%</b>	

Reason for change more than 25% : Decrease in ratio is on account of increase in the lease payments during the year

**Note:**

- Earnings available for debt services = Profit after tax + Depreciation and amortization expense + Finance cost
- Total interest and principal repayments = Interest payment on borrowings + Principal repayments (Term loan related) + Lease payments

**d) Return on Equity ratio = Profit after tax divided by average shareholder's equity**

Particulars	March 31, 2024	March 31, 2023
Net Profit after tax	39.91	66.53
Average shareholder's equity (refer note below)	254.11	290.49
<b>Ratio</b>	<b>15.71%</b>	<b>22.90%</b>
<b>% change from previous year</b>	<b>-31.4%</b>	

Reason for change more than 25% : Decrease in ratio is on account of decrease in Profit after tax in the current year

**Note:** Average shareholder's equity = (Total shareholder's equity as at beginning of respective year + total shareholder's equity as at end of respective year) divided by 2**e) Trade receivables turnover ratio = Sales divided by average trade receivables**

Particulars	March 31, 2024	March 31, 2023
Turnover (refer note 1 below)	709.45	604.53
Average trade receivables (refer note 2 below)	161.83	174.86
<b>Ratio</b>	<b>4.38</b>	<b>3.46</b>
<b>% change from previous year</b>	<b>26.8%</b>	

Reason for change more than 25% : Increase in ratio is on account of increase in closing balance of Trade receivables.

**Note:**

- Turnover represents revenue from operations
- Average trade receivables = (Total trade receivables as at beginning of respective year + total trade receivables as at end of respective year) divided by 2



**Avon Solutions & Logistics Private Limited**

Notes to financial statements for the year ended March 31, 2024 (continued)

(All amounts are in millions of Indian Rupees, except share data and as stated)

**28 Ratios as per the schedule III requirements:****f) Trade payables turnover ratio = Purchases divided by average trade payables**

Particulars	March 31, 2024	March 31, 2023
Purchases (refer note 1 below)	395.07	247.75
Average trade payables (refer note 2 below)	53.55	26.69
<b>Ratio</b>	<b>7.38</b>	<b>9.28</b>
<b>% change from previous year</b>	<b>-20.5%</b>	

Reason for change more than 25% : Not applicable

**Note:**

1. Purchases represents other expenses.

2. Average trade payables = (Total trade payables as at beginning of respective year + Total trade payables as at end of respective year) divided by 2

**g) Net capital turnover ratio = Revenue from operations divided by workings capital**

Particulars	March 31, 2024	March 31, 2023
Revenue from operations	709.45	604.53
Working capital (refer note below)	137.30	152.53
<b>Ratio</b>	<b>5.17</b>	<b>3.96</b>
<b>% change from previous year</b>	<b>30.4%</b>	

Reason for change more than 25% : Increase in ratio is on account of reduction in working capital.

**Note:** Working capital = Current assets - Current liabilities**h) Net profit ratio = Net profit after tax divided by Revenue from operations**

Particulars	March 31, 2024	March 31, 2023
Net profit after tax	39.91	66.53
Revenue from operations	709.45	604.53
<b>Ratio</b>	<b>5.63%</b>	<b>11.01%</b>
<b>% change from previous year</b>	<b>-48.9%</b>	

Reason for change more than 25% : Decrease in ratio is on account of decrease in profits from the operations during the year

**i) Return on capital employed / investments = Earnings before interest and taxes (EBIT) divided by capital employed**

Particulars	March 31, 2024	March 31, 2023
Earnings before interest and taxes (refer note 1 below)	82.49	102.73
Capital employed (refer note 2 below)	253.98	309.54
<b>Ratio</b>	<b>32.48%</b>	<b>33.19%</b>
<b>% change from previous year</b>	<b>-2.1%</b>	

Reason for change more than 25% : Not applicable

**Note:**

1. EBIT = Profit before taxes + finance cost

2. Capital employed = Total equity + Total debt + Deferred tax liabilities + Lease liabilities

**j) Return on investments = Income generated from invested funds divided by Average invested funds in treasury investments**

Particulars	March 31, 2024	March 31, 2023
Income generated from invested funds	7.06	10.35
Invested funds in treasury investments	93.80	161.42
<b>Ratio</b>	<b>7.53%</b>	<b>6.41%</b>
<b>% change from previous year</b>	<b>17.4%</b>	

Reason for change more than 25% : Not applicable



**Avon Solutions & Logistics Private Limited**  
**Notes to financial statements for the year ended March 31, 2024 (continued)**  
*(All amounts are in millions of Indian Rupees, except share data and as stated)*

**29 Financial instruments - Fair values and risk management**

**A Accounting classification and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Particulars	Note	March 31, 2024			March 31, 2023		
		FVTPL	FVOCI	Amortized cost	FVTPL	FVOCI	Amortized cost
<b>Financial assets</b>							
Loans	4	-	-	-	-	-	40.00
Security deposits	5	-	-	8.78	-	-	10.28
Bank deposits with maturity more than 12 months	5	-	-	93.80	-	-	53.00
Interest accrued	5	-	-	2.28	-	-	5.83
Other deposits	5	-	-	0.01	-	-	0.01
Trade receivables	8	-	-	205.82	-	-	117.84
Cash and cash equivalents	9 (a)	-	-	0.32	-	-	5.50
Bank balance other than cash and cash equivalents	9 (b)	-	-	-	-	-	161.42
<b>Total financial assets</b>		-	-	<b>311.01</b>	-	-	<b>393.88</b>
<b>Financial liabilities</b>							
Borrowings	11	-	-	13.38	-	-	-
Lease liabilities	12	-	-	36.46	-	-	5.47
Trade payables	14	-	-	88.07	-	-	19.02
Employee benefits payable	15	-	-	36.30	-	-	77.61
Other payables to related parties	15	-	-	2.80	-	-	0.87
Others	15	-	-	1.21	-	-	3.46
<b>Total financial liabilities</b>		-	-	<b>178.22</b>	-	-	<b>106.43</b>

**Fair value measurement hierarchy**

The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data



## Avon Solutions & Logistics Private Limited

Notes to financial statements for the year ended March 31, 2024 (continued)

(All amounts are in millions of Indian Rupees, except share data and as stated)

### 29 Financial instruments - Fair values and risk management (continued)

#### B Accounting classification and fair values (continued)

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

Particulars	Note	March 31, 2024			March 31, 2023		
		Carrying amount	Fair Value		Carrying amount	Fair Value	
			Level 1	Level 2		Level 1	Level 2
<b>Financial assets #</b>							
Loans	4	-	-	40.00	-	-	-
Security deposits	5	8.78	-	10.27	-	-	-
Deposits with banks with original maturity more than 12 months	5	93.80	-	53.00	-	-	-
Interest accrued and not due	5	2.28	-	5.83	-	-	-
Other deposits	5	0.01	-	0.01	-	-	-
Trade receivables	8	205.82	-	117.84	-	-	-
Cash and cash equivalents	9 (a)	0.32	-	5.50	-	-	-
Bank balance other than cash and cash equivalents	9 (b)	-	-	161.42	-	-	-
<b>Total financial assets</b>		<b>311.01</b>	-	<b>393.87</b>	-	-	-
<b>Financial liabilities #</b>							
Borrowings	11	13.38	-	-	-	-	-
Lease liabilities	12	36.46	-	5.47	-	-	-
Trade payables	14	88.07	-	19.02	-	-	-
Employee benefits payable	15	36.30	-	77.61	-	-	-
Other payables to related parties	15	2.80	-	0.87	-	-	-
Others	15	1.21	-	3.46	-	-	-
<b>Total financial liabilities</b>		<b>178.22</b>	-	<b>106.42</b>	-	-	-

# For those financial assets and liabilities, which are not carried at its fair value, disclosure of fair value is not required as the carrying amounts approximates the fair values.



## Avon Solutions & Logistics Private Limited

Notes to financial statements for the year ended March 31, 2024 (continued)

(All amounts are in millions of Indian Rupees, except share data and as stated)

### 29 Financial instruments - Fair values and risk management (continued)

#### C Financial risk management

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

- Market risk
- Credit risk
- Liquidity risk

#### Financial 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 board of directors along with the top management are responsible for developing and monitoring the Company's risk management policies. The Company's senior management advises on financial risks and the appropriate financial risk governance framework for the Company.

The Company's risk management policies established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through establishment of standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's board of directors oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The board of directors are assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the board of directors.

The Company's principal financial liabilities, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade receivables, cash and cash equivalents and balances with banks that is derived directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the company.

The sources of risks which the company is exposed to and their management is given below:

#### a) Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including deposits, foreign currency receivables, payables and borrowings. The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which arise from operating activities.

#### i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost. The Company manages its interest rate risk by having portfolio of variable rate borrowings. The Company has approximately Rs. Nil (March 31, 2023: Nil) of its borrowings at a fixed rate of interest.

#### b) Credit risk

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

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of the Company's trade receivables and other financial assets. Further, none of the customers contributes to more than 10% of the Company's total revenues as continuous efforts are made in expanding its customer base. Outstanding customer receivables are regularly monitored and reviewed by the Management periodically.

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## Avon Solutions & Logistics Private Limited

Notes to financial statements for the year ended March 31, 2024 (continued)

(All amounts are in millions of Indian Rupees, except share data and as stated)

### 29 Financial instruments - Fair values and risk management (continued)

#### b) Credit risk (continued)

The carrying amount of financial assets represents the maximum credit exposure.

Particulars	Reference	Carrying Amount	
		As at March 31, 2024	As at March 31, 2023
Trade receivables	(i)	205.82	117.84
Cash and cash equivalents	(ii)	0.32	5.50
Bank balance other than cash and cash equivalents	(ii)	-	161.42
Deposits with banks with original maturity more than 12 months	(ii)	93.80	53.00
Interest accrued	(ii)	2.28	5.83
Loans	(iii)	-	40.00
Security deposits	(iv)	8.78	10.28
Other deposits	(iv)	0.01	0.01
<b>Total</b>		<b>311.01</b>	<b>393.88</b>

#### (i) Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including end-user customers, their geographic location, industry, trading history with the customer groups and existence of previous financial difficulties as applicable. With respect to other financial assets, the Company does not expect any credit risk against such assets except as already assessed.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. The Company has adopted a practical measure of computing the expected credit loss allowance for trade receivable and other financial assets, which comprise large number of small balances, based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information including consideration for increased likelihood of credit risk. Further, the Company also makes an allowance for doubtful debts on a case to case basis.

#### Exposure to credit risk:

The Company's always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss (ECL). The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix under simplified approach. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due. Based on internal assessment which is driven by the historical experience and current facts available in relation to pattern of collection thereof, the credit risk for these trade receivables is considered low.

The Company's allocates each exposure to a credit risk grade based on the historic trend of receivables movement between the aging buckets. The loss rates are calculated based on the simple average of the trend in receivable ageing.

Aging Period	31-Mar-24	31-Mar-23
Not due	2.22%	2.22%
0-90 days	3.27%	3.27%
90-180 days	6.56%	6.56%
180-270 days	100%	100%
270-360 days	100%	100%
More than 360 days	100%	100%

The maximum exposure to credit risk for trade and other receivables are as follows:

	March 31, 2024	March 31, 2023
Less than 1 year	209.70	118.54
More than 1 year	2.91	2.62
<b>Sub-total</b>	<b>212.61</b>	<b>121.16</b>
Less: Loss allowance in accordance with expected credit loss model	(6.79)	(3.32)
<b>Total</b>	<b>205.82</b>	<b>117.84</b>

#### (ii) Cash and cash equivalents, deposits with banks including interest accrued and Bank balances other than cash and cash equivalents

Cash and bank balances are deposited with credit worthy banks and hence does not expect any loss from non-performance by these counter-parties.

#### (iii) Loans

This represents loan given to related party which had been repaid in during the current year. The Company does not expect significant credit risks arising from these loans.

#### (iv) Others

This comprises of security deposits and other financial assets on which the Company does not expect any loss from non-performance of these counter-parties.



**Avon Solutions & Logistics Private Limited**

Notes to financial statements for the year ended March 31, 2024 (continued)

(All amounts are in millions of Indian Rupees, except share data and as stated)

**29 Financial instruments - Fair values and risk management (continued)****c) Liquidity risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the liquidity position through rolling forecasts on the basis of expected cash flows.

The Company's objective is to maintain a current ratio with an optimal mix of short term loans and long term loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months and the management is confident that it can roll over its debt with existing lenders. The Board of Directors periodically reviews the Company's business requirements vis-a-vis the source of funding.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date.

Particulars	Carrying amount	Total cash outflows	Less than 1 year	More than 1 year
<b>As at March 31, 2024</b>				
Borrowings*	13.38	13.38	13.38	-
Lease liabilities	36.46	36.46	10.04	26.42
Trade payables	88.07	88.07	88.07	-
Employee benefits payable	36.30	36.30	36.30	-
Other payables to related parties	2.80	2.80	2.80	-
Others	1.21	1.21	1.21	-
<b>Total</b>	<b>178.22</b>	<b>178.22</b>	<b>151.80</b>	<b>26.42</b>
<b>As at March 31, 2023</b>				
Borrowings*	-	-	-	-
Lease liabilities	5.47	5.47	1.62	3.85
Trade payables	19.02	19.02	19.02	-
Employee benefits payable	77.61	77.61	77.61	-
Other payables to related parties	0.87	0.87	0.87	-
Others	3.46	3.46	3.46	-
<b>Total</b>	<b>106.42</b>	<b>106.42</b>	<b>102.58</b>	<b>3.85</b>

\*excluding contractual interest payments

**D Offsetting financial assets and financial liabilities**

The Company does not have any financial instruments that are offset or are subject to enforceable master netting arrangements and other similar agreements

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# Avon Solutions & Logistics Private Limited

Notes to financial statements for the year ended March 31, 2024 (continued)

(All amounts are in millions of Indian Rupees, except share data and as stated)

## 30 Related party disclosures

### Related Parties :

#### (I) Where control exists:

##### (A) Holding company

(1) Updater Services Limited

##### (B) Fellow subsidiaries

(1) Global Flight Handling Services Private Limited

(2) Tangy Supplies and Solutions Private Limited

(3) Matrix Business Services India Private Limited

(4) Washroom Hygiene Concept Private Limited

(5) Denave India Private Limited

#### (II) Key Management Personnel (KMP)

##### (A) Managing Director / Executive Directors / Chief Financial Officer / Company Secretary/ Manager

(1) Mr. P.D.Rajan, Managing Director

(2) Mr. Jayaraman LB (Director upto December 30, 2023)

(3) Mr. Ameerbasha J, Additional Director (from December 15, 2023)

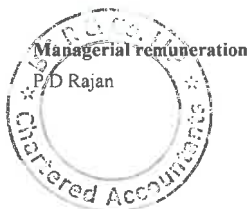
(3) Mr. Jigyasa Sharma, Additional Director (from March 15, 2024)

##### (B) Non-executive directors

(1) Mr. Raghunandha Tangirala

#### (III) Transactions with related parties referred in (I) and (II) above, in the ordinary course of business:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>Sale of services</b>		
Updater Services Limited	0.00	0.01
Denave Services Private Limited	8.09	-
Tangy Supplies and Solutions Private Limited	5.71	-
Wash room Hygeine Concepts Private Limited	3.42	3.30
Matrix Business Services India Private Limited	0.74	-
<b>Purchases</b>		
Updater Services Limited	5.18	-
Tangy Supplies and Solutions Private Limited	0.04	0.03
Matrix Business Services India Private Limited	0.02	-
Wash room Hygeine Concepts Private Limited	0.01	0.03
<b>Purchase of Fixed assets</b>		
Wash room Hygeine Concepts Private Limited	-	0.01
<b>Other Expenses</b>		
Updater Services Limited	1.47	4.26
Matrix Business Services India Private Limited	0.02	0.04
Wash room Hygeine Concepts Private Limited	0.01	-
<b>Loan given</b>		
Global Flight Handling Services Private Limited	10.00	40.00
<b>Interest income</b>		
Global Flight Handling Services Private Limited	1.70	1.33
<b>Dividend Paid</b>		
Updater Services Limited (refer Note 10B)	103.84	30.21
less dividend payable adjusted towards assignment of loan advanced to Global Flight Handling Services Private Limited	(50.00)	-
<b>Net dividend paid to Updater Services Limited</b>	53.84	-
<b>Net dividend paid to Latha Krishna Kumar</b>	32.80	-
<b>Employee Stock Option Expense</b>		
Updater Services Limited	1.93	-
P D Rajan	-	0.24
<b>Managerial remuneration</b>		
P/D Rajan	-	-
	3.21	3.63





**Avon Solutions & Logistics Private Limited**

Notes to financial statements for the year ended March 31, 2024 (continued)

*(All amounts are in millions of Indian Rupees, except share data and as stated)***30 Related party disclosures (continued)****Outstanding balances****Due to the Company**

Updater Services Limited	0.00	-
Denave Services Private Limited	0.97	-
Tangy Supplies and Solutions Private Limited	0.85	0.02
Wash room Hygeine Concepts Private Limited	0.47	-
Matrix Business Services India Private Limited	0.17	0.00
Global Flight Handling Services Private Limited	-	41.33

**Due by the Company**

Updater Services Limited	6.05	0.87
Tangy Supplies and Solutions Private Limited	0.01	0.00
Matrix Business Services India Private Limited	0.00	-
Wash room Hygeine Concepts Private Limited	-	0.00
P D Rajan	-	0.24

**(IV) Terms and conditions of transactions with related parties**

Transactions with related parties are at arm's length and all the outstanding balances are unsecured.



# Avon Solutions & Logistics Private Limited

## Notes to financial statements for the year ended March 31, 2024 (continued)

(All amounts are in millions of Indian Rupees, except share data and as stated)

### 31 Share-based payments

#### Employee Stock Option Plan 2022

The Company is covered under the Employee Stock Option Schemes "Updater Employee Stock Option Plan 2022" ("ESOP 2022" or "Plan") which was approved by the shareholders of Updater Services Limited (Holding company) on December 3, 2022. The primary objective of the above schemes is to reward certain employees of holding Company and its subsidiaries for their association, dedication and contribution to the goals of the Company.

Under the Scheme, 90,000 options were granted to the certain employees at an exercise price of ₹ 300 in multiple tranches. The options issued under the plan has a term of 1-4 years as provided in the stock options grant letter and vest based on the tenure served by such employees.

The Holding Company has also granted certain options during the year to such employees which vest based on non-market linked performance conditions related to the Company over a 4 year period, which is stipulated in the respective grant letters issued to the employees. The performance condition for FY 2022-23 (Tranche 1) has been communicated to respective employees, while for Tranches 2-4, these will be communicated in future. Further, the Plan also provides ability for the employee to catch up any unvested options for a particular Tranche in the next year provided the performance conditions specified for the next financial year are achieved.

When exercisable, each option is convertible into one equity share of Face value of Rs.10/- each fully paid up.

Management has estimated and also considered future projections in determining the number of options expected to be vested and has accounted for the ESOP expense accordingly.

The expense recognised for share options during the year ended March 31, 2024 is INR 1.93 [March 31 2023: INR 0.87]. This amount will be paid by the Company to its holding Company in connection with the ESOP plan.

#### A. Details of ESOP 2022

Name of the scheme - ESOP 2022	Tenure Based	Performance based
	Tranche - T I	Tranche - E I
Date of grant	16-Dec-22	16-Dec-22
Number granted	44,994	45,006
Exercise price (in INR)	300	300
Vesting period	4 Years Graded Vesting	4 Years Graded Vesting
Vesting Condition	Service Condition - Tenure based	Performance Condition - EBITDA based
Method of Settlement	Equity-Settled	Equity-Settled
Method of Accounting	Fair Value	Fair Value
Method of valuation	Black Scholes Model	Black Scholes Model

#### B. Movement in the options granted to employees

Particulars	Number of options		Weighted Average Exercise Price	
	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023
Outstanding at the beginning of the year	90,000	-	300	-
Options granted during the year	-	90,000	-	300
Options exercised during the year	-	-	-	-
Options forfeited during the year	-	-	-	-
Options expired during the year	-	-	-	-
Outstanding at the end of the year	90,000	90,000	300	300
Exercisable at the end of the year	20,251	-	-	-

#### C. Fair value of options granted

The Black-Scholes valuation model has been used for computing the weighted average fair value considering following inputs:

Particulars	Year ended	Year ended
	March 31, 2024	March 31, 2023
Exercise price (INR)	300	300
Expected volatility	41.50%	41.50%
Expected dividend yield (%)	0%	0%
Risk free interest rates	7.43%	7.43%
-As on grant date : 16-12-2022	2 - 3.5 Years	2 - 3.5 Years
Weighted average share price	293.45	293.45
Fair Value of the Option as on Grant date	Rs.82.59 - Rs.113.83	Rs.82.59 - Rs.113.83

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.



## Avon Solutions & Logistics Private Limited

Notes to financial statements for the year ended March 31, 2024 (continued)

(All amounts are in millions of Indian Rupees, except share data and as stated)

### 32 Contingencies and commitments

There are no open commitments for the Company or contingent liabilities for the Company as at March 31, 2024 or in the previous years.

### 33 Leases

The Company has lease contracts for building used in its operations. Leases of building generally have lease terms between 2-6 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

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

The following are the disclosures that has been made pursuant to Ind AS 116 requirements

#### (i) Right of use assets

Refer note 3 (c) for detailed break-up of right of use assets and depreciation thereon.

#### (ii) Lease liabilities

	As at March 31, 2024	As at March 31, 2023
<b>Maturity analysis - contractual undiscounted cash flows</b>		
Not later than one year	13.26	2.05
Later than one year and not later than five years	30.94	4.21
More than five years	-	-
<b>Total undiscounted lease liabilities</b>	<b>44.20</b>	<b>6.26</b>
<b>Lease liabilities</b>		
Non-current	26.42	3.85
Current	10.04	1.62
	<b>Year ended March 31, 2024</b>	<b>Year ended March 31, 2023</b>
<b>(iii) Amounts recognized in profit or loss</b>		
Interest on lease liabilities (refer note 21)	2.56	0.05
Amortization of right of use assets (refer note 3 (c))	11.48	0.44
Expenses relating to short-term leases	1.54	9.12
<b>(iv) Amounts recognized in the statement of cash flows</b>		
Total cash outflow towards lease payments (excluding short-term leases)	9.40	0.54

(v) Reconciliation of cashflows from financing activities	Liabilities			Equity	
	Borrowings	Lease liabilities	General Reserve	Capital redemption reserve	Retained earnings
<b>Balance as on April 1, 2023</b>	-	5.47	26.60	0.40	274.59
Additions during the year	-	40.39	-	-	-
Interest on lease liabilities	-	2.56	-	-	-
Rental payments	-	(11.96)	-	-	-
Dividend paid during the year (refer note 10B)	-	-	-	-	(86.64)
Other changes (refer note 10B and note 4)	-	-	-	-	(50.00)
Additions during the year	13.38	-	-	-	-
Repayments during the year	-	-	-	-	-
<b>Closing balance as on March 31, 2024</b>	<b>13.38</b>	<b>36.46</b>	<b>26.60</b>	<b>0.40</b>	<b>137.95</b>
<b>Balance as on April 1, 2022</b>	-	0.41	26.60	0.40	247.42
Additions during the year	-	5.60	-	-	-
Interest on lease liabilities	-	0.05	-	-	-
Rental payments	-	(0.59)	-	-	-
Dividend paid during the year	-	-	-	-	(39.75)
Additions during the year	-	-	-	-	-
Repayments during the year	-	-	-	-	-
<b>Closing balance as on March 31, 2023</b>	<b>-</b>	<b>5.47</b>	<b>26.60</b>	<b>0.40</b>	<b>207.67</b>



## Avon Solutions & Logistics Private Limited

Notes to financial statements for the year ended March 31, 2024 (continued)

(All amounts are in millions of Indian Rupees, except share data and as stated)

### 34 Segment information

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company is engaged in mailroom management, courier services, freight and logistics and associated services and the operation primarily caters to the domestic market. The Chief Operating officer of the company has been identified as being the chief operating decision maker (CODM) evaluates the company's performance, allocate resources based on the analysis of the various performance indicator of the company as a single unit. Therefore, there is no reportable segment for the company as per the requirement of Ind-AS 108 "Operating Segments". The Company's operations are only in one geographical segment, since its entire income is derived from sales made in India.

### 35 Events after the reporting period

There are no significant subsequent events that have occurred after the reporting period till the date of these financial statements.

The notes from 1 to 35 are an integral part of these financial statements  
As per our report of even date attached

for **BSR & Co. LLP**

Chartered Accountants

Firm's registration number: 101248W/W-100022



**Pratima Narang**

Partner

Membership Number: 226898

Place: Chennai

Date: May 17, 2024

for and on behalf of the Board of Directors of  
**Avon Solutions & Logistics Private Limited**  
CIN : U72200TN2002PTC049961

  
**Raghunandan Tangirala**

Director

DIN: 00628914

Place: Chennai

Date: May 17, 2024

  
**J Ameer Basha**

Director

DIN: 07546786

Place: Chennai

Date: May 17, 2024