

Independent Auditor's**Report To the Avalon Technologies Private Limited****Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of Avalon Technologies Private Limited ('the Company'), which comprise the balance sheet as at 31 March 2021, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion

on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, , the aforesaid standalone financial statements give the information required by the 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 2021 and its Profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

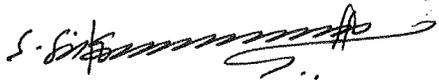
(f) With respect to the adequacy of the internal financial controls over financial reporting of the company the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(g) With respect 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:

- i. The company has enclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 33 to the financial statements
- ii. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii, There are no amounts, required to be transferred, to the investor Education and Protection Fund by the Company.

Place: Chennai
Date: 27.09.2021

For Karpagam Krishnan and Natarajan
Chartered Accountants.
Firm's registration number:001748S


S.Srikanth
Partner
Membership number: 026588
UDIN: 21026588AAAA559250



Annexure A to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2021, we report that:

- i. a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

b) We are informed that the Fixed Assets have been physically verified by the management at the end of the year which in our opinion is reasonable having regards to the size of the company and nature of its assets and that no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us, and on the basis of the records of the company examined by us including lease deeds in respect of leasehold property, we report that the title deeds of immovable properties are held in the name of the company.
- ii. We are informed that the physical verification of inventory has been conducted by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- iii. a) The Company has granted unsecured loans, to parties covered in the register maintained under section 189 of the Companies Act.

b) In respect of unsecured loans given as above in our opinion and according to the information and explanations given to us, rate of interest and other terms and conditions of loans are not prime facie prejudicial to the interest of the company.

c) As per the information and explanations given to us, there is no overdue of principal and interest.
- iv. According to the information and explanations given to us and the records of the company examined by us, the company has complied with the provisions of section 185 and 186 of Act in respect of investments and guarantees in respect of transactions entered during the year.
- v. The company has not accepted any deposits from the public during the year and hence, the derivatives issued by the Reserve Bank of India and the provisions of the Section 73 to 76 or any other relevant provisions of the Act and rules framed thereunder are not applicable.
- vi. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

vii. (a) As per the information and explanations given to us and according to our examination of the records of the company, the company has generally been regular in depositing undisputed statutory dues including Provident fund, Employees' state insurance, Income tax, Sales tax, Duty of excise, Duty of customs, Service tax, Value added tax, Goods and Services tax, cess and other statutory dues, as applicable to the company to the appropriate authorities during the year and no undisputed amounts in respect of material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the company examined by us, there were no dues of income tax, sales tax, service tax, duty of customs, duty of excise and goods and services tax which have not been deposited on account of any dispute as at 31 March 2021, except as given;

Nature of Due: Income Tax (with Surcharge, Cess and Interest Amount thereon under Income Tax Act 1961

Amount (in Rs.)	Period to which the amount relates	Forum where dispute is pending
1,13,16,820	AY 2009-10	Income Tax Appellate Tribunal
29,75,250	AY 2010-11	
56,10,620	AY 2011-12	
26,43,620	AY 2012-13	
1,40,86,010	AY 2013-14	
66,40,780	AY 2014-15	

(viii) In our opinion and according to the information and explanations given to us and the records of the company examined by us, the Company has not defaulted in repayment of loans to the banks and Non-Banking financial companies. The Company has availed/taken loan or borrowings from financial institutions, and has not issued any debentures.

(ix) According to the information and explanations given to us and the records of the company examined by us, no money were raised by way of initial public offer or further public offer (including debt instruments). Terms loans availed during the year has been applied for the purpose for which the loan was taken.

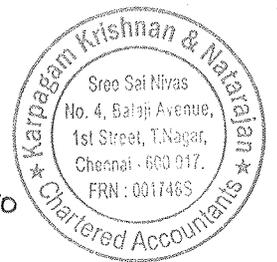
(x) During the course of our examination of the books and records of the company carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instances of material fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor have been informed of any such case by the management.

- (xi) Since the Company is a private limited Company, Provisions of Section 197 read with Schedule V to the Act is not applicable and hence the relative reporting requirements under the order is not commented upon.
- (xii) The Company is not a Nidhi company. Accordingly, the reporting requirements under clause (xii) of paragraph 3 of the Order are not applicable.
- (xiii) According to the information and explanations given to us and records of the company examined by us, all the transactions with related parties are in compliance with section 188 of the Act wherever applicable, and the details thereof have been duly disclosed in Note No.30 to the financial statements as required under the applicable accounting standards. Section 177 is not applicable to the company, and hence, the relative reporting requirement under the Order is not commented upon.
- (xiv) During the financial year 2020-21 the company has allotted 6670 equity shares to the existing share holder at a premium.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations give to us and the records of the company examined by us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, the reporting requirement under clause (xvi) of paragraph 3 of the Order is not applicable.

Place: Chennai
Date: 27.09.2021

For Karpagam Krishnan and Natarajan,
Chartered Accountants.
Firm's registration number: 001748S


S.Srikanth
Partner
Membership number: 026588
UDIN: 21026588AAAA559250



ANNEXURE B

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

We have audited the internal financial controls over financial reporting of Avalon Technologies Private Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal financial controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit Internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note required that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respect.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our Opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31,2021, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in Guidance Note on Audit of Internal financial controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Chennai
Date: 27.09.2021

For Karpagam Krishnan and Natarajan
Chartered Accountants.
Firm's registration number:001748S



S.Srikanth
Partner
Membership number: 026588
UDIN: 21026588AAAAS9250



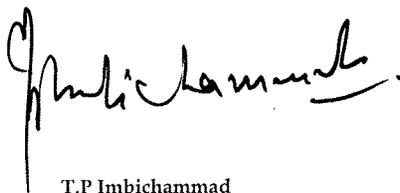
AVALON TECHNOLOGIES PRIVATE LIMITED			
Balance Sheet as at 31st March, 2021			
All figures in INR Lacs			
Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	2	509.67	503.00
(b) Reserves and Surplus	3	20,365.91	18,518.52
(c) Share Application Money pending allotment	4	0.12	-
2 Non-Current Liabilities			
(a) Long Term Borrowings	5	731.87	752.21
(b) Deferred tax liabilities (Net)	6	27.71	(23.81)
(c) Long-Term Provisions	7	455.67	424.89
3 Current Liabilities			
(a) Short-Term Borrowings	8	11,829.56	11,751.42
(b) Trade Payables	9		
(i) total outstanding dues of micro enterprises and small enterprises; and		2.45	5.76
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		10,082.62	6,571.08
(c) Other Current Liabilities	10	1,319.31	1,295.53
(d) Short-Term Provisions	11	360.17	330.11
TOTAL		45,685.06	40,128.71
II. ASSETS			
1 Non-Current Assets			
(a) Fixed assets			
(i) Tangible Assets (Property, Plant & Equipment)	12	3,612.12	3,057.38
(ii) Intangible Assets	12	25.38	19.57
(iii) Capital Work In Progress	12	-	266.93
(b) Non Current Investment	13	8,628.32	1,115.29
(c) Long-Term Loans and Advances	14	1,622.96	133.61
2 Current Assets			
(a) Inventories	15	11,101.14	12,834.69
(b) Trade Receivables	16	16,994.97	18,479.82
(c) Cash and Bank Balances	17	2,649.93	2,342.51
(d) Short-Term Loans and Advances	18	897.65	1,702.66
(e) Other Current Assets	19	152.59	176.25
TOTAL		45,685.06	40,128.71

Summary of Significant Accounting Policies and Other Notes to Accounts 1 & 28 to 37

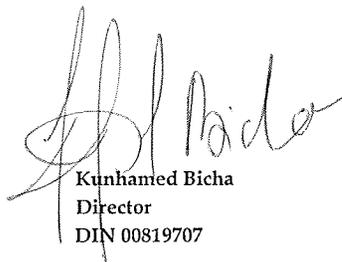
The accompanying notes are an integral part of the financial statements.

For and on behalf of the Board of Directors

As per our report of even date attached
Karpagam Krishnan And Natarajan
Chartered Accountants
FRN No: 001748S



T.P. Imbichammad
Managing Director
DIN 00634769



Kunhamed Bicha
Director
DIN 00819707



S. Srikanth
Partner
M No. 026588

Place: Chennai
Date: 27th September, 2021



AVALON TECHNOLOGIES PRIVATE LIMITED

Statement of Profit & Loss for the year ended 31st March, 2021

All figures in INR Lacs

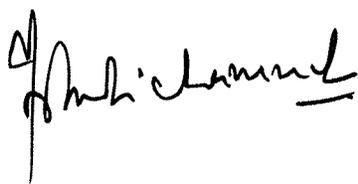
Particulars	Note No.	Current Year 2020-21	Previous Year 2019-20
I Revenue from Operations	20	36,933.82	32,715.34
II Other Income	21	121.85	65.46
III Total Revenue (I + II)		37,055.67	32,780.80
IV Expenses:			
Cost of Materials	22	27,407.83	26,056.10
Increase/(Decrease) in Inventory of Finished goods/WIP	23	1,866.43	(1,607.91)
Employee Benefits Expense	24	2,756.39	3,138.79
Finance Costs	25	1,356.93	2,009.21
Depreciation and Amortization Expense	12	343.85	421.87
Other Expenses	26	1,951.71	2,018.56
Total expenses		35,683.14	32,036.63
V Profit/(loss) before tax (III - IV)		1,372.53	744.17
VI Tax Expense:			
(1) Current Tax		265.34	142.42
(2) Tax of Earlier Years		-	-
(3) MAT Credit		(106.37)	-
(4) Deferred Tax		51.52	36.24
VII Profit for the Period (V-VI)		1,162.04	565.52
VIII Earnings per equity share of Rs. 100 Each	27		
- Basic (in Rs.)		759.29	380.04
- Diluted (in Rs.)		759.29	380.04

Summary of Significant Accounting Policies and Other Notes to Accounts 1 & 28 to 37

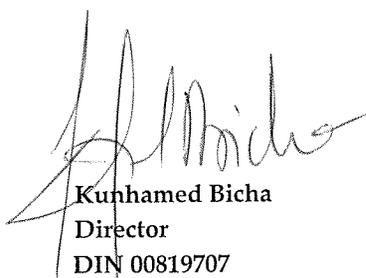
The accompanying notes are an integral part of the financial statements.

For and on behalf of the Board of Directors

As per our report of even date attached
Karpagam Krishnan And Natarajan
Chartered Accountants
FRN No: 001748S



T.P. Imbichammad
Managing Director
DIN 00634769



Kunhamed Bicha
Director
DIN 00819707



S. Srikanth
Partner
M No. 026588

Place : Chennai
Date: 27th September, 2021



AVALON TECHNOLOGIES PRIVATE LIMITED

Cash Flow Statement for the year ended 31st March, 2021

All figures in INR Lacs

Particulars	For the Year Ended 31st March 2021		For the Year Ended 31st March 2020	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit/(Loss) for the year before extraordinary items		1,162.04		565.52
<u>Add:</u> Adjustments for Non-Cash items/ Non operating items:				
Provision for Income Tax	265.34		142.42	
Provision for Deferred Tax	51.52		36.24	
MAT Credit	(106.37)		-	
Provision for Gratuity	24.63		85.11	
Provision for Compensated Benefits	1.79		31.01	
Depreciation	343.85		421.87	
Interest Income	(116.45)		(65.46)	
Loss/(Profit) on Sale of Asset	(5.39)		-	
Interest Expenses	1,054.03		1,569.23	
		<u>1,512.95</u>		<u>2,220.41</u>
Operating Profit before Working Capital Changes		2,674.98		2,785.93
Adjustment for changes in:				
(Increase)/ Decrease Inventories	1,733.55		(3,189.71)	
(Increase)/ Decrease Trade Receivables	1,484.85		335.64	
(Increase)/ Decrease Loans and Advances	(577.98)		2,643.53	
(Increase)/ Decrease Other Current Assets	23.65		129.57	
Increase/ (Decrease) Trade Payables & Other Current liabilities	3,505.58	6,169.66	1,326.39	1,245.41
Cash generated from Operations		8,844.65		4,031.35
Income Tax Paid		235.28		438.95
TOTAL (A)		8,609.37		3,592.39
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(632.07)		(934.67)	
Investment	(7,513.03)		-	
Interest Income	116.45		65.46	
TOTAL (B)		(8,028.65)		(869.21)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Increase/(Decrease) in Long term borrowings	(20.34)		716.88	
Increase/(Decrease) in Short term borrowings	78.14		(847.55)	
Increase/(Decrease) in Long term Provisions	30.77		89.27	
Interest on Borrowings	(1,054.03)		(1,569.23)	
Proposed Dividend	(35.00)		(42.20)	
Proceeds from issue of shares	727.15		(50.27)	
TOTAL (C)		(273.30)		(1,703.10)
TOTAL CASH FLOW FOR THE YEAR (A + B + C)		307.42		1,020.09
Add: Opening Cash and Cash Equivalents		2,342.51		1,322.43
CLOSING CASH AND CASH EQUIVALENTS		2,649.93		2,342.51

For and on behalf of the Board of Directors

As per our report of even date attached
Karpagam Krishnan And Natarajan
Chartered Accountants
FRN No: 001748S

T.P Imbichammad
Managing Director
DIN 00634769

Kunhamed Bicha
Director
DIN 00819707

S. Srikanth
Partner
M No. 026588

Place: Chennai
Date: 27th September, 2021



AVALON TECHNOLOGIES PRIVATE LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

General Information:

Company Background:

Avalon Technologies Pvt. Ltd. ("the Company") is a private limited company incorporated and domiciled in India, governed by the Companies Act, 2013 ("Act") and with corporate identification number **U30007TN1999PTC043479**. The company has its registered office situated at **B-7, First Main Road, MEPZ-SEZ, Tambaram, Chennai – 600 045**. The main activities of the company are those relating to the business of contract manufacturing of **Printed Circuit Assembly Boards (PCBA's), Harness Cables and associated box build products**. Company is recognized as **Medium** Category enterprises, under the MSME Act, 2006 by Ministry of Micro, Small, Medium Enterprises, Government of India.

SIGNIFICANT ACCOUNTING POLICIES

1) Basis of preparation of financial statements

The financial statements are prepared under historical cost convention in accordance with the Generally Accepted Accounting Principles in India and comply in all material respects with the accounting standards specified under the section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on the historical cost convention under accrual basis of accounting except for certain financial assets and liabilities (as per the accounting policy below), which have been measured at fair value.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/ non-current classification of assets and liabilities

2) Use of Estimates

The preparation of financial statements requires management to make certain judgments, estimates and assumptions. The management believes that these estimates and assumptions are reasonable and prudent and affect the application of accounting policies and the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any Revision to accounting estimates are recognized prospectively in the current period and future periods.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in the relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

3) **Fixed Assets, Depreciation and Amortization**

a) **Property, Plant& Equipment (Tangible Assets)**

Property, Plant& Equipment are initially recognized at cost and subsequently carried at a revalued amount, being its fair value at the date of the revaluation less subsequent accumulated depreciation and subsequent accumulated impairment if any, except in case of leasehold assets and vehicles which are carried at cost less accumulated depreciation/impairment losses.

Revaluation of the above class of property, plant and equipment are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

Cost includes purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, other costs directly attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and an initial estimate of the costs of dismantling, removing the item and restoring the site on which it is located, if any.

Property, Plant& Equipment not put to use under construction as at the year end including directly identifiable expenses thereon are carried forward as Capital Work In Progress.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when 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.

The cost of spares and tools are capitalized only when it is probable that future benefits associated with these will flow to the company and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to Profit or Loss during the reporting period in which they are incurred. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

b) **Intangible Assets**

Intangible assets are stated at cost, net of accumulated amortization and accumulated impairment losses, if any. Expenses incurred during research phase are expensed in the year in which they are incurred. Expenses incurred during development phase are recognized as intangible assets under development and

capitalized as intangible assets on completion of the development phase and are amortized on straight line basis over its useful life.

c) Depreciation and Amortisation

Depreciation on Property, Plant & Equipment is computed under Straight line method based on the useful life of assets prescribed in Schedule II to the Companies Act, 2013, except in case of tools and dies the life of which is ascertained based on independent technical evaluation. Depreciation on assets added/ disposed off during the year has been provided on pro rata basis with reference to the date of addition / disposal.

Intangible Asset are amortized as per management's estimate of the useful life of such Assets not exceeding five years.

Depreciation/amortization methods, useful lives and residual value of assets are reviewed and adjusted, if appropriate, for each reporting period at the end of each financial year.

Tools and dies used are depreciated based on quantity of components manufactured and the life of tools and dies, subject to a maximum of 5 years.

Tools and dies used for low volume products are depreciated at higher rate.

On tangible fixed assets added / disposed of during the year, depreciation is charged on pro-rata basis from the date of addition / till the date of disposal

4) Impairment of Assets

Management periodically assesses, using external and internal sources, whether there is an indication that an asset (Property, Plant & Equipment (Tangible asset) and intangible asset) may be impaired. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value or the present value of future cash flows expected to arise from the continuing use of such assets. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

Assets are tested for impairment by management using external and internal sources whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for, the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

5. Leases

The determination of whether an agreement is, or contains, a lease is based on the substance of the agreement at the date of inception. Operating leases: The leases

which are not classified as finance lease are operating leases. Lease rentals on assets under operating lease are charged to the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease.

6. Investments:

Long term investments are stated at cost. The carrying amount is reduced to recognize a decline, other than temporary, in the value of the investment..

7. Foreign currency transactions

Functional and presentation currency Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). i.e., in Indian rupee (INR) and all values are stated at actual values.

- Initial recognition – foreign currency transactions are recorded in the reporting currency, by applying the foreign currency rate prevailing at the date of transaction.
- Conversion – Foreign currency monetary assets and liabilities are translated at the year end rate. Non-Monetary items, which are carried in terms of historical cost denominated in a foreign currency, are valued at the exchange rate prevailing at the date of the transaction.
- Exchange Differences – Exchange Differences arising on the settlement or conversion of monetary items are recognized as income or as expenses in the period in which they arise.

8. Inventories

Inventories are valued at lower of weighted average cost and net realizable value.

Cost of raw materials, components, stores and spares are ascertained on a moving weighted average basis

Cost of finished goods and work-in-progress comprise of direct materials, direct labour and an appropriate proportion of variable and fixed overhead, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Materials and supplies held for use in production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost. Slow and non-moving material, obsolescence, defective inventories are duly provided for.

Finished goods and stock in process include proportionate cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Obsolete inventories as identified by the management are duly provided for/written down to the realizable value, as the case maybe.

9. Revenue recognition

Revenue from sales has been recognized when risk and reward is transferred to the buyer which normally coincides with the delivery of goods. The revenue recognized in the books is the net of value of customer consigned goods used in the manufacture /conversion of finished products, if any.

10. Employee Benefits:

a) Defined Contribution Plan

Defined contribution plans are Provident Fund Scheme and Employees' State Insurance Scheme administered by Government for all eligible employees. The Company's contribution to defined contribution plans are recognized in the profit and loss account in the financial year to which they relate.

b) Defined Benefit Plan Gratuity

The Company provides for the Gratuity based on Actuarial valuation as per the Projected Unit Credit method in accordance with the Accounting Standard 15 (Revised), "Employee benefits". All actuarial gains/ losses are charged to Profit and Loss account in the year these arise.

c) Compensated Absences

Accrued liability towards Compensated Absences is provided for based on actuarial valuation as per Projected Unit Credit method in accordance with Accounting Standard 15(Revised) "Employee benefits". All actuarial gains/ losses are charged to the Profit and Loss statement in the year these arise.

11. Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of fixed assets, which take substantial period of time to get ready for their intended use, are capitalized. Other borrowing costs are recognized as expenditure in the period in which they are incurred.

12. Provisions, Contingent Liabilities and Contingent Assets

- i) **Provision:** A provision is recorded when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated. The estimated liability for product warranties is recorded when products are sold based on technical evaluation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expenses.
- ii) **Contingent liabilities :** Wherever there is a 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 recognized 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 liabilities. Show cause notices are not considered as Contingent Liabilities unless converted into demand.

13. Taxes on Income

Provision for Current Tax is made based on the Tax liability computed in accordance with the provisions of Income Tax Act, 1961.

Deferred Tax is recognized on timing differences between the accounting income and the taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. In respect of undertaking, the income of which is claimed to be exempt under Section 10AA of the Income Tax Act, 1961, Deferred Tax Asset/ liability on account of timing differences arising but getting reversed during the tax holiday period has not been recognized.

14. Cash and cash equivalents

Cash and Cash equivalents For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet. t) Trade receivables Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

15. Borrowings :

Borrowings are initially recognised at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction cost) and the redemption amount is recognised in profit or loss over the period of the borrowings, using the effective interest method. Fees paid on the established loan facilities are recognised as transaction cost of the loan, to the extent that it is probable that some or all the facility will be drawn down. Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gain/(loss). Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. w) Borrowing costs General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

16. Current and Non-current classification:

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. Cash or cash equivalent is treated as current, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. In respect of other assets, it is treated as current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle
- held primarily for the purpose of trading
- expected to be realised within twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

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

All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

17. Earnings Per share

- Basic Earnings per share is computed by dividing the Net profit attributable to equity share holders for the year by the weighted average number of equity shares outstanding during the year.
- Diluted Earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving the Basic Earnings per Share and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

18. Segment reporting

The Company is mainly engaged in the business of manufacture and sale of printed circuit boards, which is its primary segment. The reportable geographic segments are export sales and domestic sales. Segment revenue & segment results include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable estimate. The expenses/incomes which are not directly attributable to any of the business segments are shown as unallocated expenditure.

The segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

19. Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method, adjusting the net profit for the effects of:

- changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;
- non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates; and
- all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

20. Related Party Transaction

Terms and conditions of transactions with the related parties

- (1) Transactions with the related parties are made on normal commercial terms and conditions and at market rates.
- (2) The Company is seconding its personnel to Subsidiary Companies as per the terms and conditions agreed between the Companies. The cost incurred by the group towards superannuation and employee benefits are recovered from these Companies.
- (3) Outstanding balances (other than loan) of Subsidiaries and Associate at the year - end, are unsecured and interest free.

This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

21. COVID IMPACT

The Company has assessed the impact of COVID-19 on its financial statements based on the internal and external information upto the date of approval of these financial statements and expects to recover the carrying amounts of its investments, intangible assets, trade receivable, and inventories. The Company will continue to monitor the future economic conditions and update its assessment

Avalon Technologies Private Limited

NOTES TO ACCOUNTS

(All figures in INR Lacs unless otherwise stated)

	As at 31st March, 2021	As at 31st March, 2020
NOTE 2		
SHARE CAPITAL		
Authorised Capital		
2,00,000 (2,00,000) Equity Shares of Rs.100/- each	200.00	200.00
5,00,000 (-) Preference shares of Rs.100/- each	500.00	500.00
	700.00	700.00
Issued, Subscribed & Paid up		
1,59,667 (1,52,997) Equity Shares of Rs.100/- each fully paid up	159.67	153.00
3,50,000(-) 10% Optionally Convertible Preference Shares of Rs.100/- each fully paid up	350.00	350.00
Total	509.67	503.00

2.1:- Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period:-

Equity Shares	As At 31st March 2021		As At 31st March 2020	
	Number	Amount	Number	Amount
Balance as at the beginning of the year	1,52,997	153.00	1,44,611	144.61
Shares Issued during the year	6,670	6.67	8,386	8.39
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	1,59,667	159.67	1,52,997	153.00

Preference Shares	As At 31st March 2021		As At 31st March 2020	
	Number	Amount	Number	Amount
Balance as at the beginning of the year	3,50,000	350.00	3,50,000	350.00
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	3,50,000	350.00	3,50,000	350.00

2.2:- Rights, Preferences And Restrictions Attached To Shares**Equity Shares:-**

The Company has only one class of equity shares having par value of Rs.100/ each. Each holder of the Equity Share is entitled to one vote per share. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders at the ensuing Annual General Meeting.

During the financial year 2020-21 Avalon Technologies Pvt Ltd issued 6670 number of equity shares to the existing shareholder Mr.Anand Kumar at a face value of Rs100 with a premium of Rs.10,800.

Preference Shares:-

The company has allotted Cumulative, Non participating ,10% Optionally Convertible Preference shares (OCPS) of Rs. 100 each, exercisable within a period of 4 years (Conversion period) from the date of issue.

The OCPS shall be redeemed any time, at the option of the holder, upon expiry of Conversion period but not later than 20 years in accordance with the provisions of the Act and AOA.

Avalon Technologies Private Limited

NOTES TO ACCOUNTS

(All figures in INR Lacs unless otherwise stated)

2.3. - Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:-

Equity Shares:-

SI NO	Name of Shareholder	As at 31 March 2021		As at 31 March 2020	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	TP Imbichammad	3,802	2.38%	3,802	2.49%
2	Kunhamed Bicha	63,675	39.88%	63,675	41.62%
3	Bhaskar Srinivasan	52,384	32.81%	52,384	34.24%
4	Luquman Veedu Ediyannam	14,461	9.06%	14,461	9.45%
5	Sareday Sheshu Kumar	11,250	7.05%	11,250	7.35%
6	Anand Kumar	12,701	7.95%	6,031	3.94%
7	Mariyam Bicha	1,394	0.87%	1,394	0.91%
		1,59,667	100%	1,52,997	100%

Preference Shares:-

SI NO	Name of Shareholder	As at 31 March 2021		As at 31 March 2020	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	M/s M.A. Murugappan Holdings Private Limited	2,33,281	66.65%	2,33,281	66.65%
2	Mr. M.A.M.Arunachalam	1,16,719	33.35%	1,16,719	33.35%
		3,50,000		3,50,000	

NOTE 3

Reserves & Surplus:-	As at 31st March, 2021	As at 31st March, 2020
A Capital Reserve		
Balance as at the beginning of the year	22.35	22.35
Add: Current Year Transfer	-	-
Balance as at the end of the year	22.35	22.35
B Securities Premium Account		
Balance as at the beginning of the year	4,619.79	3,563.15
Add: Securities premium credited on Share issue	720.36	1,056.63
Balance as at the end of the year	5,340.15	4,619.79
C Revaluation Reserve		
Balance as at the beginning of the year	648.54	705.21
Add: Revaluation on Assets	-	-
Less: Transfer to Statement of Profit & Loss Statement/ Surplus	(55.03)	(56.67)
Balance as at the end of the year	593.51	648.54

Avalon Technologies Private Limited		
NOTES TO ACCOUNTS		
<i>(All figures in INR Lacs unless otherwise stated)</i>		
	As at 31st March, 2021	As at 31st March, 2020
D		
Special Economic Zone Re-investment Allowance Reserve		
Balance as at the beginning of the year	1,256.48	1,617.00
Add: Transfer from Statement of Profit & Loss	571.16	412.32
Less : Transferred to Surplus (out FY 2016-17 Reserve)	-	(688.40)
Less : Transferred to Surplus (out FY 2017-18 Reserve)	(340.67)	(84.44)
Less : Transferred to Surplus (out FY 2018-19 Reserve)	(109.48)	-
Balance as at the end of the year	1,377.50	1,256.48
E		
Surplus		
Balance as at the beginning of the year	11,971.36	11,030.86
Add: Profit For The Year	1,162.04	565.52
Add: Transfer from SEZ Reserve (out FY 2016-17 Reserve)	-	688.40
Add: Transfer from SEZ Reserve (out FY 2017-18 Reserve)	340.67	84.44
Add: Transfer from SEZ Reserve (out FY 2018-19 Reserve)	109.48	-
Add: Transfer from Revaluation Reserve	55.03	56.67
Less: Provision for Preference dividend	(35.00)	(35.00)
Less: Provision for Dividend Distribution Tax	-	(7.20)
Less: Transfer to Special Economic Zone Re-investment Allowance Reserve Account	(571.16)	(412.32)
Balance as at the end of the year	13,032.41	11,971.36
Total	20,365.91	18,518.52
NOTE 4		
Share Application Money pending Allotment		
Share Application Money	0.12	-
	0.12	-
NOTE 5		
Long term borrowings		
From Banks-Covid Loan	190.78	-
From Others- Vehicle Loan	5.83	21.27
From Others- NBFC- secured	262.29	234.80
From Others- NBFC- unsecured	272.97	496.14
	731.87	752.21
The above amount includes:-		
Secured Borrowings	458.90	256.07
Unsecured Borrowings	272.97	496.14
	731.87	752.21

5.1	Loan	31.03.2021	31.03.2020	Details of Repayment/ Security
	Covid Loan from Indian Bank	190.78	-	Repayable in 36 Equated Monthly Instalments commencing from April 2021.
		190.78	-	
	Vehicle Loan from Bank of Baroda- Benz	3.37	15.85	Repayable in 60 Equated Monthly Instalments commencing from 18th May, 2017. Secured by personal guarantee of directors & Vehicle Purchased mortgaged as security.
	Vehicle Loan from Bank of Baroda- Honda	2.46	5.20	Repayable in 60 Equated Monthly Instalments commencing from 30th December, 2017. Secured by personal guarantee of directors & Vehicle Purchased mortgaged as security.
	Vehicle Loan from Bank of Baroda- Ertiga	-	0.22	Repayable in 36 Equated Monthly Instalments commencing from 8th March, 2018. Secured by personal guarantee of directors & Vehicle Purchased mortgaged as security.
		5.83	21.27	
	Hewlett Packard Financial Service	272.97	496.14	Unsecured Loan repayable in 36 Equated Monthly Instalments
	Siemens Equipment Finance	262.29	234.79	Repayable in 36 Equated Monthly Instalments Secured by respective Equipment financed
		535.26	730.94	

NOTE 6		As at 31st March, 2021	As at 31st March, 2020
Deferred tax liabilities (Net)			
A	Deferred Tax Liability		
	On excess of net book value over Income tax written down value of fixed assets	48.65	(60.05)
B	Deferred Tax Assets		
	On Provisions	(20.93)	36.24
Deferred tax liabilities (Net) (B- A)		27.71	(23.81)
NOTE 7			
Long Term Provisions			
Provision for Employee Benefits (Refer Note 7.1)			
	Provision for Gratuity	349.12	318.17
	Provision for Compensated Absences	106.55	106.73
		455.67	424.89

7.1 **Employee Benefits :****Disclosure required under AS - 15 (Revised) "Employee Benefits"**i. **DEFINED CONTRIBUTION PLAN**

Defined Contribution Plan, recognized as expenses for the year as under:

Particulars	31.03.2021	31.03.2020
Employer's Contribution to Provident fund	103.58	102.56
Employers' contribution to Employee State Insurance Corporation	26.03	28.34

ii. **DEFINED BENEFIT PLANS****A. Gratuity - Unfunded Obligation**

Assumption of future salary increases takes into account of inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

a) Actuarial Assumptions for the year

Particulars	31.03.2021	31.03.2020
Discount Rate (per annum)	6.51%	6.74%
Salary Escalation Rate	10.00%	10.00%
Resignations Rates per annum	16.07%	16.07%
Mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

b) Reconciliation of present value of obligations

Particulars	31.03.2021	31.03.2020
Present Value of Obligation at the beginning of the year	371.77	286.65
Current Services Cost	48.82	47.00
Past Services Cost	-	-
Interest Cost	24.11	21.22
Actuarial (gain)/loss	(20.16)	22.93
Benefits Paid	(28.13)	(6.04)
Acquisitions/Divestures /Transfers Out	-	-
Present Value of Obligation at the end of the year	396.40	371.77

c) Net (Asset) / Liability recognized in the Balance Sheet as at year end

Particulars	31.03.2021	31.03.2020	31.03.2019	31.03.2018	31.03.2017
Present value of obligations at the end of the year	396.40	371.77	286.65	246.92	231.54
Fair Value of Plan Assets	-	-	-	-	-
Net (Asset) / Liability recognized in Balance Sheet	396.40	371.77	286.65	246.92	231.54

d) Expenses recognized in the Statement of Profit and Loss

Particulars	31.03.2021	31.03.2020
Current Service Cost	48.82	47.00
Past Services Cost	-	-
Interest Cost	24.11	21.22
Expected Return on Plan asset	-	-
Corrections effected to Assets, but not reflected in last year's Disclosure Table	-	-
Actuarial (gain) / loss recognized in the period	(20.16)	22.93
Total expenses recognized in the Profit and Loss Account for the year	52.77	91.15

B.Compensated Absences-Unfunded Obligation

a) Actuarial Assumption for the year.

Particulars	31.03.2021	31.03.2020
Discount Rate (per annum)	6.51%	6.74%
Salary Escalation Rate	10.00%	10.00%
Mortality Table	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
Resignation Rate per annum	16%	16%

b) Reconciliation of present value of obligations

Particulars	31.03.2021	31.03.2020
Present Value of Obligation at the beginning of the year	137.05	106.04
Current Services Cost	37.28	32.10
Interest Cost	8.54	7.53
Actuarial (gain)/loss	(23.35)	2.18
Benefits Paid	(20.68)	(10.80)
Acquisitions/Divestures /Transfers Out	-	-
Present Value of Obligation at the end of the year	138.85	137.05

c) Net (Asset) / Liability recognized in the Balance Sheet as at year end

Particulars	31.03.2021	31.03.2020
Present value of obligations at the end of the year	138.85	137.05
Fair Value of Plan Assets	-	-
Net (Asset) / Liability recognized in Balance Sheet	138.85	137.05

d) Expenses recognized in the Profit and Loss Account

Particulars	31.03.2021	31.03.2020
Current Service Cost	37.28	32.10
Interest Cost	8.54	7.53
Actuarial (gain) / loss recognized in the period	(23.35)	2.18
Past Service Cost	-	-
Total expenses recognized in the Profit and Loss Account for the year	22.47	41.81

The above disclosures including the break up of liability as Short term and long term are based on information certified by the independent actuary and relied upon by the auditors.

NOTE 8		As at 31st March, 2021	As at 31st March, 2020
Short-term borrowings			
Loans			
From Banks - Repayable on Demand		11,792.06	11,650.66
From related parties		37.50	100.76
Total		11,829.56	11,751.42
The above amount includes:-			
Secured Borrowings		11,792.06	11,650.66
Unsecured Borrowings		37.50	100.76
		11,829.56	11,751.42

8.1 Details of Security

Details of Facility	31.03.2021	31.03.2020	Details of Security
Bank of India - Packing Credit Foreign Currency Loan (USD)	2,012.57	2,338.80	First pari passu charge by way of hypothecation of stocks and book debts of the company. Second pari passu charge over the existing super structure/buildings constructed or to be constructed on the leased land situated at Plot No: B-7 & B-8, MEPZ Tambaram and other movable Fixed Assets of the company.
Bank of India - Cash credit	229.33	-	
ICICI Bank Ltd. - Packing Credit Foreign Currency Loan (USD)	1,832.48	1,662.13	First pari passu charge by way of hypothecation of entire current assets which include the entire current Assets, unencumbered movable fixed assets, and existing super structure. Corporate Guarantee of ABV Electronics, Inc., USA and Personal Guarantee of directors of the company.
Standard Chartered Bank - Packing Credit Foreign Currency Loan / Bill Discounting/ Covid loan (USD/INR)	2,596.34	1,953.09	Pari Passu first charge on the entire current assets of the company. Pari Passu second charges on the entire movable fixed assets of the company excluding the movable fixed assets exclusively charged to other banks. Pari Passu second charge on land and building constructed on the leased land situated at MEPZ Tambaram. Personal Guarantees of directors of the company. Corporate Guarantees of ABV Electronics, Inc., USA. (Known as Sienna Corporation).
Axis Bank Ltd. - Packing Credit Foreign Currency Loan (USD)	1,146.21	1,246.63	Pari Passu first charge on the entire current assets of the company. Pari Passu second charges on the entire movable fixed assets of the company excluding the movable fixed assets exclusively charged to other banks. Pari Passu second charge on land and building constructed on the leased land situated at MEPZ Tambaram. Personal Guarantees of directors of the company. Corporate Guarantees of ABV Electronics, Inc., USA. (Known as Sienna Corporation).
Axis Bank Ltd.- Cash Credit	996.64	1,454.82	
Indian Bank - Packing Credit (EPC) Foreign Currency Loan (USD/INR)	2,978.48	2,995.18	First pari passu charge on the entire current assets of the company both present and future along with other lenders under Multiple Banking Arrangement. First pari passu charge on the movable fixed assets of the company. 1st Pari Passu charge on the superstructure constructed on the leased lands situated in B7 & B8, MEPZ, Phase 1 & 2, Tambaram, Chennai. Personal Guarantees of directors of the company. Corporate Guarantees of ABV Electronics, Inc., USA. (Known as Sienna Corporation).

NOTE 9		
Trade Payables	As at 31st March, 2021	As at 31st March, 2020
- Outstanding dues to Micro & Small Enterprises (Refer Note 9.1)	2.45	5.76
- Outstanding dues other than above (Refer Note 9.2)	10,082.62	6,571.08
	10,085.07	6,576.84

9.1 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Dues to Micro Small & Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the company. This has been relied upon by the auditors. According to the records available with the Company certain amount have been identified as dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act are as follows:

Particulars	March 31, 2021	March 31, 2020
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	2.45	5.76
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.12	0.10
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	11.74	41.18
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	0.17	1.21
Further interest remaining due and payable for earlier years	1.31	-

9.2 Amounts due to related parties - Refer Note No - 30

NOTE 10		
Other Current Liabilities	As at 31st March, 2021	As at 31st March, 2020
Current maturities of Long term debt	561.44	393.90
Advances from Customers	423.67	487.70
Statutory Dues Payable	283.17	339.74
Dues for Capital Purchase	16.03	39.19
Dividend Accrued but not due	35.00	35.00
	1,319.31	1,295.53

Avalon Technologies Private Limited

NOTES TO ACCOUNTS

(All figures in INR Lacs unless otherwise stated)

<u>NOTE 11</u>	As at 31st March, 2021	As at 31st March, 2020
<u>Short-term Provisions</u>		
Provision for Employee Benefits (Refer Note 7.1)		
Provision for Compensated Absences	32.30	30.33
Provision for Gratuity	47.28	53.60
	79.58	83.93
Other Provisions		
Provision for tax (Earlier Years)	15.25	103.77
Provision for tax - Current Year	265.34	142.42
	360.17	330.11
<u>NOTE 13</u>		
<u>Non Current Investment</u>		
Investment in Avalon Technology & Services Pvt Ltd.	2,115.28	1,115.29
Investment in Sienna Incorporation Inc	6,181.65	-
Investment in Sienna ECAD Technologies Pvt Ltd.	331.39	-
	8,628.32	1,115.29
<u>NOTE 14</u>		
<u>Long term Loans and Advances</u>		
<u>Unsecured, Considered good</u>		
Capital Advances	1.46	0.48
Security Deposits	113.68	131.67
Loans to Related Parties	1,400.00	-
MAT Credit Asset	106.37	-
Deposit with Tax Authorities	1.46	1.46
	1,622.96	133.61
<u>NOTE 15</u>		
<u>Inventories</u>		
Raw Material	9,762.75	9,692.54
Work in Progress	526.82	1,630.56
Finished Goods	683.19	1,445.88
Goods in Transit	107.36	-
Tools & Dies	21.01	65.71
	11,101.14	12,834.69

NOTES TO ACCOUNTS

(All figures in INR Lacs unless otherwise stated)

NOTE 16**Trade Receivables****Unsecured, Considered Good (Refer Note No. 16.1)**

Outstanding for a period exceeding 6 months from the date they are due for payment

Less: Provision for doubtful debts

Others (Refer Note No. 16.2)

	As at 31st March, 2021	As at 31st March, 2020
	392.26	6,519.53
	50.00	50.00
	342.26	6,469.53
	16,652.71	12,010.29
	16,994.97	18,479.82

16.1 Trade receivables are net of amounts payable to the same party towards supply of goods.

16.2 Amounts dues from related parties - Refer Note No - 30

NOTE 17**Cash and Bank Balances**

Cash and Cash Equivalents

Balances with Banks in Current Accounts

Cash on Hand

Other Bank Balances

Fixed deposit

Total

	1,675.98	1,409.88
	0.66	7.25
	1,676.64	1,417.14
	973.29	925.38
	2,649.93	2,342.51

NOTE 18**Short Term Loans & Advances****Unsecured, considered good**

Advances Recoverable in cash or in kind

Advance to Related Parties

Advance to Suppliers (Refer Note 18.1)

Prepaid Expenses

Balance with Statutory Authorities

Total

	-	0.06
	-	207.16
	675.04	1,379.81
	140.10	105.21
	82.51	10.41
	897.65	1,702.66
	897.65	1,702.66

18.1 Advance to related parties - Refer Note No - 30

NOTE 19**Other Current Assets****Unsecured, considered good**

Stipend Receivable

	152.59	176.25
	152.59	176.25

Particulars	Gross Block at Cost					DEPRECIATION					NET BLOCK AT COST				
	AS AT	ADDITIONS	Gross Block	Phase 2	DELETIONS	Adjustment to Gross Block on Revaluation in Current Year	AS AT	AS AT	Accum Depreciation on assets sold/ Transferred Asset	Current year Depreciation	Depreciation Adjustment for Asset Revaluation	Current year Depreciation	AS AT	AS AT	AS AT
	01.04.2020					R-2	31.03.2021	01.04.2020		Book value	Rev-1	Rev 2	31.03.2021	31.03.2021	31.03.2020
Leasehold Land	151.20	-	-	-	-	-	151.20	11.36	-	1.55	-	-	12.92	138.39	139.94
Free hold Building	2,162.59	377.75	-	-	-	-	2,540.33	968.80	-	30.82	21.64	14.61	1,035.97	1,504.36	1,193.69
Leasehold Building	0.00	-	-	-	-	-	0.00	-	-	-	-	-	-	0.00	0.00
Plant & Equipments	5,532.49	257.41	-	-	-	-	5,789.90	4,043.63	-	184.39	4.61	11.94	4,244.56	1,545.34	1,488.87
Air conditioners	307.43	-	-	-	-	-	307.43	274.05	-	10.62	0.51	0.56	285.73	21.70	33.38
Computer	407.63	285.05	-	-	44.08	-	608.60	541.74	6.03	30.64	-	-	566.35	242.25	65.89
Electrical Fittings	344.92	36.65	-	-	-	-	381.16	354.78	-	1.22	0.03	0.03	336.06	45.10	9.73
Furniture and Fittings	325.48	10.30	-	-	-	-	335.77	295.47	-	5.93	0.08	0.60	302.07	33.70	30.01
Vehicle	214.25	-	-	-	-	-	214.25	138.45	-	16.32	-	-	144.77	69.48	85.80
Office Equipments	71.28	1.94	-	-	-	-	73.21	66.49	-	0.94	-	0.00	67.43	5.78	4.78
Fire Protection Equipments	34.95	2.96	-	-	-	-	57.91	49.67	-	1.81	0.40	0.02	51.90	6.01	5.28
Total Tangible Assets	9,571.91	932.04	-	-	44.08	-	10,459.88	6,514.53	6.03	284.23	27.26	27.77	6,947.76	3,612.12	3,057.98
Intangible Assets															
Software	381.28	10.40	-	-	-	-	391.68	361.71	-	4.59	-	-	366.30	25.38	19.57
Total Intangible Assets	381.28	10.40	-	-	-	-	391.68	361.71	-	4.59	-	-	366.30	25.38	19.57
Less: Withdrawal from revaluation reserve															
GROSS TOTAL	9,953.19	942.45	-	-	44.08	-	10,851.56	6,876.25	6.03	288.82	27.26	27.77	7,214.06	3,637.50	3,076.95

GWIP

Particulars	AS AT	Additions in Current Year	Capitalised to FA in CY	AS AT
	01.04.2020			31.03.2021
Factory Building Under Construction	266.93	-	266.93	-
GROSS TOTAL	266.93	-	266.93	-

During the year ended 31st March, 2012, the company had revalued its fixed assets (except software and vehicles) at the beginning of that year, at the reinstatement value, restricted to the market value of the assets, wherever applicable. The approved external valuer determined the reinstatement value based on appropriate cost indices and the market value applying appropriate depreciation factor. The revaluation as above has resulted in an increase in the Gross Block of the assets as on 1st April, 2011 by Rs. 1,009.01 lacs and the accumulated depreciation as on that date by Rs. 294.23 lacs. The net increase in the written down value of Fixed Assets amounting to Rs. 714.78 lacs had been credited to Revaluation reserve. The additional depreciation charge on the revalued figure for the year amounting to Rs. 27.26 lacs (PV Rs. 38.53 lacs) has been withdrawn from revaluation reserve by crediting the Statement of Profit & Loss under 'Depreciation'.

(a) Further, on 31st March, 2016, the company has again revalued its fixed assets (except software and vehicles) at the reinstatement value, restricted to the market value of the assets, wherever applicable. The approved external valuer determined the reinstatement value based on appropriate cost indices and the market value applying appropriate depreciation factor. The revaluation as above has resulted in an increase in the Gross Block of the assets as on 31st March, 2016 by Rs. 1,291.32 Lacs and the accumulated depreciation as on that date by Rs. 828.36 Lacs. The net increase in the written down value of Fixed Assets amounting to Rs. 462.97 Lacs had been credited to Revaluation reserve.

(b) In the year 2016, the management has carried out improvements in some of the fixed assets by utilising certain items of raw materials. The cost of such improvements aggregating to Rs. 848.60 lacs has been capitalised as additions to fixed assets during the year, to the extent such additions have resulted in an improvement in the remaining useful life of the assets, which has been determined based on a technical evaluation by an independent technical valuer. The carrying value of such assets as on the date of improvement, along with the cost of improvement, is to be depreciated over the remaining revised useful life of such assets, determined by the external valuer.

Avalon Technologies Private Limited NOTES TO ACCOUNTS (All figures are in INR Lacs unless otherwise stated)	Current Year 2020-21	Previous Year 2019-20
NOTE 20		
Revenue From Operation:-		
Sale of Products		
Export sales	24,362.36	21,463.12
Domestic Sales	12,571.46	11,252.21
Total Revenue from Operations	36,933.82	32,715.34
NOTE 21		
Other Income		
Interest Income	116.45	65.46
Profit on sale of asset	5.39	-
	121.85	65.46
NOTE 22		
Cost of Material Consumed		
Inventory at the beginning of the period	9,692.54	8,117.35
Add : Purchases	27,478.05	27,631.29
	37,170.59	35,748.64
Less : Inventory at the end of the period	9,762.75	9,692.54
Cost of Material Consumed	27,407.83	26,056.10
NOTE 23		
(Increase)/Decrease in Inventory of Finished Goods/ WIP		
Inventory at the end of the period	1,210.02	3,076.44
Inventory at the beginning of the period	3,076.44	1,468.53
	1,866.43	(1,607.91)
NOTE 24		
Employee Benefits Expenses		
Salaries Wages & Bonus	2,427.15	2,696.49
Contribution to Provident & Other Funds	129.77	131.12
Gratuity [Refer Note No. 7.1(ii)(A)]	52.77	91.15
Compensated Absences [Refer Note No. 7.1(ii)(B)]	22.47	41.81
Staff Welfare	124.24	178.22
	2,756.39	3,138.79
NOTE 25		
Finance Cost		
Interest Cost	1,054.03	1,569.23
Bank Charges	302.90	439.98
	1,356.93	2,009.21

Avalon Technologies Private Limited NOTES TO ACCOUNTS (All figures are in INR.Lacs unless otherwise stated)	Current Year 2020-21	Previous Year 2019-20
NOTE 26		
Other Expenses		
Rent	46.58	64.35
Rates & Taxes	53.15	33.88
Power & Fuel	241.70	264.18
Consumables	87.83	66.13
Tools & Dies	20.55	16.85
Freight Outwards	631.12	512.87
Repairs & Maintenance		
Buildings	79.20	90.34
Plant & Equipments	75.14	147.54
Others	36.83	5.43
Vehicle Maintenance	17.90	26.27
Printing & Stationery	34.53	34.27
Insurance	151.17	177.26
Communication Expenses	19.09	22.29
Auditor's Fees (Refer Note 26.1)	11.50	11.50
Travelling & Conveyance	48.69	67.24
Professional Charges	65.26	87.01
Business Promotion expenses	2.85	8.44
Foreign Exchange Gain/ (Loss) [Net]	190.35	327.60
Security Charges	18.34	21.63
Donations	2.00	1.15
General Expenses	117.94	32.34
	1,951.71	2,018.56
26.1 Remuneration to Auditors		
Particulars	Current Year 2020-21	Previous Year 2019-20
a) Statutory Audit Fee	8.50	8.50
b) Other services	-	-
i) Tax Audit	2.00	2.00
ii) Transfer Pricing Certification	1.00	1.00
Total	11.50	11.50
NOTE 27		
Earnings per equity share		
Particulars	Current Year 2020-21	Previous Year 2019-20
Profit after Tax	1,162.04	565.52
Weighted Average Number of Equity Shares (Face Value of Rs. 100 Each)	1,53,043	1,48,804
Earnings per share - Basic	759.29	380.04
Weighted Average Number of Equity Shares (Including Dilutive Shares) (Face Value of Rs. 100 Each)	1,53,043	1,48,804
Earnings per share - Diluted	759.29	380.04

Avalon Technologies Private Limited
Other Notes

28 Some of the Sundry Debtors, Loans, Advances and Sundry Creditors are subject to confirmation/reconciliation. In the management's opinion, differences if any, upon conclusion of the reconciliation is not expected to be material.

29 In the opinion of the Directors, the Current assets, Loans and Advances have the value at which they are stated in the Balance Sheet, if realised in the ordinary course of business.

30 Related Party Disclosures

The particulars required to be disclosed in terms of Accounting Standard 18 issued by the Companies(Accounting Standard)Rules,2006 are furnished below:

a. Details of Related Parties

Subsidiary Company	Avalon Technology & Services Pvt. Ltd. Sienna ECAD Technologies Pvt. Ltd.
Key Management Personnel	Managing Director-T.P.Imbichammad, Whole Time Director- Kunhamed Bicha
Enterprises over which key management personnel or their relatives are able to exercise significant influence	ABV Electronics Inc (Sienna Corporation), USA Sienna Technology & Services Pvt .Ltd

b. Details of transactions with Related Parties

Particulars	Party	Enterprises which are under common control		Subsidiary company		Key Management Personnel	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Purchase of Raw Materials and Components	ABV Electronics Inc (Sienna Corporation), USA	8,399.64	7,718.76	-	-	-	-
	Avalon Technology & Services (P) Ltd.	-	-	2,151.54	1,638.34	-	-
Purchase of Fixed Assets	ABV Electronics Inc (Sienna Corporation), USA	209.72	665.50	-	-	-	-
Sales	ABV Electronics Inc (Sienna Corporation), USA	11,563.33	9,669.91	-	-	-	-
	Avalon Technology & Services (P) Ltd.	-	-	184.70	93.40	-	-
Loan advanced/ (repayment of Loan)	Avalon Technologies & Services (P) Ltd.	-	-	1,400.00	2,029.00	-	-
Investment in equity shares of subsidiary companies	Avalon Technology & Services (P) Ltd.	-	-	999.99	-	-	-
	Sienna Ecad Technologies P Ltd	-	-	331.39	-	-	-
Investment in equity shares and OCRPS	ABV Electronics Inc (Sienna Corporation), USA	6,181.65	-	-	-	-	-
Interest on other Advances	Sienna Ecad Technologies P Ltd	-	21.59	-	-	-	-
Common Expenses Allocation	Avalon Technologies & Services (P) Ltd.	-	-	276.57	317.05	-	-
	ABV Electronics Inc (Sienna Corporation), USA	141.18	-	-	-	-	-
	Sienna Ecad Technologies P Ltd	220.66	-	-	-	-	-
Remuneration	T P Imbichammad	-	-	-	-	176.25	180.00
	Kunhamed Bicha	-	-	-	-	117.50	145.10
Closing Balance	ABV Electronics Inc (Sienna Corporation), USA - (Trade Receivables)	6,894.84	14,009.91	-	-	-	-
	Avalon Technology & Services (P) Ltd. (Trade Receivables)	-	-	-	2,416.57	-	-
	Sienna Technology & Services (P) Ltd. (Trade Receivables)	-	23.90	-	-	-	-
	Sienna Ecad Technologies P Ltd (Trade Receivables/Other Advances)	438.90	407.38	-	-	-	-
	Avalon Technology & Services (P) Ltd. (Trade Payables)	-	-	146.38	-	-	-

Avalon Technologies Private Limited
Other Notes

31 Segment Information

The Company is mainly engaged in the business of Assembly and sale of Printed Circuit Boards (PCBs) which is its primary segment. However, based on geographical factors, reportable geographic segments have been identified as export sales and domestic sales.

Information in respect of secondary segments is as follows:

	Particulars	Export	Domestic	Total
a)	Segment Revenue	24,362.36 (21,463.12)	12,571.46 (11,252.21)	36,933.82 (32,715.34)
b)	Segment Results	1,472.42 (1,105.66)	759.80 (579.65)	2,232.22 (1,685.31)
	Less: Unallocated Expenses (Net of unallocated income)	-	-	859.70
		-	-	(941.13)
	Total Profit/ Loss Before Tax	-	-	1,372.53
		-	-	(744.17)

*Figures in Brackets represent Previous year Figures

31.1 There is no significant non-cash expenses, included in segment expenses, other than depreciation and amortisation expenses in respect of fixed assets.

31.2 Capital employed as also assets and liabilities of the company are not capable of being stated separately segment wise since all the assets and liabilities are held under composite undertaking for both the geographic segments.

32 The company's obligation under Section 135 of the Companies Act, 2013, towards Corporate Social Responsibility (CSR) for the current year is Rs: 17.49 lacs/-(22.04 lacs) .

33 Contingent Liability :

Particulars	31.03.2021	31.03.2020
1. Claims against the company not acknowledged as debts		
(a) Income Tax Demands	432.73	199.13

33.1 (a) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above, pending resolution of the respective proceedings.

34 Category Wise quantitative data about derivate instruments outstanding at the Balance Sheet Date

(Amount in full figures of respective currency)

Particulars	31.03.2021	31.03.2020
Foreign Currency Exposures that are not directly hedged by a derivative instrument or otherwise		
Due to Creditors		
CHF	-	66
EUR	18,654	1,36,266
GBP	816	2,916
JPY	1,11,22,73,080	93,68,41,854
USD	42,56,877	39,89,737
Advance to Creditors		
EUR	6,535	90,218
CHF	-	1,337
GBP	-	1,493
USD	9,43,472	10,14,886
Due from Debtors		
USD	1,62,08,276	2,13,06,597
EUR	31,460	1,11,605
Advance from debtors		
USD	5,55,142	7,85,371
EUR	-	479
Foreign Currency Loan		
USD	69,30,771	88,14,707

Avalon Technologies Private Limited
Other Notes

35 Additional Information

(a) <u>Value of imports calculated on CIF basis</u>	31-03-2021	31-03-2020
Raw Materials	24,955.67	24,330.44
Capital Goods	317.62	845.96
Total	25,273.30	25,176.40

(b) Expenditure in Foreign Currency

Particulars	31-03-2021	31-03-2020
Interest & Bank Charges	19.12	29.42
Repairs and Maintenance	-	2.40
Others	-	12.53
Total	19.12	44.35

(c) Details of Consumption of imported and indigenous items

Particulars	31-03-2021		31-03-2020	
	Amount	%	Amount	%
Raw Materials				
Imported	22,277.71	76.1%	19,680.80	80.5%
Indigenous	6,996.55	23.9%	4,767.40	19.5%
Total	29,274.26	100%	24,448.20	100%

(d) <u>Earnings in Foreign Exchange</u>	31-03-2021	31-03-2020
Export of goods on FOB basis	24,362.36	21,463.12

36 The company is operated under the overall control, direction and supervision of the Directors. The company has only a few levels of management who work under the close guidance and direction of the directors. Hence, there are adequate internal controls for all areas of operation including financial reporting process, having regard to the nature and size of its operations.

37 Figures given in brackets represent previous year's figures, unless otherwise stated. Previous Year's figures have been regrouped/recast, wherever necessary to confirm to current year's layout.

For and on behalf of the Board of Directors

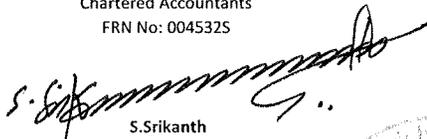
As per our report of even date attached
For Karpagam Krishnan And Natarajan
Chartered Accountants
FRN No: 004532S



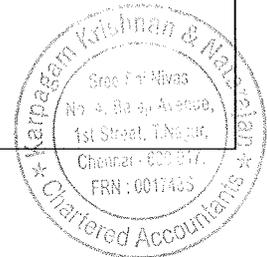
T.P. Imbichammad
Managing Director
DIN 00634769
Place: Chennai
Date: 27th September, 2021



Kunhamed Bicha
Director
DIN 00819707



S. Srikanth
Partner
M No. 026588





AVALON TECHNOLOGIES PRIVATE LIMITED

Your global manufacturing partner

BOARDS' REPORT

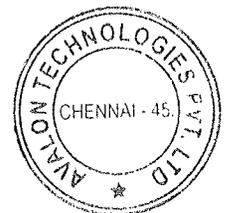
Dear Shareholders,

On behalf of the Board of Directors, it is our pleasure to present the 22nd Annual Report together with the Audited Financial Statements of **Avalon Technologies Private Limited** ("the Company") for the financial year ended 31st March 2021.

Financial Performance

The summarized standalone results of your Company are given in the table below.

Particulars	Standalone (INR in lakhs)		Consolidated (INR in lakhs)	
	31/03/2021 (in INR)	31/03/2020 (in INR)	31/03/2021 (in INR)	31/03/2020 (in INR)
Total revenue for the year	37,055.67	32,780.80	45,392.04	37,098.44
Less: Total expenditure for the year (Excluding Depreciation and Finance Cost)	33,982.36	29,605.55	41032.64	33481.297
Profit/(loss) before Interest, Depreciation & Tax (EBITDA)	3,073.31	3,175.25	4359.40	3617.14
Less: Depreciation	343.85	421.87	784.06	636.11
Less: Finance Cost	1,356.93	2,009.21	1792.36	2126.43
Profit/ (Loss) before Tax	1,372.53	744.17	1782.98	854.60
Less: Tax Expense for the year	210.49	178.66	261.96	238.75
Net Profit/(Loss) After Tax	1,162.04	565.52	1521.02	615.85



Reg. Office : "TPI BLOCK" B7, First Main Road, MEPZ-SEZ, Tambaram, Chennai - 600 045.

Corporate Identification Number : U30007TN1999PTC043479

Tel. : 91-44-4222 0400 Fax : 91-44-2262 0097 E-mail : info@avalontec.com Company Website : www.avalontec.com



Performance of the Company

During the year, the Company has earned revenue of Rs. 37,055.67 Lakhs as against the revenue of Rs.32,780.80 Lakhs earned in the previous year. During the year, the Company has made a Net profit of Rs.1,162.04 Lakhs as against the previous year profit of Rs.565.52 Lakhs.

Dividend

The Directors of your Company have declared dividend of Rs. 3,500,000/- (excluding dividend distribution tax) on 10% Optionally Convertible Preference Shares (OCPS).

In order to undertake and carry on the future plans, it is necessary to conserve the resources. Your directors are of the opinion of retaining the profits for the year within the Company, and thus have not recommended any dividend on equity shares for the year ending March,2021.

Consolidation of Accounts

The consolidated financial statements of your Company for the financial year 2020-21 are prepared in accordance with the provisions of the Companies Act, 2013 and rules made thereunder, Accounting Standards and any other applicable provisions.

Reserves & Surplus

During the year under review, your Company has not transferred any profits to the Reserves. The Company has also transferred Rs.35.00Lakhs including Dividend distribution tax as provision for paying dividend on Cumulative, Non- Participating 10% Optionally Convertible Preference Shares.

Change in Nature of Business, if any

During the year under review, there is no change in the nature of business of the Company.

Material Changes & Commitments Affecting Financial Position of The Company, occurring between the end of financial year and the boards report date

No material changes or commitments which are likely to affect the financial position of the Company, having an impact on the functioning and working of the Company have occurred between the end of the financial year to which the financial statements relate and the date of the report. The operations of the Company have been effectively being managed and the Management reviews the performance from time to time in order to monitor the business activities of the Company.





Details of the Subsidiaries/ Associates/ Joint Ventures

The Company has a Wholly Owned Subsidiary Company named M/s. Avalon Technology and Services Private Limited and a Subsidiary Company namely M/s. Sienna ECAD Technologies Private Limited. A report on the performance and financial position of each of the subsidiaries, associates and joint venture companies are presented as **Annexure I**.

Share Capital

The Capital structure of the Company is as follows:

Share Capital	31.03.2021 (In INR)	31.03.2020 (In INR)
Authorized Share Capital		
2,00,000 Equity Shares of Rs.100/- each	2,00,00,000	2,00,00,000
5,00,000 Preference Shares of Rs.100/- each	5,00,00,000	5,00,00,000
Issued, Subscribed and fully Paid-up Share Capital		
1,59,667 Equity Shares of Rs. 100/- each	1,59,66,700	1,52,99,700
3,50,000 Preference Shares of Rs. 100/- each	3,50,00,000	3,50,00,000

During the year under review, the Company has allotted 6,670 Equity Shares to Mr. Anand Kumar on 26th March, 2021.

Statutory Auditors

The Company in its Annual General Meeting held on 30th September, 2017, has appointed M/Karpagam Krishnan and Natarajan (Erstwhile M/s. Karpagam and Co), Chartered Accountants (FRN-001748S) as Statutory Auditors of the Company for a period of 5 years to hold office till the conclusion of the Annual General Meeting of the Company to be held in the year 2022.

Audit Report

The Directors have examined the Auditors' Report on Financial Statements of the Company for the period ended March 31, 2021. The observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments.





Secretarial Auditor

The Board has appointed JM & Associates, Practising Company Secretary, to conduct Secretarial Audit for the FY 2020-21. The Secretarial Audit Report for the financial year ended March 31, 2021, is annexed herewith marked as **Annexure II** to this Report.

Cost Auditor

A. Cost Auditor

The Company is not required to conduct Cost Audit of the Cost Records as the Company is not covered under the requirements prescribed under Section 148 and the Rules prescribed there under. Hence, the requirement for appointment of Cost Auditor has not arisen for the period under review.

B. Maintenance of Cost Records

During the period under review, Section 148(1) of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014 are applicable to the Company. Hence, the Company has made and maintained cost records.

Internal Financial Control

The Company has in place adequate financial controls commensurate with the size of the business. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

Composition of the Board

The Board is constituted as per the provisions of the Companies Act, 2013. The Board comprised of the following members as on 31.03.2021:

S. No	Name	Designation
1	Mr. T.P.Imbichammad	Managing Director
2	Mr. Kunhamed Bicha	Director
3	Mr. Bhaskar Srinivasan	Director
4	Mr. Sareday Seshu Kumar	Director
5	Mr. Luquman Veedu Ediyanam	Director

During the year there is no change in the composition of Board of Directors.





Meeting of the Board

The Board meets at regular intervals to discuss and decide on various business strategies and policies, apart from routine operations. The Board of Directors met 11 (eleven) times during the financial year 2020-21.

Sl. No.	Date of the meeting	No. of Directors attended the meeting
1.	08.04.2020	2
2.	12.05.2020	2
3.	03.06.2020	2
4.	10.08.2020	2
5.	20.08.2020	2
6.	24.08.2020	2
7.	25.09.2020	2
8.	09.11.2020	2
9.	27.11.2020	3
10.	06.01.2021	5
11.	17.02.2021	2

Deposits

During the period under review, your company has not invited or accepted any deposits from the Public.

Extract of Annual Return

Pursuant to provisions of Section 92(3) of the Companies Act, 2013 ('the Act'), the Annual Return of the Company as on March 31, 2021, is available on the Company's website at <https://www.avalontec.com/>.

Related Party Transactions

During the year under review, the Company has entered into transactions with related parties at Arm's Length Price. The particulars of contract/arrangements entered into with the related parties, during the year under review, have been enclosed as Form AOC - 2 in **Annexure - III**.

Risk Management Policy

The Company in order to comply with the provisions of the Companies Act, 2013 and to provide an effective mechanism for implementing risk management system, had adopted the





policy on risk management for evaluating and monitoring various risks that might arise in the Company. The Company had not faced any major risks and no major deviations from the actual as attained by the Company.

Vigil Mechanism Policy

Pursuant to Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Board of Directors had approved the Policy on Vigil Mechanism. This Policy *inter-alia* provides a direct access to the Managing Director of the Company.

Your Company hereby affirms that no Director/ employee have been denied access to the Managing Director and that no complaints were received during the year under review.

Sexual Harassment Policy

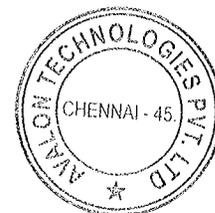
The Company has in place a Prevention of Sexual Harassment Policy as required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (the said Act). An Internal Complaint Committee ('ICC') as required by the said Act has been constituted. All employees (permanent, contractual and trainees) are covered under this Policy. The following is a summary of sexual harassment complaints received and disposed during the year 2020-21:

- a. Number of complaints received during the year - NIL
- b. Number of complaints disposed during the year - NIL

All employees are treated with dignity with a view to maintain a work environment free of sexual harassment whether physical, verbal or psychological.

Corporate Social Responsibility

Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, your Company at the Board Meeting held on September 8, 2014, constituted a CSR Committee.





The CSR Committee comprises of the following members: -

S. No	Name	Designation
1	Mr. T. P. Imbichammad	Managing Director
2	Mr. Kunhamed Bicha	Director
3	Mr. Bhaskar Srinivasan	Director

The company's obligation under Section 135 of the Companies Act, 2013, towards Corporate Social Responsibility (CSR) for the current year is Rs.17.47 Lakhs.

The brief outline of the Corporate Social Responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR Activities during the year is enclosed as **Annexure IV**.

Significant and Material Orders passed by the Regulators

During the year under review, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and operations of the Company.

Particulars of Loans, Guarantees or Investments under Sec 186

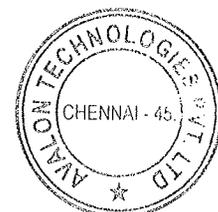
During the financial year under review, your Company has granted Loans and Corporate Guarantee of Rs. 1400 Lakhs to Avalon Technology and Services Private Limited.

Furthermore, the Company has made further investment in M/s. Avalon Technology and Services Private Limited. The Company also has made investments in ABV Electronics Inc (Sienna Corporation), USA and Sienna ECAD Technologies Private Limited.

Details of conservation of energy, technology absorption, foreign exchange earnings and outgo

A. Conservation of energy:

The Company has been making continuous efforts to achieve high productivity with reduced energy consumption to ensure optimum utilization of energy. The Management is striving to achieve cost reduction by economical usage of energy and to bring a general awareness about the energy conservation at all levels.





B. Technology Absorption:

1. Research and Development (R & D) : Nil
2. Technology absorption, adaptation and innovation : Nil

C. Foreign Exchange Earnings and Outgo:

- Foreign Exchange earnings : Rs. 24,362.36 Lakhs (PY 21,463.12)
- Foreign Exchange outgo : Rs. 25,292.42 Lakhs (PY 25,220.75)

Directors' Responsibility Statement

Pursuant to the requirement clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Acknowledgement

Your Directors place on record their appreciation for employees at all levels, who have contributed to the growth and performance of your Company.

Your Directors also thank the clients, vendors, bankers, shareholders and advisers of the Company for their continued support.





Your Directors also thank the Central and State Governments, and other statutory authorities for their continued support.

For and on behalf of the Board
Avalon Technologies Private Limited

Handwritten signature of T.P. Imbichammad in black ink.

T.P. Imbichammad
Managing Director
DIN: 00634769

Handwritten signature of Kunhamed Bicha in black ink.

Kunhamed Bicha
Director
DIN: 00819707

Place: Chennai
Date: 26.11.2021





Annexure I
FORM NO. AOC.1

Statement containing salient features of the financial statement of
Subsidiaries/associate companies/joint ventures
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of
Companies (Accounts) Rules, 2014)

PART – A: Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs)

1.	Sl. No	1
2.	Name of the subsidiary	Avalon Technology and Services Private Limited
3.	CIN	U72100TN2008PTC068955
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1 st April, 2020 - 31 st March, 2021
5.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	INR (In Lakhs)
6.	Share capital	12.20 Lakhs
7.	Reserves & surplus	2,765.73 Lakhs
8.	Total assets	11,042.39 Lakhs
9.	Total Liabilities	8,264.46 Lakhs
10.	Investments	-
11.	Turnover	10,674.64 Lakhs
12.	Profit before taxation	399.60 Lakhs
13.	Provision for taxation	(21.11) Lakhs
14.	Profit after taxation	348.13 Lakhs
15.	Proposed Dividend	Nil
16.	% Of shareholding	100 %

1.	Sl. No	2
2.	Name of the subsidiary	Sienna ECAD Technologies Private Limited
3.	CIN	U30007KA1997PTC022754
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1 st April, 2020 - 31 st March, 2021
5.	Reporting currency and Exchange rate as on the	INR (In Lakhs)





	last date of the relevant financial year in the case of foreign subsidiaries	
6.	Share capital	351.81 Lakhs
7.	Reserves & surplus	(624.17) Lakhs
8.	Total assets	765.49 Lakhs
9.	Total Liabilities	1,037.84 Lakhs
10.	Investments	-
11.	Turnover	1,547.28 Lakhs
12.	Profit before taxation	229.47 Lakhs
13.	Provision for taxation	(54.98) Lakhs
14.	Profit after taxation	284.45 Lakhs
15.	Proposed Dividend	Nil
16.	% Of shareholding	94.20 %

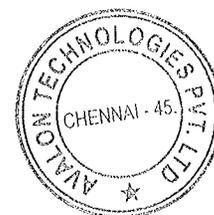
The following information shall be furnished:-

1. Names of subsidiaries which are yet to commence operations - Nil
2. Names of subsidiaries which have been liquidated or sold during the year – Nil

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies / Joint Ventures: Not applicable

S. No	Name of Associates/ Joint Ventures	
1.	Latest audited Balance Sheet Date	
2.	Date on which the Associate or Joint Venture was associated or acquired	
3.	Shares of Associate/ Joint Ventures held by the Company on the year end.	
a)	No.	
b)	Amount of Investment in Associates/ Joint Ventures	
c)	Extent of Holding %	
4.	Description of how significant the influence	
5.	Reason why the associate/joint venture is not consolidated	
6.	Net worth attributable to Shareholding as per latest audited Balance Sheet	



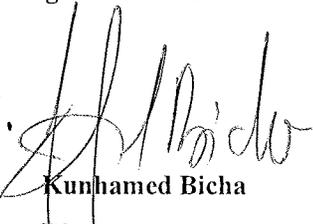
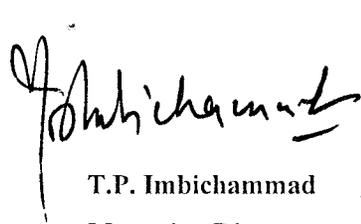


7.	Profit / Loss for the year	
a)	Considered in consolidation	
b)	Not considered in consolidation	

The following information shall be furnished:-

1. Names of associates which are yet to commence operations: NIL
2. Names of associates which have been liquidated or sold during the year: NIL

For and on behalf of the Board
Avalon Technologies Private Limited

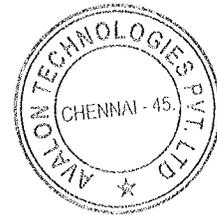


T.P. Imbichammad
Managing Director
DIN: 00634769

Kunhamed Bicha
Director
DIN: 00819707

Place: Chennai

Date: 26.11.2021



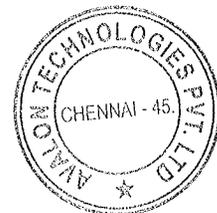


Annexure III
FORM NO. AOC-2

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

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil
2. Details of material contracts or arrangement or transactions at arm's length basis:

SI No	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts / arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1.	ABV Electronics Inc (Sienna Corporation), USA	Purchase of Raw Materials and Components	1 year	8,399.64 Lakhs		
2.	Avalon Technology and Services Private Limited	Purchase of Raw Materials and Components	1 year	2,151.54 Lakhs		
3.	ABV Electronics Inc (Sienna Corporation), USA	Purchase of Fixed Assets	1 year	209.72 Lakhs		
4.	ABV Electronics Inc (Sienna Corporation), USA	Sales	1 year	11,563.33 Lakhs		
5.	Avalon Technology and Services Private Limited	Sales	1 year	184.70 Lakhs		
6.	Sienna ECAD Technologies Private Limited	Trade Receivables	1 year	438.90 Lakhs		





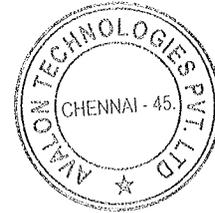
SI No	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts / arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
7.	Avalon Technology and Services Private Limited	Trade Payables	1 year	146.38 Lakhs		

For and on behalf of the Board
Avalon Technologies Private Limited

T.P. Imbichammad
Managing Director
DIN: 00634769

Kunhamed Bicha
Director
DIN: 00819707

Place: Chennai
Date: 26.11.2021





Annexure-IV

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the company:

We believe that to become one of the most respected companies in the minds of the society we live, creating and delivering superior value to all our customers, associates, shareholders, employees and society at large is the mission to accomplish and we therefore focus on CSR activities. The CSR initiatives focus on holistic development of host communities and create social, environmental and economic value to the society.

To pursue these objectives, we will continue to:

1. Work actively in areas of eradication of hunger and poverty, provide opportunity and financial assistance for the promotion of education, setting up public libraries, provide medical aid to the needy and downtrodden.
2. Ensuring environmental sustainability.
3. Rural development projects.

Collaborate with likeminded bodies like Voluntary organizations, charitable trusts, governments and academic institutes in pursuit of our goals.

2. Composition of CSR Committee:

Members of CSR committee:

From 01st April 2020 – to 31st March 2021:

S.NO	Name	Designation	No of CSR committee held during the year	No of CSR committee attended during the year
1.	Mr. T.P.Imbichammad	Chairman	2	2
2.	Mr. Kunhamed Bicha	Member	2	2
3.	Mr. Bhaskar Srinivasan	Member	-	-

During the period, Mr. T.P. Imbichammad was the Chairman of the CSR Committee.





3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the Company:

<https://www.avalontec.com/>

4. Provide the details of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: Not applicable.
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility policy) Rules, 2014 and amount required for set off for the financial year, if any: Not applicable.

Sl. No	Financial Year	Amount available for set-off from preceding financial years (in INR.)	Amount required to be set-off for the financial year, if any (in INR.)
1.	-	-	-
	Total	-	-

6. Average Net Profit of the Company as per Section 135(5): INR 8,73,80,728/-

7.

a. Two percent of Average Net Profit of the Company as per Section 135(5):	INR 17,47,615/-
b. Surplus arising out of the CSR Projects or programmes or activities of the previous financial years	
c. Amount required to be set off for the financial year	
d. Total CSR obligation for the Financial Year (a+b+c)	INR 17,47,615/-

8.

- a. CSR Amount spent or unspent for the financial year:

Total Amount spent for the Financial Year (in INR.)	Amount Unspent (In INR.)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount (In INR.)	Date of Transfer	Name of the Fund	Amount (In INR.)	Date of Transfer
INR. 19,59,582/-	-	-	-	-	-



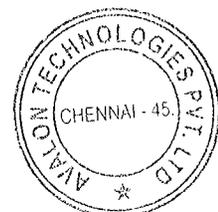


b. Details of CSR amount spent against ongoing projects for the financial year: Not applicable as the Company does not have any Ongoing projects during the financial year.

(1))	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (YES/NO)	Location of the Project	Project duration	Amount allocated for the project	Amount spent in the current financial year	Mode of Implementation – Direct	Mode of Implementation – Through agency

c. Details of CSR amount spent other than ongoing projects for the financial year:

(1) S. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local Area (YES/NO)	(5) Location of the Project		(6) Amount spent in the current financial year (In INR.)	(7) Mode of Implementation – Direct	(8) Mode of Implementation – Through agency	
				State	District			Name	CSR Reg No.
1.	Garden maintenance spent directly by ATPL		Yes	Tamil Nadu	Tambara m	17,49,582/-	Direct	-	-
2.	Donation paid to - M/s. The Leprosy Mission Trust India	Yes	Yes	Tamil Nadu	Coimbatore	10,000/-	-	The Leprosy Mission Trust India	
3.	Eradication		Yes	Tam	Chennai	2,00,000/-	Direct	-	-

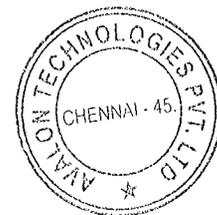




	n of hunger and malnutrition by distributing food essential products like cereals, pulses, rice, etc. to the poor people.			il Nadu				
	Total					19,59,582/-		

- d. Amount spent on Administrative Overheads: Not Applicable
- e. Amount spent on Impact Assessment, if applicable: Not Applicable
- f. Total amount spent for the Financial year: Not Applicable
- g. Excess amount for set-off, if any: INR. 2,11,967/-

Sl.No.	Particulars	Amount (In INR.)
1.	Two percent of average net-profits of the Company as per Section 135(5)	INR 17,47,615/-
2.	Total amount spent for the Financial Year	INR 19,59,582/-
3.	Excess amount spent for the Financial Year (2-1)	INR. 2,11,967/-
4.	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years, if any	NIL
5.	Amount available for set off in succeeding financial years (3-4)	INR. 2,11,967/-





9.
a. Details of Unspent CSR amount for the preceding three financial years: Not Applicable

Sl. No	Preceding Financial Year	Amount transferred to Unspent CSR account under Section 135 (6) (In INR.)	Amount spent in the reporting Financial Year (in INR.)	Amount transferred to any fund specified under Schedule VII as per Section 135 (6), if any			Amount remaining to be spent in succeeding financial years (in INR.)
				Name of the Fund	Amount (in INR.)	Date of transfer	

- b. Details of CSR amount spent in the financial years for ongoing projects of the preceding financial year(s): Not Applicable

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No	Project ID	Name of the Project	Financial year in which the project was commenced	Project duration	Total amount allocated for the project (In INR.)	Amount spent on the project in the reporting Financial Year (In INR.)	Cumulative amount spent at the end of the reporting Financial Year (In INR.)	Status of the Project – Completed/ Ongoing
-	-	-	-	-	-	-	-	-

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Not Applicable

I.	<i>(Asset wise details to be provided)</i>
a.	<i>Date of creation or acquisition of the capital asset:</i>
b.	<i>Amount of CSR spent for creation or acquisition of capital asset:</i>
c.	<i>Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc:</i>
d.	<i>Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):</i>





11. Specify the reason(s) if the company has failed to spend two percent of the average net profit as per Section 135(5):

For and on behalf of the Board
Avalon Technologies Private Limited

Handwritten signature of T.P. Imbichammad in black ink.

T.P. Imbichammad
Managing Director
DIN: 00634769

Handwritten signature of Kunhamed Bicha in black ink.

Kunhamed Bicha
Director
DIN: 00819707

Place: Chennai

Date: 26.11.2021

