



Independent Auditor's Report

To the Members of **PAVNA INDUSTRIES LIMITED**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of PAVNA INDUSTRIES LIMITED (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, which comprise the consolidated Balance Sheet as at 31st March 2022, and the consolidated statement of Profit and Loss, and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Company as at 31st March 2022, of consolidated profit/loss and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and auditors' report thereon

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

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

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



to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and



significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other Matters

- (a) We did not audit the financial statements / financial information of Five subsidiaries, namely, a) Parna Marketing Private Limited (PMPL), b) Parna Sunworld Autotech Private Limited (PSAPL), c) Swapnil Switches Private Limited (SSPL), d) Parna Auto Engineers Private Limited (PAEPL) and e) Parna Goyam Auto Pvt Ltd, whose financial statements / financial information reflect total assets of Rs.7113.60 Lakhs as at 31st March 2022, total revenues of Rs.8,618.67 Lakhs and net cash flows amounting to Rs.7.87 Lakhs for the year ended on that date, as considered in the consolidated financial statements, whose financial statements / financial information **have not been audited by us**. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

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 of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.



- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- g) With respect to the matter to be included in the Auditor's Report under section 197(16), In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. There were no pending litigations which would impact the consolidated financial position of the Group, its associates and jointly controlled entities.
- b. The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.
- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and jointly controlled companies incorporated in India
- d. (i) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the Note-29 of notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (ii) The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the Note-29 of notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including



foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(iii) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.

e. No dividend have been declared or paid during the year by the company.

Place:-ALIGARH
Date:30/05/2022
UDIN:22076273AJWQNN3292

For DAS MAHESHWARI &
COMPANY
Chartered Accountants
FRN:0007259C

GHANSHYAM DAS MAHESHWARI
(Partner)
Membership No. 076273

Report on Internal Financial Controls with reference to financial statements

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 PAVNA INDUSTRIES LIMITED as of March 31, 2022 in conjunction with our audit of the consolidated financial statements of the Company, its subsidiary companies, its associates and joint ventures, which are companies incorporated in India, as of that date. for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies and joint ventures, which are companies incorporated in India, 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding



of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 and the audit evidence obtained by auditors of the subsidiary companies and joint ventures, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies and joint ventures, which are companies incorporated in India.

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



Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies and joint ventures, which are companies incorporated in India, have, 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, 2022, based on the criteria for internal financial control over financial reporting established by the respective companies 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.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to Five subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

Place:-ALIGARH
Date: 30/05/2022
UDIN:22076273AJWQNN3292

For DAS MAHESHWARI & COMPANY
Chartered Accountants
FRN: 007259C


GHANSHYAM DAS MAHESHWARI
(Partner)
Membership No. 076273

PAVNA INDUSTRIES LIMITED, ALIGARH
(FORMERLY KNOWN AS PAVNA ZADI SECURITY SYSTEM LTD)
CIN: L34109UP1994PLC016359

NOTES Forming part of the consolidated financial statement for the year ended March 31, 2022

1. Corporate Information

The Group consists of 6 units i.e. Pavna Industries Limited (Holding Company) and its 5 subsidiaries Companies namely

- (1) Pavna Marketing Private Limited (PMPL)
- (2) Pavna Sunworld Autotech Private Limited (PSAPL)
- (3) Swapnil Switches Private Limited (SSPL)
- (4) Pavna Auto Engineers Private Limited (PAEPL)
- (5) Pavna Goyam Auto Private Ltd. (PGAPL)

The Group has been recently re-organized (i.e in Q4 of FY 2019-20) such that all its key manufacturing activities are consolidated into a single corporate Holding Company.

2. Significant Accounting Policies

a. Basis of Consolidation

The Company consolidate entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (“the Group”). Control exists when the Parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity’s returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company’s voting rights in an investee are sufficient to give it power, including:

- a) the size of the Company’s holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- b) potential voting rights held by the Company, other vote holders or other parties;
- c) rights arising from other contractual arrangements; and



- d) any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated Profit or Loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Whenever necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Details of subsidiary company considered in the consolidated accounts:

Particulars	Extent of Ownership / Control as on March 31, 2022
Pavna Marketing Private Limited	100.00%
Pavna Sunworld Autotech Private Limited	74.00%
Pavna Auto Engineering Private Limited	50.74%
Swapnil Switches Private Limited	50.74%
Pavna Goyam Auto Pvt Ltd	51.00%

Basis of preparation of Consolidated Financial Statements

The Consolidated Financial Statements of the Company for the year ended March 31, 2022 have been prepared using the historical audited general purpose financial statements of the Company as at Financial year ended March 31, 2021 which was prepared under generally accepted accounting principles in India (Indian GAAP) and originally approved by the Board of Directors of the Company at that relevant time.

The financial statements have been prepared on the basis of a going concern assumption, on historical cost convention and on accrual method of accounting in accordance with the generally accepted accounting principles in India, Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and other accounting principles generally accepted in India, to the extent applicable and the provisions of the Companies Act, 2013 as adopted consistently by the Company.

Accounting policies adopted in the preparation of consolidated accounts:

The consolidated accounts related to Pavna Industries Limited (Holding Company) and its subsidiaries namely (1) Pavna Marketing Private Limited (PMPL), (2) Pavna Sunworld Autotech Private Limited (PSAPL), (3) Swapnil Switches Private Limited (SSPL) and (4) Pavna Auto



Engineers Private Limited (PAEPL) (5) Pavna Goyam Auto Pvt Ltd. (hereinafter collectively referred as "Subsidiary Companies"), have been prepared in accordance with AS - 21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

The Consolidated Financial Statements have been prepared based on line-by-line consolidation by adding together the book values of each & every item like Assets, Liabilities, Income and Expenses as per the accounts of the Holding Company and its Subsidiary Company and intra group balances/ intra group transactions have been eliminated.

The difference between the cost of Investment in the subsidiaries over the Net Assets at the time of acquisition of shares in the Subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve, as the case may be. The Consolidated Financial Statements have been prepared using uniform policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the holding company's individual accounts.

Current events and actions, actual results could differ from these estimates.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the result of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

b. Use of estimates

The preparation of the financial statements in conformity with GAAP requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful debts, future obligations under employee retirement benefit plans, income taxes, the useful lives and provision for impairment of fixed assets and intangible assets. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Future results could differ from these estimates.

c. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reported period associated with investing or financial cash flows.

d. Cash and Bank Balances

Cash and bank balances comprises of two sub-headings, viz., "Cash and cash equivalents" and "Other bank balances." Cash and Cash equivalents constitutes items defined in accordance with AS



3. Cash is defined to include cash on hand and demand deposits with banks. Cash Equivalents are defined as short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Other bank balances would comprise of items such as balances with banks to the extent of held as margin money or security against borrowings etc., and bank deposits with more than three months maturity.

e. Property, Plant & Equipment

Tangible Assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by the Management. The Company depreciates property, plant and equipment over their estimated useful lives using the written down value method, considering a salvage value of 5%. The estimated useful lives of assets are as follows:

Asset	Estimated useful life
Plant & equipment	8 years
Office equipment	10 years
Computers and Computer peripherals	3 years
Building	30 years
Car	8 years
Furniture and fixture	10 years

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end. Subsequent expenditures relating to property, plant and equipment are capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognised in net profit in the Statement of Profit and Loss when incurred. Depreciation is charged from the time asset is available for use. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss.

Intangible Assets

Technical knowhow

Amounts paid towards technical know-how fees for specifically identified projects/products being development expenditure incurred towards product design is carried forward based on assessment of benefits arising from such expenditure. Such expenditure is amortized over the period of expected future sales from the related product commencing from the month of commencement of commercial production.



f. Depreciation and Amortization

Depreciation on property, plant & equipment is provided on pro-rata basis for the period of use based on useful lives of respective assets as prescribed in the Schedule II of the Companies Act, 2013.

g. Revenue Recognition

Revenue is recognized on mercantile basis.

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

h. Employee Benefits

The company accounts for salaries on accrual basis. Defined Contribution plans and short term employee benefits such as salary, bonus, provident fund, etc. are charged to Profit & Loss account when the contributions are due. The present value of the obligations under defined benefit plans is determined based on an actuarial valuation using the Projected Unit Credit Method. Actuarial gains and losses arising on such valuation are recognized immediately in the Profit & Loss Account.

i. Foreign currency transactions

Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realized gains and losses on settlement of foreign currency transactions are recognized in the Statement of Profit and Loss. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences except those qualifying for hedge accounting are recognized in the Statement of Profit and Loss.

j. Investments

Non-Current investments are stated at cost. Provision for diminution in the value of Non-Current investments is made only if such a decline is other than temporary.

k. Inventories

Inventories are valued at lower of cost and net realisable value; whichever is lower. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated cost necessary to make the sales.

l. Taxes on Income

- i. Provision for current tax is made, based on the tax payable under the Income Tax Act, 1961. Minimum Alternative Tax (MAT) credit, which is equal to the excess of MAT (calculated in accordance with provisions of Section 115JB of the Income tax Act, 1961) over normal income-tax is recognised as an asset by crediting the Statement of Profit and Loss only when and to the



extent there is convincing evidence that the Company will be able to avail the said credit against normal tax payable during the period of ten succeeding assessment years.

- ii. Deferred tax on timing differences between taxable income and accounting income is accounted for, using the tax rates and the tax laws enacted or substantively enacted as on the balance sheet date. Deferred tax assets on unabsorbed tax losses and unabsorbed tax depreciation are recognised only when there is a virtual certainty of their realisation. Other deferred tax assets are recognised only when there is a reasonable certainty of their realization.

m. Provisions and Contingent Liabilities

A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation and in respect of which a reliable estimate can be made. All known liabilities till finalization of accounts are provided for except as disclosed in notes to accounts are contingent liability. Such provisions reflect best estimates based on available information.

However, a disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

n. Earnings Per Share

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

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

o. Segment Reporting

The Group is primarily engaged in the business of manufacture of auto components for two wheeler, four wheelers and commercial vehicle industry, which are governed by the same set of risks and returns but subject to the geographical industry trends and hence the Group's business activities fall within a single primary business segment. Hence disclosure of Segment wise information is not applicable under Accounting Standard – 17 "Segment Information" (AS-17). Geographical segment is not material and hence not reported.



3. Notes on Financial Statements

- a. There is no employee who is in the receipt of remuneration exceeding the limit prescribed in accordance with the provisions of Companies Act, 2013.
- b. Managerial Remuneration paid to directors is disclosed in Note No. 29 amounting to Lakhs. 353.40
- c. Trade receivables, Trade payables, Loans & Advances and Unsecured Loans have been taken at their book value subject to confirmation and reconciliation.
- d. The company has not received any intimation from supplier regarding their status under micro, small and medium enterprises development Act, 2006 and hence disclosure, if any, in relation to amount unpaid as at the year-end together with interest payable as required under the said Act have not furnished.
- e. In the opinion of the management the value on realization of current assets, Loans & Advance in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.
- f. Loans and Advances are considered good in respect of which company does not hold any security other than the personal guarantee of persons.
- g. The Management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required.
- h. Payments to Auditors:

Particulars	Year ended March 31, 2022
Audit Fees	1.86
Tax Audit Fees	0.31
G.S.T. (At the time of payment)	
Total	2.17

i. Related Party disclosure:

The transactions with related parties are disclosed in Note No. 29



- j. Deferred Tax Liability of Lakhs 74.51.00 have been created during the current year as per the provisions prescribed in AS-22 issued by The Institute of Chartered Accountants of India. Major components of Deferred tax:-

Particulars	As at 31.03.2022 (Lakhs.)
A) Deferred Tax Liability	112.91
Depreciation	88.07
Others	-
Total(A)	200.98
B) (Deferred Tax Assets)	
Depreciation	-
Gratuity	-13.56
Total(B)	
Net Deferred Tax liabilities/(assets)	200.32

k. Information Regarding Foreign Exchange

	<u>21-22</u>
Imports in Foreign Exchange	19.31
Expenditure in Foreign Exchange	11.42
Exports in Foreign Exchange	842.99

For DAS MAHESHWARI & COMPANY
Chartered Accountants
(Registration No.: 007259C)

Ghanshyam Das Maheshwari



GHANSHYAM DAS MAHESHWARI
PARTNER
M. No. 076273

FOR & ON BEHALF OF THE BOARD OF
DIRECTORS

Asha Jain

(ASHA JAIN)
DIN: 00035024
DIRECTOR

Swapnil Jain

(SWAPNIL JAIN)
DIN: 01542555
DIRECTOR

UDIN NO:

PAVNA INDUSTRIES LIMITED, ALIGARH
(FORMERLY KNOWN AS PAVNA ZADI SECURITY SYSTEMS LIMITED)
CIN : L34109UP1994PLC016359
CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2022

(Rs. In lakhs)

Particulars	Note No	Financial Year Ended	
		2022	2021
EQUITY AND LIABILITIES			
1. Shareholder's funds			
a) Share Capital	2	609.04	609.04
b) Reserves and surplus	3	4,906.69	4,180.81
Total Shareholder's Fund(1)		5,515.73	4,789.85
2. Minority Interest			
		1,200.47	905.92
3. Non-current liabilities			
a) Long term borrowings	4	4,456.57	2,185.89
b) Deferred Tax Liabilities (Net)	5	200.23	112.91
c) Other Long Term Liabilities	6	25.00	55.00
d) Long-term provisions	7	219.97	177.41
Total(3)		4,901.77	2,531.20
4. Current liabilities			
a) Short Term Borrowings	8	7,570.41	3,669.51
b) Trade payables	9	4,191.27	3,869.76
c) Other Current Liabilities	10	305.40	145.14
d) Short-term provisions	11	450.04	323.96
Total(4)		12,517.11	8,008.37
TOTAL - 1+2+3+4		24,135.08	16,235.35
ASSETS			
1. Non - Current Assets			
a) Fixed Assets			
i.) Tangible assets	12	7,675.79	5,235.56
ii.) Intangible assets	12	25.00	25.00
b) Long Term Loans and Advances	13	1,187.17	1,187.64
c) Other Non-current assets	14	6.64	7.16
Total(1)		8,894.59	6,455.37
2. Current Assets			
a) Inventories	15	9,180.89	4,635.25
b) Trade Receivables	16	5,012.28	3,845.61
c) Cash and Bank Balances	17	68.22	64.04
d) Short-term loans and advances	18	902.68	1,135.47
e) Other Current Assets	19	76.42	99.60
Total(2)		15,240.49	9,779.98
TOTAL		24,135.08	16,235.35

Notes forming part of consolidated Financial Statements

AUDITORS' REPORT

As per our separate report of even date attach

For **DAS MAHESHWARI & COMPANY**

Chartered Accountants

(Registration No.: 007259C)

DAS MAHESHWARI

GHANSHYAM DAS MAHESHWARI

PARTNER

M. No. 076273

PLACE: ALIGARH

Date: 30.05.2022

FOR & ON BEHALF OF THE BOARD OF

DIRECTORS

Asha Jain

(ASHA JAIN)

DIN: 00035024

DIRECTOR

Makarand Mahajan

Makarand Mahajan

CFO

PAN- ABUPM4863G

(SWAPNIL JAIN)

DIN: 01542555

DIRECTOR

Charu Singh

CHARU SINGH

CS & CO

PAN- CVBPS6669B

PAVNA INDUSTRIES LIMITED, ALIGARH
(FORMERLY KNOWN AS PAVNA ZADI SECURITY SYSTEMS LIMITED)
CIN : L34109UP1994PLC016359
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR 31st MARCH 2022

(Rs. In lakhs)

Particulars	Note No	Financial Year Ended March 31, 2022	Financial Year Ended March 31, 2021
REVENUE:			
Revenue from Operations	20	33,572.95	21,940.72
Other Income	21	63.56	19.09
Total revenue		33,636.51	21,959.81
EXPENSES:			
Cost of Materials consumed	22	23,706.26	15,166.85
Change in inventories	23	(2,114.15)	(1,289.47)
Employee Benefit Expenses	24	3,625.46	2,352.78
Financial Cost	25	926.19	536.77
Depreciation & Amortisation cost	26	920.17	404.00
Other Expenses	27	5,232.14	3,723.85
Total expenses		32,296.07	20,894.79
Profit before exceptional and extraordinary items and tax		1,340.44	1,065.02
Less: Extraordinary items			
Profit on sale of Fixed Asset		58.45	-
Loss on sale of Investment		-	-
Prior Period Item			
Currency Fluctuation		-	-
Bonus		-	6.00
Net Profit / (Loss) before Tax		1,398.90	1,059.02
Less: Tax Expenses			
(a) Current Tax		359.91	252.40
(b) Deferred Tax		74.51	85.88
Total		434.42	338.27
Net Profit / (Loss) after tax		964.47	720.75
Net Profit Attributable to Minority		152.09	97.40
Net Profit transferred to Reserves		812.39	623.35
EARNING PER EQUITY SHARE (in Rs.)	28		
Basic			
Diluted			

Notes forming part of consolidated Financial Statements

AUDITORS' REPORT

As per our separate report of even date attached.

For DAS MAHESHWARI & COMPANY
Chartered Accountants
(Registration No.: 007259C)

GHANSHYAM DAS MAHESHWARI
PARTNER
M. No. 076273
PLACE: ALIGARH
Date: 30.05.2022

FOR & ON BEHALF OF THE BOARD OF DIRECTORS

Asha Jain
(ASHA JAIN)
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PAVNA INDUSTRIES LIMITED, ALIGARH
(FORMERLY KNOWN AS PAVNA ZADI SECURITY SYSTEMS LIMITED)
CIN : L34109UP1994PLC016359
CONSOLIDATED CASH FLOW STATEMENT AS AT 31st MARCH 2022

(Rs. In lakhs)

CASHFLOW STATEMENT

Particulars	Financial Year Ended	
	2022	2021
Cash Flow From Operating Activities		
Net Profit Before Tax	1,398.90	1,059.02
Adjustments for :		
Depreciation/Amortisation	920.17	404.00
Profit on sale of Fixed Asset	-58.45	-
Loss on sale of shares	-	-
Prior period	-	-
Interest Received	-1.85	-1.77
Finance cost	926.19	536.77
FBT Write off ¹		0.80
Operating Profit Before Working Capital Adjustment	3,184.96	1,998.82
Adjustment for Changes in Working Capital		
Trade and other payable	321.51	992.99
Long-term provisions	42.56	-77.26
Short-term provisions	126.08	388.71
Other Long term Liabilities	-30.00	-
Other Current Liabilities	160.25	-276.15
Trade and other Recievables	-1,166.67	-886.84
Long Term Loans & Advances	0.47	-381.86
Short Term Loans & Advances	232.79	-445.56
Other Non Current Assets	0.52	-5.07
Other Current Assets	23.19	19.48
Inventories	-4,545.64	-1,846.03
Cash Flow Generated from Operations	(1,649.98)	(518.76)
Taxes Paid	359.91	261.16
Net Cash flow from Operating activities (A)	(2,009.88)	(779.92)
Cash Flow From Investing Activities		
(Purchase)/Sale of Fixed Assets	-3,291.63	-1,138.45
Purchase of Technical know how	-	-
(purchase)/ Sale of Investment	-	-
Profit on sale of Fixed Asset	58.45	-
Loss on sale of shares	-	-
Interest Received	1.85	1.77
Net Cash Flow from Investing Activites (B)	(3,231.33)	(1,136.68)



Cash Flow From Financing Activities		
Issue of Capital	-	90.24
Securities Premium	-	1,398.72
Proceeds from/ (Repayment of) Borrowing	6,171.58	882.12
Finance cost	-926.19	(536.77)
Net Cash Flow From Financing Activities (C)	5,245.39	1,834.31
Net Increase/ (Decrease) in Cash and Cash Equivalents (A + B + C)	4.18	(82.29)
Cash & Cash equivalent at the beginning of the year	64.04	146.33
Cash & Cash Equivalent at the end of the year	68.22	64.04

Cash and cash equivalents comprises of :

Particulars	Financial Year Ended	
	2022	2021
Cash-in-Hand	23.70	20.79
Balance with Banks	16.25	16.20
Balance in FD	28.26	27.06
Total	68.22	64.04

AUDITORS' REPORT

As per our separate report of even date attached.

For DAS MAHESHWARI & COMPANY

Chartered Accountants

(Registration No.: 007259C)

Ghanshyam Das Maheshwari



GHANSHYAM DAS MAHESHWARI

PARTNER

M. No. 076273

PLACE: ALIGARH

DATED: 30/06/2021

UDIN:

**FOR & ON BEHALF OF THE BOARD OF
DIRECTORS**

Asha Jain

(ASHA JAIN)

DIN: 00035024

DIRECTOR

Swapnil Jain

(SWAPNIL JAIN)

DIN: 01542555

DIRECTOR

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CFO

PAN- ABUPM4863G

Charu Singh

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PAVNA INDUSTRIES LIMITED, ALIGARH
(FORMERLY KNOWN AS PAVNA ZADI SECURITY SYSTEMS LIMITED)
CIN : L34109UP1994PLC016359

NOTES

Forming part of the consolidated financial statement for the year ended on March 31, 2022
(Rs. In lakhs)

Note 2

SHARE CAPITAL

Particulars	Financial Year Ended	
	2022	2021
SHARE CAPITAL		
Authorised Share Capital : 61,00,000 Equity Shares of Rs. 10/- each	610.00	610.00
	610.00	610.00
Issued Subscribed and Paid Up Equity Share Capital : 25,94,000 Equity Shares of Rs.10/- each (Fully paid shares) 60,90,400 Equity Shares of Rs.10/- each (Fully paid shares)	609.04	609.04
Total	609.04	609.04

Reconciliation of number of shares outstanding :

Particulars	Financial Year Ended	
	2022	2021
Equity Shares		
At the beginning of the period	6,090,400	2,594,000
Subdivision of shares	-	-
Bonus Issue	-	2,594,000
Shares issued through IPO	-	902,400
Outstanding at the end of the period	6,090,400	6,090,400

Pursuant to EGM held on March 16, 2021, our Company has split the Equity Shares of Face Value of Rs 100/- each to Equity Shares of face value of Rs 10/- each.

Name of Equity Shareholders holding more than 5% equity shares

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Ms Asha Jain	2,910,980	47.80%	2,910,980	47.80%
Mr Swapnil Jain	678,080	11.13%	678,080	11.13%
P.J. Wealth Management and Consultant Private Limited	498,250	8.18%	498,250	8.18%
Smt. Palak Jain	448,000	7.36%	429,600	7.05%
Smt. Sadhna Jain	335,200	5.50%	-	0.00%
Kavish Kalra	302,400	4.97%	-	0.00%
Total	5,172,910	84.94%	4,516,910	74.16%



Note 3**RESERVES AND SURPLUS**

Particulars	Financial Year Ended	
	2022	2021
Securities Premium		
Opening Balance	1,398.72	-
Add/(less): Received during the period	-	1,398.72
Add/(less): As a result of consolidation	-	-
Total (a)	1,398.72	1,398.72
General Reserve		
Opening Balance	1.25	1.12
Add/(less): As a result of consolidation	0.13	0.13
Total (b)	1.37	1.25
Surplus		
Balance as at the beginning of the year	2,666.26	2,302.32
Add / (Less): Changes during the year		
Less: Bonus issue	-	-259.40
Add: Profit After Tax	640.85	495.38
Add/(less): As a result of consolidation	171.54	127.97
Add/(less): Provision for gratuity	-	-
Balance as at the end of the year (c)	3,478.65	2,666.26
Capital Reserve		
Opening Balance	114.58	114.58
Add/(less): As a result of consolidation	-86.64	-
Total (d)	27.94	114.58
Total	4,906.69	4,180.81

Note 4**LONG TERM BORROWINGS**

Particulars	Financial Year Ended	
	2022	2021
Secured Loans		
From Banks	1,984.61	249.38
From Financial Institutions	146.51	942.90
Unsecured Loans		
Loan from Directors	1,183.07	-
Loan from Related Parties	20.00	-
Loan from Corporate entities	1,122.38	993.62
Total	4,456.57	2,185.89
Current Maturity to Long term debt	-	-

Note 5**DEFERRED TAX LIABILITIES**

Particulars	Financial Year Ended	
	2022	2021
Deferred tax liabilities/(assets) arising on account of timing difference in:		
Opening Balance	112.91	27.02
Depreciation	100.88	100.28
Gratuity	-13.56	-14.40
Closing Balance	200.23	112.90



Note 6**OTHER LONG TERM LIABILITIES**

Particulars	Financial Year Ended	
	2022	2021
Dealership Deposit	25.00	55.00
Total	25.00	55.00

Note 7**LONG TERM PROVISIONS**

Particulars	Financial Year Ended	
	2022	2021
Provision for gratuity	219.97	177.41
Provision for gratuity for earlier years	-	-
Total	219.97	177.41

Note 8**SHORT TERM BORROWINGS**

Particulars	Financial Year Ended	
	2022	2021
Secured Loans		
From Banks	6,070.41	1,629.94
From Financial Institutions	1,500.00	2,039.57
Total	7,570.41	3,669.51



Note 9**TRADE PAYABLE**

Particulars	Financial Year Ended	
	2022	2021
Unsecured, considered goods		
Dues to Micro, Small and Medium Enterprises	-	-
Dues to creditors other than Micro, Small and Medium Enterprises	4,191.27	3,869.76
Total	4,191.27	3,869.76

Note 10**OTHER CURRENT LIABILITIES**

Particulars	Financial Year Ended	
	2022	2021
Current Maturities to Long Term Debt		
From Banks	-	-
From Financial Institutions	-	-
Advance from customers	120.76	24.83
Capital Advance	-	16.26
Other Payables		
Trade mark royalty	-	-
Salary payable	1.76	0.54
Statutory Dues payable	182.66	103.30
Other Expenses payable	0.21	0.22
Total	305.40	145.14

Note 11**SHORT TERM PROVISIONS**

Particulars	Financial Year Ended	
	2022	2021
Provision for Employee Benefit expenses	264.12	205.16
Provision for audit fees	2.10	0.38
Provision for expense	-	-
Provisions for Income Tax	107.00	39.18
Provision for gratuity	76.82	79.25
Provision for gratuity for earlier years	-	-
Total	450.04	323.97



Note 12
FIXED ASSETS

Particulars	Financial Year Ended	
	2022	2021
TANGIBLE ASSETS		
Land		
Opening Balance	348.05	348.05
Addition during the year	18.77	-
Closing Balance	366.82	348.05
Building		
Opening Balance	1,079.06	990.69
Addition during the year	387.45	88.37
Depreciation during the year	49.27	17.45
Accumulated Depreciation	331.59	249.11
Closing Balance	1,134.92	829.95
Plant and Machinery		
Opening Balance	5,784.70	5,127.63
Addition during the year	2,927.87	799.40
Sale during the year	-	142.33
Depreciation during the year	733.54	337.55
Less: Disposal- depreciation	-	0.61
Accumulated Depreciation	3,308.78	2,420.77
Closing Balance	5,403.80	3,363.94
Furniture & Fixture		
Opening Balance	124.70	112.80
Addition during the year	6.96	11.90
Sale during the year	-	-
Depreciation during the year	7.07	4.68
Accumulated Depreciation	67.21	60.14
Closing Balance	64.45	64.56
Vehicles		
Opening Balance	711.22	360.18
Addition during the year	45.77	351.04
Sale during the year	-	-
Depreciation during the year	78.35	33.48
Less: Disposal- depreciation	-	-
Accumulated Depreciation	223.58	145.22
Closing Balance	533.41	565.99
Office Equipment		
Opening Balance	68.56	61.35
Addition during the year	132.60	7.22
Sale during the year	-	-
Depreciation during the year	21.55	3.13
Accumulated Depreciation	73.98	38.42
Closing Balance	127.19	30.15
Computer		
Opening Balance	187.29	165.64
Addition during the year	42.68	21.64
Sale during the year	-	-
Depreciation during the year	28.08	5.42
Accumulated Depreciation	184.79	154.36
Closing Balance	45.17	32.93



INTANGIBLE ASSETS		
Technical know how	25.00	25.00
Net addition	3,562.71	1,138.45
Total Tangible Asstes	11,865.69	8,303.58
Depreciation- Tangible Asstes	917.87	401.70
Amortisation	-	2.30
Total Depreciation Charged during the year	917.87	404.00
Total accumulated Depreciation on Tangible Assets	4,189.92	3,068.02
WDV Tangible Asset (Net)	7,675.77	5,235.56
WDV Intangible Asset	25.00	25.00

Note 13

LONG TERM LOANS AND ADVANCES

Particulars	Financial Year Ended	
	2022	2021
Advance for Purchase/Other	20.80	-
Desposits	1,166.26	1,187.54
FDR	0.11	0.10
Total	1,187.17	1,187.64

Note 14

OTHER NON CURRENT ASSETS

Particulars	Financial Year Ended	
	2022	2021
Preliminary Expense	6.64	7.16
Total	6.64	7.16



Note 15
INVENTORIES

Particulars	Financial Year Ended	
	2022	2021
Raw Materials*	3,472.57	1,238.74
Work in progress	5,294.23	3,180.09
Store & spares	414.09	216.42
Finished goods-trading	-	-
Total	9,180.89	4,635.25

*raw materials include zinc, aluminium, brass, powder

Note 16
TRADE RECEIVABLES

Particulars	Financial Year Ended	
	2022	2021
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Doubtful	146.67	11.79
Trade receivables outstanding for a period of less than six months from the date they were due for payment		
Unsecured, considered good	4,865.61	3,833.82
Total	5,012.28	3,845.61

Note 17
CASH & BANK BALANCES

Particulars	Financial Year Ended	
	2022	2021
<u>Cash and Cash Equivalents</u>		
Cash-in-Hand	23.70	20.79
Balance with Banks	16.25	16.20
<u>Other Bank Balances</u>	-	-
Balance in FD	28.26	27.06
Total	68.22	64.04

Note 18
SHORT TERM LOANS & ADVANCES

Particulars	Financial Year Ended	
	2022	2021
Advance to suppliers	586.48	946.76
Balance with Government Authorities	285.36	172.62
Advance to employees	0.48	0.69
Pavna Industries Ltd MSEB Bill	16.83	-
Compensation receivable	-	-
Auto Expo expense	5.32	7.10
Fixed Deposit	0.11	0.10
Deposit	8.10	8.20
Total	902.68	1,135.47



Note 19**OTHER CURRENT ASSETS**

Particulars	Financial Year Ended	
	2022	2021
Advance money for Shares	0.14	0.12
Prepaid Expense	24.81	24.45
Advance Tax	51.48	75.03
Preliminary Expense	-	-
Total	76.42	99.60

*Prepaid insurance

Note 20**REVENUE FROM OPERATIONS**

Particulars	Financial Year Ended	
	2022	2021
Sale of manufactured goods	33,572.95	17,401.22
Sale of traded goods	-	4,539.50
Total	33,572.95	21,940.72
Local sales		
Export Sales		

Note 21**OTHER INCOME**

Particulars	Financial Year Ended	
	2022	2021
Sundry Creditors Write Off	13.68	-
Interest on FDR	1.85	1.77
Export incentive	14.70	12.69
Rate difference	5.81	-
Rent received	18.60	0.60
Interest on late payment	3.85	2.29
Other Income	5.07	1.74
Total	63.56	19.09

Note 22**COST OF MATERIALS, CONSUMED**

Particulars	Financial Year Ended	
	2022	2021
Opening stock	1,490.07	775.01
Add: Purchase	25,352.78	15,389.80
Freight & Carriage inward	4.47	4.09
Custom duty & clearing charges	0.30	0.11
Packing materials	331.20	236.59
	27,178.83	16,405.59
Less: Closing Stock	3,472.57	1,238.74
Net Cost of Materials consumed**	23,706.26	15,166.85

Note 23**CHANGE IN INVENTORIES**

Particulars	Financial Year Ended	
	2022	2021
Work in Progress		
Inventories at the beginning of the year	3,180.09	1,890.62
Less : Inventories at the end of the year	5,294.24	3,180.09
Total	(2,114.15)	(1,289.47)



Note 24**EMPLOYEE BENEFIT EXPENSES**

Particulars	Financial Year Ended	
	2022	2021
Director Remuneration	353.40	306.53
Salaries and wages	2,530.70	1,512.40
Contribution to PF & Others	174.88	120.87
Staff welfare expenses	312.83	219.78
Bonus/ ex-gratia	199.22	135.97
Gratuity	53.91	57.22
Leave Encashment	0.52	-
Total	3,625.46	2,352.78

Note 25**FINANCIAL COST**

Particulars	Financial Year Ended	
	2022	2021
Interest on:		
Borrowing	243.58	250.75
Secured Loan	399.78	66.89
Unsecured loan	168.77	165.62
Car Loan/ Other	15.77	28.88
Dealership Deposit	0.05	2.20
Interest on TDS	-	-
Bank commission and charges	17.75	1.21
Other Borrowing cost	80.49	21.23
Total	926.19	536.77



Note 26**DEPRECIATION AND AMORTISATION**

Particulars	Financial Year Ended	
	2022	2021
Depreciation	917.87	401.70
Amortisation	2.30	2.30
Total	920.17	404.00

Note 27**OTHER EXPENSES**

Particulars	Financial Year Ended	
	2022	2021
Consumption of Stores, Spares, Packing and Tools	354.74	329.65
Bad Debts	3.80	4.30
Business Promotion Expense	10.10	27.90
Commission paid	-	-
Communication Expense	7.50	5.85
Diecasting/ job work charges	1,039.85	754.85
Discount	205.70	94.91
CSR Activity	7.50	22.53
Electricity expense	160.49	12.91
Export expense	0.83	0.56
FBT provision w/off	-	0.80
Freight & forwarding expense	327.69	247.46
Foreign currency Fluctuation expense	2.69	8.06
GST/Sales Tax/ Service Tax Expenses	23.17	6.21
Insurance	33.40	21.58
Interest on late payments/Statutory Payments	2.26	0.39
IPO Expense	1.55	43.20
ISO TS certification expense	3.52	3.57
Legal & Professional	82.28	117.27
Legal/ ROC	22.49	27.66
Marketing expense	10.62	7.31
Membership Fees	2.47	2.09
Miscellaneous expense	2.45	0.31
Non competitive fee	150.00	150.00
Office expense	34.44	20.32
Power and fuel Expenses	746.90	597.23
Printing & stationery expense	23.22	19.13
CNC and Powder Coating Expenses	345.41	-
R&D expense	1.20	1.00
Rebate & Discount	1.70	7.39
Rent including lease rentals	81.10	139.39
Rent- Machine rent	1.68	1.68
Repairs and maintenance - Machinery	126.72	77.70
Repairs and maintenance - Others	119.19	89.38
Repairs & maintenance- Building	1.15	2.19
Sales Promotion expense	184.20	179.53
Sales tax/ service tax expense/ GST	0.56	0.52
Security expense	74.23	73.54
Software Expenses	14.70	9.79
Subcontracting /Diecasting Charges	484.60	423.20
Telephone/software/Postage & Courier Expenses	2.63	0.99
Trade Mark royalty	79.19	97.74
Travelling & conveyance	67.15	29.45
Factory Expenses	9.39	-
Vehicle running & maintenance expense	97.95	32.17
Warranty claim/ Line rejection expense	3.94	30.94



Payment to Auditors	2.17	1.22
Labour Charges	0.32	-
Gas Expenses	239.74	-
Loading and Unloading Charges	1.19	-
Material Testing Exp	0.15	-
Profession Tax	0.03	-
Pollution Control Expenses	2.60	-
Rates and Taxes	0.20	-
Transportation Charges	28.98	-
Water Charges	0.41	-
Total	5,232.14	3,723.85

Consumption of stores, spares, packing & tools

Particulars	Financial Year Ended	
	2022	2021
Opening stock	216.42	123.81
Add:		
Consumption of stores & spare parts	271.18	207.22
Consumption of loose tools	70.97	84.55
Consumption of packing materials	156.24	111.13
Polishing & plating materials	54.02	19.36
sub total	768.83	546.06
Less:		
Closing stock	414.09	216.42
Net consumption*	354.74	329.65

Note 28

EARNINGS PER SHARE (EPS)

Particulars	Financial Year Ended	
	2022	2021
Net Profit after Tax	812.39	623.35
Weighted Average no. of equity shares outstanding during the	6,090,400	6,090,400
Earning Per Share*		
Basic and Diluted (in Rs.)	13.34	10.23
Nominal Value Per Share (in Rs.)	10.00	10.00

AUDITORS' REPORT

As per our separate report of even date attached.

For **DAS MAHESHWARI & COMPANY**

Chartered Accountants

(Registration No.: 007259C)

Ghanshyam Das Maheshwari



GHANSHYAM DAS MAHESHWARI

PARTNER

M. No. 076273

PLACE: ALIGARH

DATED: 30.05.2022

FOR & ON BEHALF OF THE BOARD OF DIRECTORS

Asha Jain

(ASHA JAIN)
DIN: 00035024
DIRECTOR

Swapnil Jain

(SWAPNIL JAIN)
DIN: 01542555
DIRECTOR

PAVNA INDUSTRIES LIMITED, ALIGARH
(FORMERLY KNOWN AS PAVNA ZADI SECURITY SYSTEMS LIMITED)
CIN : L34109UP1994PLC016359

NOTES

Forming part of the financial statement for the year ended on March 31, 2022

Related Party Transaction details considering our Company (1) Pavna Industries Limited (PIL), and our Subsidiary companies (2) Pavna Marketing Private

29. RELATED PARTY DISCLOSURES

S.N.	NAME OF PERSON	RELATION	NATURE OF PAYMENT	AS ENDED MARCH 31, 2022	AS ENDED MARCH 31, 2021 Amount (Lakhs)
	PIL				
	LOANS				
	Opening Balance				
1	SMT. ASHA JAIN	DIRECTOR	Opening- Loan	-	234.77
2	SHRI SWAPNIL JAIN	DIRECTOR	Opening- Loan	-	190.49
3	SHRI PAWAN JAIN	DIRECTOR	Opening- Loan	-	375.11
4	PJ WEALTH MANAGEMENT & CONSULTANTS P. LTD.	SISTER CONCERN	Opening- Loan	993.62	533.99
	Loan taken during the year				
1	SMT. ASHA JAIN	DIRECTOR	Loan taken	711.00	231.09
2	SMT. PRIYA JAIN	DIRECTOR	Loan taken	-	112.86
3	SHRI SWAPNIL JAIN	DIRECTOR	Loan taken	100.00	24.00
4	PJ WEALTH MANAGEMENT & CONSULTANTS P. LTD.	SISTER CONCERN	Loan taken	442.28	1,095.23
	Loan Repaid during the year				
1	SMT. ASHA JAIN	DIRECTOR	Repayment of Loan taken	511.00	485.59
2	SHRI PAWAN JAIN	DIRECTOR	Repayment of Loan taken	-	408.57
3	SMT. PRIYA JAIN	DIRECTOR	Repayment of Loan taken	-	115.67
4	SHRI SWAPNIL JAIN	DIRECTOR	Repayment of Loan taken	100.00	229.46
5	PJ WEALTH MANAGEMENT & CONSULTANTS P. LTD.	SISTER CONCERN	Repayment of Loan taken	470.89	715.48
	Interest on Loans (Net of TDS)				
1	SMT. ASHA JAIN	DIRECTOR	Interest(Net)	26.91	19.72
2	SHRI PAWAN JAIN	DIRECTOR	Interest(Net)	-	33.46
3	SMT. PRIYA JAIN	WIFE OF DIRECTOR	Interest(Net)	-	-
4	SHRI SWAPNIL JAIN	DIRECTOR	Interest(Net)	4.32	14.97
5	PJ WEALTH MANAGEMENT & CONSULTANTS P. LTD.	SISTER CONCERN	Interest(Net)	115.95	79.88
	Outstanding Balances				
1	SMT. ASHA JAIN	DIRECTOR	o/s Loan	202.56	-
2	SHRI PAWAN JAIN	DIRECTOR	o/s Loan	-	-
3	SHRI SWAPNIL JAIN	DIRECTOR	o/s Loan	-	-
4	PJ WEALTH MANAGEMENT & CONSULTANTS P. LTD.	SISTER CONCERN	o/s Loan	972.38	993.62
	Remuneration				
1	SMT. ASHA JAIN	DIRECTOR	Remuneration	-	6.83
2	SHRI PAWAN JAIN	DIRECTOR	Remuneration	-	-
3	SHRI SWAPNIL JAIN	DIRECTOR	Remuneration	144.00	114.83
4	SMT. PRIYA JAIN	DIRECTOR	Remuneration	-	6.30
	Salary & Other Expense				
5	SHRI PAWAN JAIN	DIRECTOR	Professional Fees	-	3.00
6	SMT. ASHA JAIN	DIRECTOR	Building Rent	5.64	4.20
7	SHRI PAWAN JAIN	DIRECTOR	Building Rent	2.88	4.32
8	SHRI PAWAN JAIN	DIRECTOR	Lease Rent	-	0.10
9	SHRI PAWAN JAIN	DIRECTOR	Trade Mark Royalty	-	42.80
10	SMT. ASHA JAIN	DIRECTOR	Trade Mark Royalty	62.39	42.80
12	SMT. ASHA JAIN	DIRECTOR	Lease Rent	0.10	-
	Security Deposits				
1	SHRI PAWAN JAIN	DIRECTOR	Security Deposit	-	300.00
	Short Term Loans & Advances				
1	PAVNA GOYAM AUTO PVT. LTD.	SISTER CONCERN	Security Deposit	150.00	-
	Outstanding Balances				
	SHRI PAWAN JAIN	DIRECTOR	Creditors	-	0.40
	SMT. ASHA JAIN	DIRECTOR	Creditors	2.30	0.69
	PAEPL				
	Remuneration				
	Mr. Swapnil Jain	Director	Remuneration	-	8.93
	Mrs. Priya Jain	Director	Remuneration	144.00	114.83
	Other Expenses				
	Mr. Pawan Jain	Managing Director	Consultancy	-	5.00
	Mr. Pawan Jain	Managing Director	Building Rent	5.48	8.22
	Mr. Pawan Jain	Managing Director	Machine Rent	-	0.84
	Mrs. Asha Jain	Wife of Managing Director	Building Rent	4.84	2.10
	Mr. Pawan Jain	Managing Director	Trade Mark Royalty	-	8.30
	M/s Die Cast Solution	Partnership Firm (Director is Partner)	Die Casting Charges	-	7.30
	Mrs. Asha Jain	Wife of Director	Machine Rent	0.84	-
	Mrs. Asha Jain	Wife of Director	Trade Mark Royalty	11.72	-



Security Deposit					
Mr. Swapnil Jain	Director	Security Deposit	-	25.00	
Mrs. Asha Jain	Wife of Managing Director	Security Deposit	-	25.00	
Mr. Pawan Jain	Managing Director	Security Deposit	-	50.00	
LOANS					
Mr. Pawan Jain	Managing Director	Loan taken	40.00		NIL
Mr. Pawan Jain	Managing Director	Repayment of Loan taken	40.00		NIL
Mr. Pawan Jain	Managing Director	Interest(Net)	1.22		-
Mr. Swapnil Jain	Director	Loan taken	-	24.00	
Mr. Swapnil Jain	Director	Interest(Net)	-	0.14	
Mr. Swapnil Jain	Director	Repayment of Loan taken	-	24.14	
Mrs. Priya Jain	Director	Loan taken	210.00		128.00
Mrs. Priya Jain	Director	Interest(Net)	0.83		0.18
Mrs. Priya Jain	Director	Repayment of Loan taken	210.00		128.18
PJ Wealth Management & Consultants P. Ltd.	Sister Concern	Loan taken	-		70.00
PJ Wealth Management & Consultants P. Ltd.	Sister Concern	Interest(Net)	-		0.02
PJ Wealth Management & Consultants P. Ltd.	Sister Concern	Repayment of Loan taken	-		70.02
SSPL					
Remuneration					
Mrs. Asha Jain	Director	Remuneration	54.00		43.13
Mr. Ajay Maheshwari	Director	Remuneration	11.40		9.61
Mrs. Priya Jain	Director	Remuneration	-		2.10
Salary & Other Expense					
Mr. Swapnil Jain	Son of Director	Salary	-		3.15
Mr. Pawan Jain	Director	Building Rent	2.80		4.20
Mr. Pawan Jain	Director	Consultancy	-		1.00
Mrs. Asha Jain	Director	Building Rent	5.60		4.20
Mr. Pawan Jain	Director	Trade Mark Royalty	-		3.83
Mrs. Asha Jain	Director	Trade Mark Royalty	5.08		-
Outstanding Balances					
SHRI PAWAN JAIN	DIRECTOR	Creditors	-		0.39
Mrs. Asha Jain	DIRECTOR	Creditors	0.76		-
PMPL					
LOANS					
Swapnil Jain	Director	Loan taken	-		7.00
Swapnil Jain	Director	Interest (net)	-		0.63
Swapnil Jain	Director	Loan Repayment	-		7.63
Other Expenses					
Pawan Jain	Father of Director	Building Rent	2.00		3.00
Asha Jain	Mother of Director	Building Rent	1.00		-
Outstanding Balances					
SHRI PAWAN JAIN	DIRECTOR	Creditors	-		0.28
PGAPL					
Loan taken during the year					
1	Pavna Industries Ltd	SISTER CONCERN	Loan taken	150.00	-
2	Niti Phulpagar	DIRECTOR	Loan taken	35.00	47.00
3	Lokesh Phulpagar	DIRECTOR	Loan taken	98.30	45.36
4	Gautam Premchand Phulpagar	RELATED PARTY	Loan taken	40.00	-
5	Pankaj Phulpagar	DIRECTOR	Loan taken	732.00	511.00
Loan Repaid during the year					
1	Pavna Industries Ltd	SISTER CONCERN	Repayment of Loan taken	-	-
2	Niti Phulpagar	DIRECTOR	Repayment of Loan taken	20.00	-
3	Lokesh Phulpagar	DIRECTOR	Repayment of Loan taken	60.99	6.80
4	Gautam Premchand Phulpagar	RELATED PARTY	Repayment of Loan taken	20.00	-
5	Pankaj Phulpagar	DIRECTOR	Repayment of Loan taken	322.00	516.00
Outstanding Balances					
1	Pavna Industries Ltd	SISTER CONCERN	Loan	150.00	-
2	Niti Phulpagar	DIRECTOR	Loan	349.61	334.61
3	Lokesh Phulpagar	DIRECTOR	Loan	128.76	91.44
4	Gautam Premchand Phulpagar	RELATED PARTY	Loan	20.00	-
5	Pankaj Phulpagar	DIRECTOR	Loan	652.14	242.14



Intercompany Transactions

On consolidation, following transactions and balances with the subsidiary companies namely (1) Pavna Marketing Private Limited (PMPL), (2) Pavna

S.N.	PARTICULARS			AS ENDED	AS ENDED
				MARCH 31, 2022	MARCH 31, 2021
1	Purchase & Sales				
	PIL & PAEPL			830.25	58.83
	PIL & SSPL			659.36	73.53
	PIL & PMPL			1,308.36	150.64
	PIL & PSAPL			5.69	-
	PIL & PGPL			0.78	-
	PAEPL & PIL			101.61	266.34
	PAEPL & SSPL			0.15	-
	PAEPL & PMPL			132.90	15.43
	SSPL & PAEPL			0.00	0.84
	SSPL & PIL			178.92	518.46
	SSPL & PMPL			1,381.92	2.10
	PSAPL & PMPL			21.94	0.08
	PSAPL & PIL			1.13	0.96
	PMPL & PAEPL			8.47	486.95
	PMPL & PIL			134.45	2,176.04
	PMPL & SSPL			4.39	1,009.89
	PMPL & PSAPL			-	10.46
	PGPL & PIL			3,842.45	-
	PGAPL & PAEPL			12.37	-
2	Creditors & Debtors				
	PIL & PAEPL			30.43	20.08
	PIL & SSPL			303.79	89.84
	PIL & PMPL			121.67	-
	PIL & PSAPL			3.93	-
	PAEPL & PIL			3.07	65.67
	PAEPL & SSPL			-	-
	PAEPL & PMPL			8.89	-
	SSPL & PMPL			366.47	-
	SSPL & PAEPL			-	0.33
	PSAPL & PMPL			8.01	-
	PMPL & PSAPL			-	9.83
	PMPL & PAEPL			-	282.14
	PMPL & SSPL			-	107.03
	PMPL & PIL			-	77.04
	PGAPL & PIL			1,287.72	-
	PGAPL & PAEPL			0.80	-
3	Tool Sale and Purchase				
	PIL & PSAPL			-	42.41
	PIL & PAEPL			-	133.55
4	Investment				
	Investment by PIL in PAEPL				
	PAVNA GOYAM AUTO PVT. LTD.	SISTER CONCERN	Share Purchase	255.00	184.74
5	RENT				
	PGAPL & PIL	SISTER CONCERN	DG RENT	1.20	-
	PGAPL & PIL	SISTER CONCERN	RENT	25.85	-
	PGAPL & PAEPL	SISTER CONCERN	RENT	11.17	-

AUDITORS' REPORT

As per our separate report of even date attached.

For DAS MAHESHWARI & COMPANY

Chartered Accountants

(Registration No.: 007259C)

Ghanshyam Das Maheshwari

GHANSHYAM DAS MAHESHWARI

PARTNER

M. No. 076273

PLACE: ALIGARH

DATED:

FOR & ON BEHALF OF THE BOARD OF DIRECTORS

Asha Jain

(ASHA JAIN)

DIN: 00035024

DIRECTOR

Swapnil Jain

(SWAPNIL JAIN)

DIN: 01542555

DIRECTOR