

RAJEEV KUMAR & COMPANY

CHARTERED ACCOUNTANTS

B-120, CENTRE POINT

MARRIS ROAD, ALIGARH-202001

+91-8057555520 Telephone (O)

+91-9837068178 Mobile (P)

auditors.aligarh@gmail.com

www.rkcompanyca.com

INDEPENDENT AUDITOR'S REPORT

To the Members of PAVNA INDUSTRIES LIMITED

Report on the audit of the Consolidated Ind AS Financial Statements Opinion

We have audited the accompanying Consolidated Ind AS 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 March 31, 2023, and the consolidated statement of Profit and Loss (including other comprehensive income), the consolidated statement of changes in equity 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 (here in after referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS 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 Ind AS and accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2023, of consolidated profit/loss, consolidated total comprehensive income, consolidated statement of changes in equity 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 Ind AS 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 on Consolidated Ind AS Financial Statements

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS Financial Statements for financial year ended 31st march, 2023. These matters were addressed in the context of our audit of the Consolidated Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management including identification of key audit matters provide the basis for our audit opinion on the accompanying Consolidated Ind AS Financial Statements. We have determined that there are no key audit matters to be communicated in our report.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report, but does not include the Consolidated Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Ind AS 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 Ind AS 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 Ind AS Financial Statements or our knowledge obtained in the Audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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 Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Ind AS 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 Indian 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 Consolidated Ind AS 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 Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS 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.

Those 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 joint ventures.

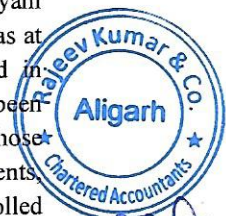
Auditor's Responsibilities for the Audit of the consolidated Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS 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 Ind AS financial statements.

A further description of the auditor's responsibilities for the audit of the Consolidated Ind AS Financial Statements is included in Annexure A. This description forms part of our auditor's report.

Other matters

We did not audit the financial statements/ financial information of five subsidiaries, namely, a) Pavna Marketing Private Limited (PMPL) b) Pavna Sunworld Autotech Private Limited (PSAPL), c) Swapnil Switches Private Limited (SSPL) d) Pavna Auto Engineers Private Limited (PAEPL) and e) Pavna Goyam Auto Private Limited whose financial statements/ financial information reflect total assets of Rs. 9,384.32 as at 31st March, 2023, total revenues of Rs. 15,508.90 Lacs for year ended on that date, as considered in consolidated Ind AS 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 management and our opinion on consolidated Ind AS 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 aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of other auditors.

One of these subsidiaries whose audited financial statements and other financial information have been prepared in accordance with Accounting Standards (Non Ind AS). The holding company's management has converted the financial statements of such subsidiary as per Ind AS.

Our opinion on consolidated Ind AS 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 other auditors and financial statements/ financial information certified by the management.

Report on Other Legal and Regulatory Requirements

1. As required by paragraph 3(xxii) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included in the CARO 2020 report issued by the respective auditors in respect of the companies included in the Consolidated Ind AS Financial Statements.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and joint ventures, as noted in the 'Other Matter' paragraph we report, to the extent applicable, that:
 - a. We / the other auditors whose report we have relied upon 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 Ind AS financial statements;
 - b. In our opinion, proper books of account as required by law have been kept by the Company, in electronic mode on servers physically located in India so far as it appears from our examination of those books and reports of other auditors;
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
 - d. In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled 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, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the Internal Financial Control with reference to Consolidated Ind AS Financial Statements of the Holding Company and its subsidiary companies, associate companies and jointly controlled companies and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"
 - g. In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, associates and joint ventures incorporated in India, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Holding Company, its subsidiaries, associates and joint ventures incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint ventures, as noted in the 'Other matter' paragraph:
 - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures in its consolidated Ind AS



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- financial statements – Refer Note 3(j) to the consolidated Ind AS financial statements;
- ii. The Company did not have any long- term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, 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.
 - iv.
 - a) The respective managements of the Holding Company and its subsidiaries, associates and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associates and joint ventures respectively that, to the best of its knowledge and belief, 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 Holding Company or any of such subsidiaries, associates and joint ventures to or in any other person or entity, 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 respective Holding Company or any of such subsidiaries, associates and joint ventures (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The respective managements of the Holding Company and its subsidiaries, associates and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associates and joint ventures respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries, associates and joint ventures from any person or entity, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries, associates and joint ventures 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
 - c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries, associates and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor’s notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
 - v. The interim dividend declared and paid during the year by the holding company, is in accordance with section 123 of the Companies Act, 2013.
 - vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

PLACE: ALIGARH
DATE: May 30, 2023
UDIN: 23070103BGXUPF7919



For RAJEEV KUMAR & COMPANY
CHARTERED ACCOUNTANTS

CA RAJEEV KUMAR
PROPRIETOR
FRN:000633C
M.NO.070103

Responsibilities for Audit of Consolidated Ind AS Financial Statement

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 Ind AS 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 internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS 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 Ind AS 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 Ind AS Financial Statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS 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 Ind AS 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.

PLACE: ALIGARH
DATE: May 30, 2023
UDIN: 23070103BGXUPF7919



For RAJEEV KUMAR & COMPANY
CHARTERED ACCOUNTANTS

A handwritten signature in blue ink, consisting of a series of loops and a long horizontal stroke at the end.

CA RAJEEV KUMAR
PROPRIETOR
FRN:000633C
M.NO.070103

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")

In conjunction with our audit of the consolidated Ind AS financial statements PAVNA INDUSTRIES LIMITED (hereinafter referred to as the "Holding Company") as of and for the year ended as of March 31, 2023 we have audited the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, its associates and joint ventures, which are companies incorporated in India, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to Consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the guidance Note and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated Ind AS financial statements included obtaining an understanding of internal financial controls with reference to consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated Ind AS financial statements.

Meaning of Internal Financial Controls With Reference to Consolidated Ind AS Financial Statements

A company's internal financial control with reference to consolidated Ind AS financial statements 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 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 With Reference to Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls 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, the Group, its associates and joint ventures, which are companies incorporated in India, have maintained in all material respects, adequate internal financial controls with reference to consolidated Ind AS financial statements and such internal financial controls with reference to consolidated Ind AS financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the guidance Note issued by the ICAI.

Other Matter

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company, in so far as it relates to these 5 subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries and associates incorporated in India.

PLACE: ALIGARH
DATE: 30th May, 2023
UDIN: 23070103BGXUPF7919



For RAJEEV KUMAR & COMPANY
CHARTERED ACCOUNTANTS

A handwritten signature in blue ink, appearing to be "Rajeev Kumar", written over a horizontal line.

CA RAJEEV KUMAR
PROPRIETOR
FRN:000633C
M.NO.070103

Pavna Industries Limited
Balance Sheet as at 31 March 2023
(All amounts are in lacs(₹), unless otherwise specified)

	Note	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
ASSETS				
Non-current assets				
Property, plant and equipment	3A	8,594.16	7,423.70	5,057.43
Intangible Asset Under Development	3A	103.90	25.00	25.00
Right of Use assets	3B	185.44	231.38	184.60
Financial assets				
Investments		-	-	-
Others	4	936.39	857.36	828.30
Other Non Current assets	5	215.60	252.93	289.36
		<u>10,035.49</u>	<u>8,790.37</u>	<u>6,384.69</u>
Current assets				
Inventories	6	10,635.41	9,180.91	4,635.25
Financial assets				
Trade Receivable	7	5,344.74	5,012.29	3,845.61
Cash and cash equivalents	8	43.09	44.55	37.70
Other Bank Balances	9	4.61	28.37	15.98
Loans	10	-	-	-
Others	11	16.50	17.50	47.41
Income tax assets (net)	12	67.59	76.55	102.90
Other current assets	13	1,725.92	959.37	1,122.67
Total current assets		<u>17,837.86</u>	<u>15,319.54</u>	<u>9,807.52</u>
Total assets		<u>27,873.35</u>	<u>24,109.90</u>	<u>16,192.21</u>
EQUITY AND LIABILITIES				
Equity				
Equity share capital	14	1,218.08	609.04	609.04
Other equity	15	4,948.44	4,817.69	4,103.79
Non Controlling Interest	16 A	1,244.52	1,208.80	928.07
Total equity		<u>7,411.04</u>	<u>6,635.53</u>	<u>5,640.90</u>
Non current liabilities				
Financial liabilities				
Long term Borrowing	16 A	4,660.51	4,456.57	2,171.49
Lease liabilities	3B	175.62	204.12	165.96
Other Non current financial liabilities	18	15.00	25.00	55.00
Provisions	19	231.31	219.97	177.41
Deferred tax liabilities (net)	20	51.13	(4.96)	(20.88)
		<u>5,133.57</u>	<u>4,900.71</u>	<u>2,548.98</u>
Current liabilities				
Financial liabilities				
Borrowings	17 B	9,057.16	7,575.04	3,670.22
Lease Liabilities	3B	28.87	38.64	23.78
Trade payables	18 A			
Total outstanding dues of micro enterprises and small enterprises		63.92	-	-
Total outstanding dues of creditors other than micro and small enterprises		5,317.82	4,117.98	3,727.53
Other financial liabilities	19 A	472.57	396.30	286.93
Other current liabilities	20	230.85	300.08	150.74
Income Tax liabilities	21	4.52	4.26	3.33
Short term provisions	22	153.05	141.37	139.81
Total current liabilities		<u>15,328.76</u>	<u>12,573.66</u>	<u>8,002.34</u>
Total equity and liabilities		<u>27,873.36</u>	<u>24,109.90</u>	<u>16,192.21</u>

The accompanying notes form an integral part of these financial statements.
This is the Balance Sheet referred to in our report of even date.

For Rajeev Kumar & Co
Chartered Accountants
Firm's Registration No.: 000633C

Rajeev Kumar
Proprietor
Membership No.: 070103

Place: Aligarh
Date: 30/05/2023



For and on behalf of the Board of Directors of
Pavna Industries Limited

Asha Jain

Asha Jain
Director
DIN: 00035024

Makarand Mahajan
Chief Financial officer
PAN : ABUPM4863G

Swapnil Jain
Director
DIN: 01542555

Charu Singh
Company Secretary
PAN : CVBPS6669B

Pavna Industries Limited
Statement of Profit and Loss for the year ended 31 March 2023
(All amounts are in lacs(₹), unless otherwise specified)

	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue:			
Revenue from operations	23	36,222.20	31,561.19
Other income	24	194.88	139.68
Total income		36,417.08	31,700.87
Expenses:			
Cost of materials consumed	25	19,922.94	17,974.81
Purchase of Stock-in-Trade	26	3,823.49	4,323.03
Change in Inventory of finished goods	27	(559.51)	(2,114.15)
Employee benefits expense	28	3,905.68	3,534.87
Finance costs	29	1,087.28	920.78
Depreciation and Amortisation Expenses	30	1,181.34	919.13
Other expenses	31	5,845.27	4,873.98
Total expenses		35,206.50	30,432.44
Profit/(Loss) before tax		1,210.58	1,268.43
Tax expense:	32		
Current tax		310.31	359.91
Deferred tax credit		36.71	(6.88)
Earlier years tax adjustments (net)		-	-
Mat Credit adjustments		-	-
Total tax expense		347.02	353.03
Profit/(Loss) for the year		863.56	915.40
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurements of the defined benefit plans		45.43	19.12
Income tax relating to above item		(11.68)	(4.81)
Other comprehensive income / (loss)		33.75	14.31
Total comprehensive Profit / (loss) for the year		897.32	929.70
Profit/ (Loss) for the year attributable to			
- Owners of the company		835.79	795.07
- Non- Controlling interest		27.77	120.32
Other comprehensive income / (loss) for the year attributable to			
- Owners of the company		25.80	10.67
- Non- Controlling interest		7.95	3.64
Total comprehensive Profit / (loss) for the year attributable to			
- Owners of the company		861.59	805.74
- Non- Controlling interest		35.72	123.96
Earnings per equity share (₹ 10 per share)			
Basic EPS on actual outstanding	33	7.09	15.03
Basic & Diluted EPS weighted average		8.88	15.03

The accompanying notes form an integral part of these financial statements.
This is the Statement of Profit and Loss referred to in our report of even date.

For **Rajeev Kumar & Co**
Chartered Accountants
Firm's Registration No.: 000633C

Rajeev Kumar
Proprietor
Membership No.: 070103

Place: Aligarh
Date: 30/05/2023



For and on behalf of the Board of Directors of
Pavna Industries Limited

Asha Jain

Asha Jain
Director
DIN: 00035024

Swapnil Jain
Swapnil Jain
Director
DIN: 01542555

Makarand Mahajan
Makarand Mahajan
Chief Financial officer
PAN : ABUPM4863G

Charu Singh
Charu Singh
Company Secretary
PAN : CVBPS6669B

Pavna Industries Limited
Cash flow statement for the year ended 31 March 2023
(All amounts are in Lacs(₹), unless otherwise specified)

	For the year ended 31 March 2023	For the year ended 31 March 2022
A Cash flow from operating activities		
Profit/(Loss) before tax	1,210.58	1,268.43
Adjustments for:		
Depreciation and amortisation expense	1,181.34	919.13
Interest income on bank deposits	(2.33)	(1.45)
Interest income on loan	-	-
Interest expense on lease liability	21.35	18.21
Loss/(Profit) on sale of PPE	(71.46)	(58.45)
Provision for impairment on advances/ balance written off	-	-
Interest expense on borrowings	1,044.66	920.78
Operating profit before working capital changes	3,384.14	3,066.65
Movement in working capital		
Inventories	(1,454.49)	(4,545.66)
Trade Receivables	(332.61)	(1,166.68)
Other financial assets	(52.49)	(11.54)
Other current & Non current assets	(725.51)	199.74
Other financial liabilities	66.27	79.37
Other current & non current liabilities	(69.23)	149.34
Provision	68.45	44.12
Trade payables	1,263.76	390.44
Cash used in operating activities post working capital changes	2,148.29	(1,794.20)
Income tax paid (net)	(301.09)	(332.63)
Net cash used in operating activities (A)	1,847.20	(2,126.83)
B Cash flows from investing activities		
Purchase of property, plant and equipment	(2,474.08)	(3,193.87)
Sale of property, plant and equipment	163.53	110.00
Investment made in subsidiaries	(0.00)	-
Interest received	2.33	1.45
Net cash used in investing activities (B)	(2,308.23)	(3,082.42)
C Cash flows from financing activities		
Proceeds from issue of share capital	-	-
Payment of Lease liability	(59.99)	(53.02)
Finance cost paid	(1,044.66)	(920.78)
Bonus / Dividend Paid	(121.81)	-
Repayment of borrowing	365.98	-
Proceeds from borrowings	1,320.06	6,189.90
Net cash flows from financing activities (C)	459.58	5,216.10
Net increase in cash and cash equivalents (A+B+C)	(1.46)	6.84
Cash and cash equivalents at the beginning of the year	44.55	37.70
Cash and cash equivalents at the end of the year	43.09	44.54

Net increase in cash and cash equivalents (A+B+C)

Cash and cash equivalents at the beginning of the year

Cash and cash equivalents at the end of the year

Note:

(i) The above cash flow statement has been prepared under the "Indirect method" as set out in the Indian Accounting Standard (Ind AS-7) statement of cash flow.

(ii) Reconciliation of liabilities arising from financing activities under Ind As 7

	For the year ended 31 March 2023	For the year ended 31 March 2022
Long/Short term borrowings		
Balance at the beginning of the year	12,031.61	5,841.71
Cash flow	954.08	6,189.90
Non cash changes	-	-
Interest cost	-	-
Balance at the end of the year	12,985.68	12,031.61

The accompanying notes form an integral part of these financial statements
This is statement of cash flows referred to in our report of even date

For Rajeev Kumar & Co
Chartered Accountants
Firm's Registration No.: 000633C

Rajeev Kumar
Proprietor
Membership No.: 070103



Place: Aligarh
Date: 30/05/2023

For and on behalf of the Board of Directors of
Pavna Industries Limited

Asha Jain

Asha Jain
Director
DIN: 00035024

Shakarand Mahajan

Shakarand Mahajan
Chief Financial officer
PAN : ABUPM4863G

Swapnil Jain
Director
DIN: 01542555

Charu Singh

Charu Singh
Company Secretary
PAN : CVBPS6669B

PAVNA INDUSTRIES LIMITED, ALIGARH
CIN: L34109UP1994PLC016359

NOTES Forming part of the consolidated financial statement for the year ended March 31, 2023

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, 2023
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, 2023 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 (IND AS) 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.

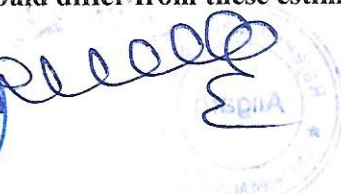
Accounting policies adopted in the preparation of consolidated accounts:

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.



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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



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Building	30 years
Car	8 years
Furniture and fixture	10 years

Depreciation is to be provided using the Straight Line Method as per useful life specified in schedule II to the Companies Act, 2013. Depreciation is calculated on a pro-rata basis from the date of additions. On assets sold, discarded, etc. during the year, depreciation is provided up to the date of sale/discard. Further, the Schedule II to the Companies Act, 2013 requires that useful life and depreciation for significant components of an asset should be determined separately. The identification of significant components is matter of technical judgement and is to be decided on case to case basis; wherever applicable.

An exception to the above method of depreciation, Pavna Goyam Auto Private Ltd. (PGAPL) has adopted WDV method for computing depreciation for the year.

Intangible Assets

Intangible assets that are acquired by the Company to be measured initially at cost. Intangible assets with finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any. Software purchased by the Company are amortized on a straight line basis over 5 Years.

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, i.e. the estimated period of 60 to 72 months on straight line basis based on past trends, commencing from the month of commencement of commercial production.

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

Sale of goods

The Company recognized revenue when (or as) a performance obligation was satisfied, i.e. when 'control' of the goods underlying the particular performance obligation were transferred to the customer. Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation



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Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Unearned or deferred revenue is recognised when there is billings in excess of revenues.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Use of significant judgements in revenue recognition:

a) The Company's contracts with customers could include promises to transfer products to a customer. The Company assesses the products promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

b) Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

c) The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract.

d) The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Interest income

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included 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



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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.

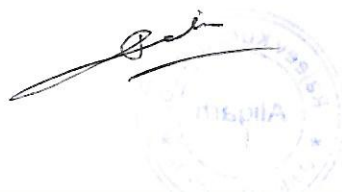
l. Taxes on Income

- 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.



There is dispute regarding accidental claim by worker which amounts to approximately Rs 17 Lakhs.

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. 35 amounting to Lakhs. 503.90
- c. Trade receivables, Trade payables, Loans & Advances and Unsecured Loans have been taken at their book value subject to confirmation and reconciliation.

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. We have put the amount of Outstanding of those parties for which we have received the declaration. We have sent a declaration in form of mail to all vendors but only few have responded, which has been considered above. The interest payable on these outstanding amount is Rs 34000 which is immaterial due to which it is not provided.

- d. 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.
- e. Loans and Advances are considered good in respect of which company does not hold any security other than the personal guarantee of persons.



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f. 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.

g. Payments to Auditors:

Particulars	Year ended March 31, 2023
Audit Fees	4.61
Total	4.61

h. Related Party disclosure:

The transactions with related parties are disclosed in Note No. 35

i. Deferred Tax Liability of Lakhs 36.71 have been created during the current year as per the provisions prescribed in AS-22 issued by The Institute of Chartered Accountants of India.

j. Other Information

1. GST Notices - Company has received following GST orders and Notices-Order for Aligarh Unit is Rs. 1489753 and for Aurangabad Unit Rs 131123. Notice for Input Tax - Reconciliation has been received and we are in process of its disposal and necessary step has been taken. There is dispute regarding accidental claim by worker which amounts to approximately Rs 17 Lakhs.

2. Pursuant to the Taxation Laws (Amendment) Act, 2019, with effect from 01-April-19 domestic companies have the option to pay corporate income tax at a rate of 22% plus applicable surcharge and cess ('New Tax Rate') subject to certain conditions. The Company continued to compute tax as per old tax rate for the financial year 2019-20 & 2020-21 & adopted new scheme from 01.04.2021.

3. The Company has complied with the the number of layers prescribed under of Section 2(87) of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

4. The Company does not have any working capital loan and it is not filing any statement of inventories and trade receivables as per covenants stated in sanction letter to the banks for working capital loan.


5. There are some differences between stock statement submitted to bank and books of accounts. These difference are due to clerical mistake, some amount remain undisclosed in stock statement submitted to bank


6. One of the subsidiaries of the company M/s Pavna Goyam Auto Private Limited ceased to be a subsidiary w.e.f 11.05.2023.

7. There are certain charges open at MCA portal. These charges are created against the loan availed and which has been fully repaid. We have got no dues certificate from respective institution and charge satisfaction form filing with MCA is under process.



FOR & ON BEHALF OF THE BOARD OF DIRECTORS


(ASHA JAIN)
DIN: 00035024
DIRECTOR


(SWAPNIL JAIN)
DIN: 01542555
DIRECTOR



Pavna Industries Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(All amounts are in lacs(₹), unless otherwise specified)

4 Other non current financial assets

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Margin money deposits	0.11	0.11	11.28
Security deposits			
- Unsecured considered good	936.28	857.25	817.02
- Unsecured considered doubtful	-	-	-
	936.39	857.36	828.30

(a) Includes Margin Deposit with Government authorities

5 Deferred tax Assets (net)

	As at	As at	As at
	31 March 2023	31 March 2022	1 April 2021
Deferred tax assets/liabilities on account of :-			
Property, plant and equipment	(23.39)	(2.53)	(2.41)
Unused business losses	(2.08)	-	-
Origination and reversal of temporary difference	39.10	17.51	20.35
Effect of adoption of Ind AS	3.35	1.33	0.75
Others	3.76	-	-
	20.75	16.31	18.69

5 Other non current assets

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Prepaid expense	215.60	252.93	289.36
	215.60	252.93	289.36

6 Inventories

(Valued at lower of cost or net realisable value, unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Finished Goods	955.83	69.19	-
Consumables	95.18	85.90	-
Raw Materials	3,080.76	2,818.66	1,238.74
Work in Progress	5,241.64	4,470.34	2,254.44
Store and Spares	599.70	987.15	340.67
Trading Material	662.31	749.67	801.40
	10,635.41	9,180.91	4,635.25
Impairment provision on Project in progress			
	10,635.41	9,180.91	4,635.25

7 Trade Receivable

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Unsecured, considered good	5,344.74	5,012.32	3,845.61
Unsecured, considered doubtful	-	-	-
	5,344.74	5,012.32	3,845.61

Trade receivable aging schedule as at 31 March 2023

Outstanding for following periods from due date of payment	Undisputed Trade	Undisputed
Not due		
0-6 Months	4,681.51	-
6-12 Months	550.01	-
1-2 Years	15.81	-
2-3 Years	4.76	-
above 3 years	92.92	-
Total	5,345.01	-

Trade receivable aging schedule as at 31 March 2022

Outstanding for following periods from due date of payment	Undisputed Trade	Undisputed
Not due		
0-6 Months	4,070.77	-
6-12 Months	10.10	-
1-2 Years	1.11	-
2-3 Years	-	-
above 3 years	-	-
Total	4,081.98	-



Trade receivable aging schedule as at 31 March 2021

Outstanding for following periods from due date of payment	Undisputed Trade	Undisputed
Not due		
0-6 Months	2,790.45	-
6-12 Months	3.05	-
1-2 Years	1.11	-
2-3 Years	-	-
above 3 years	-	-
Total	2,794.61	-

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
8 Cash and cash equivalents			
Cash on hand	23.92	23.66	20.79
Balances with banks	19.17	20.88	16.91
	<u>43.09</u>	<u>44.55</u>	<u>37.70</u>

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
9 Other Bank Balances			
Balance with bank in deposit account having maturity of more than three months but are due for maturity within twelve months from balance sheet date (a)	4.61	28.37	15.98
	<u>4.61</u>	<u>28.37</u>	<u>15.98</u>

(a) Includes Margin Deposit with Government authorities

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
10 Loans			
(Unsecured, considered good)			
Loans to related parties	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
11 Other Current assets			
Security deposit to others	16.50	17.50	47.41
	<u>16.50</u>	<u>17.50</u>	<u>47.41</u>



12 Income tax assets

Income Tax paid (net of provision for taxation)

As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
67.59	76.55	102.90
67.59	76.55	102.90

13 Other current assets

Prepaid expenses
Advances to contractors and material suppliers
Unsecured, Consider Good
Unsecured, Considered Doubtful
Other advances
Balances with government authorities

As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
129.75	61.24	60.88
-	-	-
1,364.62	739.23	946.76
-	-	-
27.10	0.58	0.81
138.44	158.32	114.21
1,659.90	959.37	1,122.67
66.02	-	-
1,725.92	959.37	1,122.67

Amount receivable - Others

14 Equity Share capital

Authorized shares

Equity shares of ₹ 10 each with voting rights

As at 31 March 2023		As at 31 March 2022		As at 1 April 2021	
Number*	Amount	Number*	Amount	Number*	Amount
1,50,00,000	1,500.00	61,00,000	610.00	61,00,000	610.00
1,50,00,000	1,500.00	61,00,000	610.00	61,00,000	610.00

Issued, subscribed and

Equity share capital of face value of ₹ 10 each

1,21,80,800	1,218.08	60,90,400	609.04	60,90,400	609.04
1,21,80,800	1,218.08	60,90,400	609.04	60,90,400	609.04

a. Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

	As at 31 March 2023		As at 31 March 2022		As at 1 April 2021	
	Number	Amount	Number	Amount	Number	Amount
Balance at the beginning of the period	60,90,400	609.04	60,90,400	609.04	25,94,000	259.40
Shares Issued during the period	-	-	-	-	9,02,400	90.24
Bonus Issued during the period	60,90,400	609.04	-	-	25,94,000	259.40
Balance at the end of the	1,21,80,800	1,218.08	60,90,400	609.04	60,90,400	609.04

b. Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors in any financial year is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The equity shares shall be transferable subject to the provisions contained in the Articles of Association and in the agreements entered/to be entered into with the investors/shareholders from time to time.

c. Details of shares held by Holding Company and shareholders holding more than 5% shares in the Company

Name of the equity shareh	As at 31 March 2023		As at 31 March 2022		As at 1 April 2021	
	Number	%	Number	%	Number	%
Smt. Asha Jain	58,21,960	47.80%	29,10,980	47.80%	29,10,980	47.80%
Shri Swapnil Jain	13,56,160	11.13%	6,78,080	11.13%	6,78,080	11.13%
P.J. Wealth Management and Consultant Private Limited	9,97,040	8.19%	4,98,520	8.19%	4,98,520	8.19%
Smt. Palak Jain	9,23,200	7.58%	4,48,000	7.36%	4,29,600	7.05%
Smt. Sadhna Jain	6,70,400	5.50%	3,35,200	5.50%	-	-

d. Aggregate number of bonus shares issued for a consideration other than cash

*Pursuant to the approval of shareholders granted in the extra-ordinary general meeting held on 26.08.2022, the Company issued and allotted fully paid-up "bonus shares" at par in proportion of one new equity shares of Rs. 10 each for every one existing fully paid up equity share of Rs. 10 each held as on the record date of 06.09.2022

e. Shareholding of Promoters

As at 31st March 2023

Shares held by Promoters at end of the year		No. of shares	% of total shares	% change during the year
S.n	Particulars			
1	Asha Jain	58,21,960	47.80%	-
2	Swapnil Jain	13,56,560	11.14%	-
3	Pj Wealth Management And Consultant Pvt Ltd	9,97,040	8.19%	-
4	Priya Jain	4,04,000	3.32%	-
5	Pawan Jain Huf	840	0.01%	-



Pavna Industries Limited
Statement of Changes in Equity for the year ended 31 March 2023
(All amounts are in lacs(₹), unless otherwise specified)

A. Equity share capital*

Particulars	Opening balance as at 1st April 2020	Changes in equity share capital during the year	Balance as at 31 March 2021
Equity share capital	259.40	349.64	609.04

Particulars	Opening balance as at 31 March 2021	Changes in equity share capital during the year	Balance as at 31 March 2022
Equity share capital	609.04	-	609.04

Particulars	Opening balance as at 31 March 2022	Changes in equity share capital during the year	Balance as at 31 March 2023
Equity share capital	609.04	609.04	1,218.08

B. Other equity**

Particulars	Reserves and Surplus				OCI	Total
	Security Premium	Retained Earnings	Capital Reserve	General Reserve	Remeasurement of defined benefit plans	
Balance as at 1 April 2020	-	2,363.63	111.30	1.12	-	2,476.05
Issue of Bonus Shares	-	(259.40)	-	-	-	(259.40)
Securities Premium due to issue of shares	1,398.72	-	-	-	-	1,398.72
Profit/ (Loss) for the year	-	482.37	-	-	-	482.37
Other comprehensive income for the year (net of tax impact)	-	-	-	-	6.04	6.04
Transfer to General reserve	-	(0.25)	-	0.25	-	-
Balance as at 31 March 2021	1,398.72	2,586.35	111.30	1.37	6.04	4,103.79
Transferred from Surplus in Statement of Profit and Loss	-	-	-	-	-	-
Entity acquired during the year	-	-	(91.84)	-	-	(91.84)
Profit/ (Loss) for the year	-	795.07	-	-	-	795.07
Other comprehensive income for the year (net of tax impact)	-	-	-	-	10.67	10.67
Transfer to General reserve	-	(0.25)	-	0.25	-	-
Balance as at 31 March 2022	1,398.72	3,381.18	19.46	1.62	16.71	4,817.69
Profit/ (Loss) for the year	-	835.79	-	-	-	835.79
Issue of Bonus Shares	-	(609.04)	-	-	-	(609.04)
Dividend	-	(121.81)	-	-	-	(121.81)
Other comprehensive income for the year (net of tax impact)	-	-	-	-	25.80	25.80
Balance as at 31 March 2023	1,398.72	3,486.12	19.46	1.62	42.51	4,948.44

*Refer note 14 for details

**Refer note 15 for details

The accompanying notes form an integral part of these financial statements.
This is statement of changes in equity referred to in our report of even date

For Rajeev Kumar & Co
Chartered Accountants
Firm's Registration No.: 000633C

Rajeev Kumar
Proprietor
Membership No.: 070103



Place: Aligarh
Date: 30/05/2023

For and on behalf of the Board of Directors of
Pavna Industries Limited

Asha Jain
Director
DIN: 00035024

Makarand Mahajan
Chief Financial officer
PAN : ABUPM4863G

Swapnil Jain
Director
DIN: 01542555

Charu Singh
Company Secretary
PAN : CVBPS6669B

As at 31st March 2022

Shares held by Promoters at end of the year				% change during the year
S.n o.	Particulars	No. of shares	% of total shares	
1	Asha Jain	29,10,980	47.80%	-
2	Swapnil Jain	6,78,080	11.13%	-
3	Pj Wealth Management And Consultant Pvt Ltd	4,98,520	8.19%	-
4	Priya Jain	2,02,000	3.32%	-
5	Pawan Jain Huf	420	0.01%	-
6	Pawan Jain	200	0.00%	-

As at 31st March 2021

Shares held by Promoters at end of the year				% change during the year
S.n o.	Particulars	No. of shares	% of total shares	
1	Asha Jain	29,10,980	47.80%	-
2	Swapnil Jain	6,78,080	11.13%	-
3	Pj Wealth Management And Consultant Pvt Ltd	4,98,520	8.19%	-
4	Priya Jain	2,02,000	3.32%	-
5	Pawan Jain Huf	420	0.01%	-
6	Pawan Jain	200	0.00%	-

15 Other Equity

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
General Reserve			
Opening balance	1.62	1.37	1.12
Add: Transfer from Profit/(loss)	-	0.25	0.25
Closing balance (A)	1.62	1.62	1.37
Capital Reserve			
Opening balance	19.46	19.46	111.30
Closing balance (B)	19.46	19.46	111.30
Securities premium			
Opening balance	1,398.72	1,398.72	-
Add: Addition during the year	-	-	1,398.72
Closing balance (C)	1,398.72	1,398.72	1,398.72
Profit/ (Deficit) in the statement of profit and loss			
Opening balance	3,397.89	2,592.40	2,363.63
Less: Issue of Bonus Shares	(609.04)	-	(259.40)
Less : Dividend	(121.81)	-	-
Add: Profit / (Loss) for the year	835.79	795.07	482.37
Add: Other comprehensive income for the year (net of tax impact)	25.80	10.67	6.04
Less: Transfer to general Reserve	-	(0.25)	(0.25)
Closing balance (D)	3,528.63	3,397.89	2,592.40
Total (A+B+C+D)	4,948.44	4,817.69	4,103.79

Nature and purpose of other reserves

Securities premium

Securities premium represents premium received on issue of shares. The amount is utilised in accordance with the provisions of the Companies Act 2013.

16A Non Controlling Interest

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Non Controlling Interest			
Opening Balance	1,208.80	928.07	833.61
Entity Acquired during the year	-	156.77	2.50
NCI share in current year Profit	35.72	123.96	91.96
Closing Balance	1,244.52	1,208.80	928.07

17A Long term borrowing

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Secured			
Indian rupee term loan from Bank	2,295.55	1,898.42	112.00
Indian rupee term loan from financial institutions	202.46	99.32	853.66
Indian rupee vehicle loan from Bank	56.13	133.38	212.21
Unsecured			
Indian rupee loan from related parties			
From Directors & KMPs	1,316.37	1,203.07	-
From Corporate entities	790.00	1,122.38	993.62
Total	4,660.51	4,456.57	2,171.49



17B Short term Borrowings

Secured

Cash credit facilities from Bank / financial institutions - Secured
 Cash credit facilities from financial institutions - Unsecured
 Current maturities of long term borrowings - Secured

As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
6,284.64	5,593.01	3,225.13
2,060.00	1,500.00	-
712.52	482.02	445.09
9,057.16	7,575.04	3,670.22
13,717.66	12,031.61	5,841.71

Total

18 Other Non current financial liabilities

Security deposit from customer

As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
15.00	25.00	55.00
15.00	25.00	55.00

19 Provisions

Provision for employee benefits (a)

Gratuity

As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
231.31	219.97	177.41
231.31	219.97	177.41

(a) Refer Note 36

20 Deferred tax liabilities (net)

Deferred tax
 Property, plant and equipment
 Unused business losses
 Origination and reversal of temporary difference due to employee expenses
 Effect of adoption of Ind AS
 Others

As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
131.53	94.49	70.30
-	-	-
(56.66)	(90.94)	(88.25)
(2.08)	(6.00)	(1.46)
(0.91)	(2.51)	(1.46)
71.88	(4.96)	(20.88)

(i) Movement in deferred tax liabilities (net)

Particulars	31 March 2022	Entity acquired	Recognised/	Recognised in	31 March 2023
(Assets)/ Liabilities					
Property, plant and equipment	94.49	-	37.03	-	131.53
Unused business losses	-	-	-	-	-
Origination and reversal of temporary difference due to employee expenses	(90.94)	-	34.28	-	(56.66)
Effect of adoption of Ind AS	(6.00)	-	3.92	-	(2.08)
Others	(2.51)	-	1.60	-	(0.91)
Total	(4.96)	-	76.83	-	71.88

Particulars	31 March 2021	Entity acquired	Recognised/	Recognised in	31 March 2022
(Assets)/ Liabilities					
Property, plant and equipment	70.30	17.99	6.21	-	94.49
Unused business losses	-	-	-	-	-
Origination and reversal of temporary difference due to employee expenses	(88.25)	-	(7.50)	4.81	(90.94)
Effect of adoption of Ind AS	(1.46)	-	(4.54)	-	(6.00)
Others	(1.46)	-	(1.04)	-	(2.51)
Total	(20.88)	17.99	(6.88)	4.81	(4.96)

Particulars	1 April 2020	Entity acquired	Recognised/	Recognised in	31 March 2021
(Assets)/ Liabilities					
Property, plant and equipment	31.67	-	38.63	-	70.30
Unused business losses	-	-	-	-	-
Origination and reversal of temporary difference due to employee expenses	(78.12)	-	(11.74)	1.61	(88.25)
Effect of adoption of Ind AS	1.06	-	(2.52)	-	(1.46)
Others	-	-	(1.46)	-	(1.46)
Total	(45.39)	-	22.91	1.61	(20.88)



18 Trade payables #

Due to micro and small enterprises
Due to others (a)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
	63.92	-	-
	5,317.82	4,117.98	3,727.53
	<u>5,381.74</u>	<u>4,117.98</u>	<u>3,727.53</u>

Trade payable aging schedule as at 31st March 2023

Outstanding for following periods from due date of payment	Micro and Small	Others
Not due		-
Unbilled dues		4,890.07
Less then 1 year	63.92	390.38
1-2 Years		8.24
2-3 Years		29.12
above 3 years		
Total	63.92	5,317.82

* We have put the amount of Outstanding of those parties for which we have received the declaration. We have sent a declaration in form of mail to all vendors but only few have responded, which has been considered above. The interest payable on these outstanding amount is Rs 0.34 Lakhs which is immaterial due to which it is not provided.

Trade payable aging schedule as at 31st March 2022

Outstanding for following periods from due date of payment	Micro and Small	Others
Not due		-
Unbilled dues		151.38
Less then 1 year		3,941.23
1-2 Years		4.42
2-3 Years		2.52
above 3 years		18.42
Total	-	4,117.97

Trade payable aging schedule as at 31st March 2021

Outstanding for following periods from due date of payment	Micro and Small	Others
Not due		-
Unbilled dues		367.00
Less then 1 year		3,331.99
1-2 Years		9.94
2-3 Years		18.45
above 3 years		0.16
Total	-	3,727.54

19 Other Financial liabilities

Interest accrued but not due on borrowings
Payable to employees

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
	73.97		
	398.60	396.30	286.93
	<u>472.57</u>	<u>396.30</u>	<u>286.93</u>

20 Other current liabilities

Advance received from customers
Statutory dues payable

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
	105.47	120.27	41.09
	125.38	179.81	109.65
	<u>230.85</u>	<u>300.08</u>	<u>150.74</u>

21 Income tax liabilities

Income Tax Payable (Net of advance tax)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
	4.52	4.26	3.33
	<u>4.52</u>	<u>4.26</u>	<u>3.33</u>

22 Short term provisions

Provision for employee benefits
Gratuity

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
	153.05	141.37	139.81
	<u>153.05</u>	<u>141.37</u>	<u>139.81</u>

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Pavna Industries Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(All amounts are in lacs(₹), unless otherwise specified)

Furniture	For the year ended 31 March 2023	For the year ended 31 March 2022
23 Revenue from operations		
Sale of products	36,170.62	31,561.19
Other operating revenue	51.58	-
	<u>36,222.20</u>	<u>31,561.19</u>
24 Other income		
Interest income on:		
Bank deposits	2.33	1.45
Loan Given	4.73	-
Delay payment by customer	-	3.85
Security deposits measured at amortised cost	32.53	31.54
Income tax refunds	5.78	6.21
Profit on sale of Property, Plant and Equipment	75.26	58.45
Income from export incentive	9.39	14.70
Rent received	36.60	11.79
Foreign Exchange fluctuation gain (Net)	8.66	-
Excess liability/provision written back	8.29	8.51
Miscellaneous income	11.31	3.17
	<u>194.88</u>	<u>139.68</u>
25 Cost of raw material & components consumed		
Inventory at the beginning of the year	3,472.58	1,238.74
Add: Purchase during the year	20,757.08	20,208.64
	24,229.66	21,447.38
Less: Inventory at the end of the year	4,306.73	3,472.58
	<u>19,922.94</u>	<u>17,974.81</u>
26 Purchase of Stock-in-Trade		
Purchases of material	3,622.67	3,989.38
Packing expense	198.73	331.20
Freight & Cartage Inward	2.08	2.44
	<u>3,823.49</u>	<u>4,323.03</u>
27 Changes in inventories of finished goods and work-in-progress		
Closing Inventories		
Trading Material	765.00	865.90
Work in Progress	5,088.74	4,428.34
Opening Inventories		
Trading Material	865.90	925.65
Work in Progress	4,428.34	2,254.44
	<u>(559.51)</u>	<u>(2,114.15)</u>
28 Employee benefits expense		
Salaries, wages and bonus	3,278.30	2,972.82
Contribution to provident and other funds	196.01	171.49
Gratuity expense	68.44	73.03
Staff welfare expenses	362.93	317.52
	<u>3,905.68</u>	<u>3,534.87</u>
29 Finance costs		
Interest expense	991.89	776.39
Interest expense on Term loan	3.33	-
Interest expense on Security deposit	26.23	26.56
Other borrowing costs	44.48	99.62
Interest on lease obligation	21.35	18.21
	<u>1,087.28</u>	<u>920.78</u>



	For the year ended	For the year ended
30 Depreciation and Amortisation		
Depreciation and amortization expense	1,135.40	882.80
Depreciation on right of use assets	45.94	36.33
	<u>1,181.34</u>	<u>919.13</u>

	For the year ended 31 March 2023	For the year ended 31 March 2022
31 Other expenses		
Factory expenses	17.94	5.84
Consumption of stores and spares#	578.12	354.74
Diecasting/ Job work charges	1,973.83	1,739.47
Material Testing Exp	2.07	0.09
Packing material	-	-
Gas Expenses	259.95	149.10
Power & Fuel	943.66	806.14
Advertisement and publicity	55.34	21.58
Bank charges	28.87	-
Communication & Postage Expense	22.75	13.25
Donation	29.41	7.52
Electricity expenses	33.97	45.00
House keeping expenses	42.96	-
Insurance Expenses	36.30	32.93
Legal and professional fees	130.80	100.20
Loss on sale of Property, Plant and equipment	3.80	-
Non competitive fees	-	150.00
Payments to auditors##	4.61	1.89
Printing and stationery	22.64	22.88
Rates and taxes	27.23	27.03
Rent	6.68	44.31
Building Rent	58.40	3.00
Machine Rent	0.14	1.68
Repair and maintenance - Machinery	173.11	114.63
Repair and maintenance - office	117.66	116.22
Repair and maintenance - Computer	0.40	0.28
Vehicle running and maintainance expense	158.09	97.95
Research and development expense###	5.65	1.20
Sales promotion expenses	48.08	26.21
Security charges	131.65	71.30
Software expenses	7.18	14.53
Trade mark royalty	76.93	79.19
Travelling and conveyance-Foreign	-	-
Travelling and conveyance-Local	129.43	84.91
Provision for impairment on advances/ balance written off	-	-
Bad debts	-	3.80
ISO TS certification expense	2.24	3.52
Export Expenses	-	-
Warranty claim/ Line rejection expense	18.87	3.94
Office expense	39.03	27.78
Rebate & Discount	293.15	365.36
IPO Exp	-	1.55
Pollution Control Expenses	-	1.62
Foreign Currency Fluctuation	-	2.69
Freight & forwarding expense	364.52	328.43
Miscellaneous expenses	(0.16)	2.23
	<u>5,845.27</u>	<u>4,873.98</u>

	For the year ended	For the year ended
# Consumption of Stores, spares, packing and tools		
Opening stock	530.32	340.67
Add:		
Consumption of stores and spares parts	101.60	76.42
Consumption of loose tools	266.94	265.73
Consumption of Packing materials	194.78	156.24
Consumption of polishing and plating material	75.65	54.02
Less: Closing stock	577.63	530.32
Net Consumption of stores ,spares, Packing & tools	<u>591.66</u>	<u>362.76</u>

	For the year ended 31 March 2023	For the year ended 31 March 2022
## Payment to auditors		
As auditors		
-Audit fees	4.61	1.89
	<u>4.61</u>	<u>1.89</u>

Revenue expenditure		
Material/ consumables/ spares	-	2.69
	<u>-</u>	<u>2.69</u>



32 Income tax	For the year ended 31 March 2023	For the year ended 31 March 2022
Tax expense comprises of:		
Current tax	310.31	359.91
Deferred tax credit	36.71	(6.88)
Earlier years tax adjustments (net)	-	-
Minimum Alternative Tax	-	-
Income tax expense reported in the statement of profit and loss	347.02	353.03

Deferred tax credit	(9.08)	(2.33)
Income tax expense reported in the statement of Other comprehensive income	(9.08)	(2.33)

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company and the reported tax

Effective Income Tax Rate	25.168%	25.168%
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Accounting profit before income tax	1,210.58	1,268.43
At India's statutory income tax rate	304.68	319.24

Tax effect of amounts which are not deductible (taxable) in calculating taxable income:

Item on which deferred tax has not been	7.34	1.33
Tax impact of expenses which will never be	-	-
Effect of tax incentive	-	-
Earlier years tax adjustments (net)	-	-
Impact of change in tax rate	-	(18.68)
Others	35.01	51.13
Income tax expense	347.02	353.03

33 Earnings per share	For the year ended 31 March 2023	For the year ended 31 March 2022
-----------------------	-------------------------------------	-------------------------------------

Net Profit/(loss) attributable to equity	863.56	915.40
Nominal value of equity share in ₹	-	-
Total number of equity shares outstanding at the beginning of the year	60,90,400	60,90,400
Total number of equity shares outstanding at the end of the year*	1,21,80,800	60,90,400
Weighted average number of equity shares*	97,27,954	60,90,400

Basic Earning per Share on actual	7.09	15.03
Basic Earning per Share on Weighted	8.88	15.03
Diluted Earnings per Share	8.88	15.03

* These are in absolute numbers



Pavna Industries Limited
Summary of significant accounting policies and other explanatory information for the year ended 2023
(All amounts are in lacs(₹), unless otherwise specified)

3A Property, plant and equipment

Particulars	Land	Building	Plant and Machinery	Office Equipment	Furniture and fixtures	Computer	Vehicle	Total
Gross block								
Balance as at 1 April 2020	348.05	990.69	5,128.28	60.70	112.80	154.98	360.18	7,155.68
Additions	-	88.37	659.80	4.94	11.90	21.47	351.03	1,137.52
Disposals	-	-	-	-	-	-	-	-
Balance as at 31 March 2021	348.05	1,079.06	5,788.08	65.64	124.70	176.46	711.21	8,293.20
Entity acquired during the year	70.32	314.63	1,761.88	65.51	1.67	7.05	-	2,221.06
Additions	-	72.82	1,168.13	61.32	8.92	35.63	45.77	1,392.59
Disposals	(51.55)	-	-	-	-	-	-	(51.55)
Balance as at 31 March 2022	366.82	1,466.51	8,718.09	192.47	135.29	219.13	756.98	11,855.30
Additions	-	85.98	2,049.76	56.64	27.92	42.13	86.00	2,348.43
Disposals	-	-	(121.32)	-	-	-	(19.70)	(141.02)
Balance as at 31 March 2023	366.82	1,552.50	10,646.53	249.11	163.21	261.26	823.28	14,062.72
Accumulated depreciation								
Balance as at 1 April 2020	-	231.67	2,081.93	35.12	55.45	139.72	111.54	2,655.42
Charge for the year	-	27.42	498.54	3.50	7.50	4.96	38.42	580.35
Disposals	-	-	-	-	-	-	-	-
Balance as at 31 March 2021	-	259.09	2,580.46	38.63	62.96	144.68	149.96	3,235.77
Entity acquired during the year	-	33.21	154.47	13.50	0.51	2.35	-	204.03
Charge for the year	-	56.81	807.44	19.19	8.34	18.00	82.02	991.80
Disposals	-	-	-	-	-	-	-	-
Balance as at 31 March 2022	-	349.10	3,542.37	71.32	71.80	165.03	231.98	4,431.60
Charge for the year	-	63.13	915.16	26.20	10.22	29.01	89.18	1,132.90
Disposals	-	-	(86.04)	-	-	-	(9.90)	(95.94)
Balance as at 31 March 2023	-	412.24	4,371.48	97.52	82.02	194.04	311.26	5,468.56
Net block as at 31 March 2021	348.05	819.98	3,239.52	27.14	61.75	31.95	561.26	5,057.43
Net block as at 31 March 2022	366.82	1,117.41	5,207.62	121.28	63.49	54.27	525.01	7,423.70
Net block as at 31 March 2023	366.82	1,140.26	6,306.95	151.72	81.19	67.39	512.03	8,594.16

Intangible Asset Under Development

Particulars	Knowhow	Software	Total
Gross block			
Balance as at 31 March 2021	25.00	-	25.00
Additions	-	-	-
Disposals	-	-	-
Balance as at 31 March 2022	25.00	-	25.00
Additions	-	81.40	81.40
Disposals	2.50	-	2.50
Balance as at 31 March 2023	22.50	81.40	103.90



Pavna Industries Limited

Summary of significant accounting policies and other explanatory information for the year ended 2023

(All amounts are in lacs(₹), unless otherwise specified)

3B Leases

(i) Right of Use Assets

Particulars	Buildings	Total
As at 1 April 2021	203.39	203.39
Additions	80.42	80.42
Deletions	-	-
As at 31 March 2022	283.81	283.81
Additions	-	-
Deletions	-	-
As at 31 March 2022	283.81	283.81
Accumulated Depreciation		
As at 1 April 2021	18.79	18.79
Charges during the year	33.65	33.65
Deletions	-	-
As at 31 March 2022	52.43	52.43
Charges during the year	45.94	45.94
Deletions	-	-
As at 31 March 2022	98.38	98.38
Net Carrying Value		
As at 1 April 2021	184.60	184.60
As at 31 March 2022	231.38	231.38
As at 31 March 2023	185.44	185.44

(ii) Lease Liabilities

Particulars	Current	Non Current	Total
As at 1 April 2021	23.78	165.96	189.74
Additions	-	80.42	80.42
Accretions of interest	-	17.59	17.59
Payments of lease liabilities	-23.78	-21.22	-45.00
Deletions	-	-	-
Re-classification from non current to current	38.64	-38.64	-
As at 31 March 2022	38.64	204.12	242.76
Additions	-	-	-
Accretions of interest	-	21.35	21.35
Payments of lease liabilities	-38.64	-21.35	(59.99)
Deletions	-	-	-
Re-classification from non current to current	28.87	-28.51	0.37
As at 31 March 2023	28.87	175.62	204.49



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Pavna Industries Limited
Notes to the financial statements for the year ended 31 March 2022
(All amounts are in lacs(₹), unless otherwise specified)

34 Financial instruments

i) Financial assets and liabilities

The carrying amounts of financial instruments by category are as follows:

Particulars	As at 31 March 2023			As at 31 March 2022		
	Amortised cost	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI
Financial assets*						
Investments	-	-	-	-	-	-
Trade Receivables	5,344.74	-	-	5,012.29	-	-
Loans	-	-	-	-	-	-
Cash and cash equivalents	43.09	-	-	44.55	-	-
Other Bank Balances	4.61	-	-	28.37	-	-
Other financial assets	952.89	-	-	874.86	-	-
Total financial assets	6,345.33	-	-	5,960.06	-	-
Financial liabilities*						
Borrowings	9,057.16	-	-	12,031.61	-	-
Lease liabilities	204.49	-	-	242.76	-	-
Trade payables	5,381.74	-	-	4,117.98	-	-
Other financial liabilities	487.57	-	-	421.30	-	-
Total financial liabilities	15,130.96	-	-	16,813.64	-	-

Particulars	As at 31 March 2021		
	Amortised cost	FVTPL	FVTOCI
Financial assets*			
Investments	-	-	-
Trade Receivables	3,845.61	-	-
Loans	-	-	-
Cash and cash equivalents	37.70	-	-
Other Bank Balances	15.98	-	-
Other financial assets	875.71	-	-
Total financial assets	4,775.00	-	-
Financial liabilities*			
Borrowings	5,841.71	-	-
Lease liabilities	189.74	-	-
Trade payables	3,727.53	-	-
Other financial liabilities	341.93	-	-
Total financial liabilities	10,100.91	-	-

Fair Value Hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statements and are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs). The input factors considered are Estimated cash flows and other assumptions.

Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

Particulars	As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
	Carrying value	Fair value*	Carrying value	Fair value*	Carrying value	Fair value*
Financial assets						
Investments	-	-	-	-	-	-
Trade Receivables	5,344.74	5,344.74	5,012.29	5,012.29	3,845.61	3,845.61
Loans	-	-	-	-	-	-
Cash and cash equivalents	43.09	43.09	44.55	44.55	37.70	37.70
Other Bank Balances	4.61	4.61	28.37	28.37	15.98	15.98
Other financial assets	952.89	952.89	874.86	874.86	875.71	875.71
Total financial assets	6,345.33	6,345.33	5,960.06	5,960.06	4,775.00	4,775.00
Financial liabilities						
Borrowings	9,057.16	9,057.16	12,031.61	12,031.61	5,841.71	5,841.71
Lease liabilities	204.49	204.49	242.76	242.76	189.74	189.74
Trade payables	5,381.74	5,381.74	4,117.98	4,117.98	3,727.53	3,727.53
Other financial liabilities	487.57	487.57	421.30	421.30	341.93	341.93
Total financial liabilities	15,130.96	15,130.96	16,813.64	16,813.64	10,100.91	10,100.91

*Carrying value of these financial assets and financial liabilities represents the best estimated values.

Financial risk management

The Company's activities expose it to credit risk, liquidity risk and market risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.



Risk Management Framework

The Company's activities make it susceptible to various risks. The company has taken adequate measures to address such concerns by developing adequate systems and practices. The Company's overall risk management program focuses on the unpredictability of markets and seeks to manage the impact of these risks on the Company's financial performance. The Company's senior management oversees the management of these risks and advises on financial risks and the appropriate financial risk governance framework for the Company. The board provides assurance to the shareholders that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and company's activities. The Company's audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, loans and other financial assets measured at amortised cost	Ageing analysis	Diversification of bank deposits and regular monitoring
Liquidity risk	Borrowings, lease liabilities and other financial liabilities	Cash flow forecasts	Availability of funds and credit facilities.
Market risk - interest rate	Variable rates borrowings	Sensitivity analysis	Negotiation of terms that reflect the market factors

A) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial asset fails to meet its contractual obligations. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each financial asset. The carrying amounts of financial assets represent the maximum credit risk exposure. The Company monitors its exposure to credit risk on an ongoing basis.

a) Credit risk management

i) Credit risk rating

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

- A: Low credit risk
B: Moderate credit risk
C: High credit risk

The Company provides for expected credit loss based on the following:

Asset groups	Basis of categorisation	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, loans, and other financial assets	12 months expected credit loss

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

Credit rating	Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Low credit risk	Cash and cash equivalents, loans and other financial assets	6,345.33	5,960.06	4,775.00

Cash and cash equivalents and other bank balances

Credit risk from balances with banks and financial institutions is managed by the Corporate finance department in accordance with the Company's policy. Investments of surplus funds are made only in schemes of alternate investment fund/or other appropriate avenues including term and recurring deposits with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company places its cash and cash equivalents and term deposits with banks with high investment grade ratings, limits the amount of credit exposure with any one bank and conducts ongoing evaluation of the credit worthiness of the banks with which it does business. Given the high credit ratings of these banks, the Company does not expect these banks to fail in meeting their obligations.

Trade Receivables

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of statements of financial position whether a financial asset or a company of financial assets is impaired. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition

b) Credit risk exposure

i) Provision for expected credit losses

The Company provides for 12 month expected credit losses for following financial assets:

As at 31 March 2023

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash	43.09	-	43.09
Other bank balances	4.61	-	4.61
Trade receivables	5,344.74	-	5,344.74
Loans	-	-	-
Other financial assets	952.89	-	952.89

As at 31 March 2022

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash	44.55	-	44.55
Other bank balances	28.37	-	28.37
Trade receivables	5,012.29	-	5,012.29
Loans	-	-	-
Other financial assets	874.86	-	874.86

As at 31 March 2021

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash	37.70	-	37.70
Other bank balances	15.98	-	15.98
Trade receivables	3,845.61	-	3,845.61
Loans	-	-	-
Other financial assets	875.71	-	875.71

There are certain charges open at MCA portal. These charges are created against the loan availed and which has been fully repaid. We have got no dues certificate from respective institution and charge satisfaction form filing with MCA is under process.

B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financ



Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

As at 31 March 2023	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Non-derivatives					
Borrowings	8,538.36	594.48	373.72	1,898.61	11,405.17
Trade payable	6,218.96	-	-	-	6,218.96
Lease liabilities	43.12	47.00	48.62	126.78	265.52
Other financial liabilities	459.31	-	-	-	459.31
Total	15,259.74	641.48	422.34	2,025.39	18,349

As at 31 March 2022	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Non-derivatives					
Borrowings	8,760.18	351.62	142.12	-	9,253.92
Trade payable	4,117.98	-	-	-	4,117.98
Lease liabilities	43.59	8.52	8.52	42.60	103.23
Other financial liabilities	396.30	-	-	-	396.30
Total	13,318.05	360.14	150.64	42.60	13,871

As at 31 March 2021	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Non-derivatives					
Borrowings	4,663.84	329.52	356.41	142.12	5,491.89
Trade payable	3,727.53	-	-	-	3,727.53
Lease liabilities	31.38	21.83	8.52	51.12	112.85
Other financial liabilities	286.93	-	-	-	286.93
Total	8,709.68	351.35	364.93	193.24	9,619

C) Market risk

Interest rate risk

i) Liabilities

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company manages its interest rates by selection appropriate type of borrowings and by negotiation with the bankers.

Interest rate risk exposure

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Secured Variable rate borrowings	9,551.30	8,206.16	4,848.10
UnSecured Variable rate borrowings	2,060.00	1,500.00	-
Total borrowings	11,611.30	9,706.16	4,848.10

Sensitivity

Profit or loss and equity is not sensitive to higher/ lower interest expense from borrowings as a result of changes in interest rates on year to year basis.

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Increase in borrowing rate by 1%	116.11	97.06	48.48
Decrease in borrowing rate by 1%	(116.11)	(97.06)	(48.48)

ii) Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the ca

Currency Risk

The Company has international transactions and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the Company's functional currency

Earnings in Foreign currency

Description of Transactions	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Export of Material and services	581.69	842.99	620.81

Expenditure in Foreign currency

Description of Transactions	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Import of Material and services	14.88	33.22	62.62

Foreign Currency risk Exposures

Financial Assets	As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
	USD \$	EUR	USD \$	EUR	USD \$	EUR
Trade Receivables In Foreign currency		1,61,714	827.00	1,74,183.34	10,221.12	1,55,752.08
Trade Receivables In INR		1,38,43,444	62,778	1,46,41,852	7,69,957	1,29,24,308

Sensitivity Analysis of 5% change in exchange rate at the end of reporting period

Financial Assets	As at 31 March 2023		As at 31 March 2023		As at 31 March 2023	
	USD \$	EUR	USD \$	EUR	USD \$	EUR
1% Depreciation in INR						
Impact on Profit and Loss Account - Income/ (Expense)		(1,38,434)	(628)	(1,46,419)	(7,700)	(1,29,243)
1% Appreciation in INR						
Impact on Profit and Loss Account - Income/ (Expense)		(1,38,434)	(628)	(1,46,419)	(7,700)	(1,29,243)



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Pavna Industries Limited
Notes to the financial statements for the year ended 31 March 2023
(All amounts are in lacs(₹), unless otherwise specified)

42 Financial Ratios

Ratio	Measurnment Unit	Numerator	Denominator	As at 31 March 2023	As at 31 March 2022	% Change March 2023	% Change March 2022
Current Ratio	Times	Current assets	Current liabilities	1.16	1.22	-4.49%	-0.59%
Debt Equity Ratio	Times	Total debt (Non-current borrowings + Current borrowings)	Total equity	1.85	1.81	2.08%	75.09%
Debt Service coverage Ratio	Times	Earnings before depreciation and amortisation and interest (Profit & loss after tax + depreciation & amortisation expense+ Finance costs (excluding	Interest expenses (Including capitalised)+ Principal repayments (including prepayments)	1.93	2.11	-8.53%	-33.00%
Return on equity ratio	%	Profit after tax	Average of total equity	12.30%	14.91%	-17.55%	-27.00%
Inventory Turnover Ratio	Times	Cost of material consumed	Average Inventories	2.01	2.60	-22.72%	-43.13%
Trade Receivables turnover Ratio	Times	Revenue from Operations	Average trade receivables	6.99	7.13	-1.84%	-37.55%
Trade Payables turnover Ratio	Times	Purchase + other expenses	Average trade payables	5.60	6.39	-12.41%	-19.29%
Net Capital turnover ratio	Times	Revenue from Operations	Working capital (Current assets- current liabilities)	14.44	11.49	25.60%	-5.43%
Net Profit ratio	%	Profit after tax	Revenue from operations	2.38%	2.90%	-17.80%	10.44%
Return on Capital Employed	%	Earnings before depreciation and amortisation and interest (Profit & loss before tax +	Capital employed (Total assets - current liabilities + current borrowings)	15.87%	16.03%	-1.00%	-5.26%
Return on Investment	%	Profit after tax	Equity share capital + securities premium	33.00%	45.59%	-27.62%	58.86%

Reasons for Changes in ratio above 25%:

Ratio	Reason
Current Ratio	Not Applicable
Debt Equity Ratio	Not Applicable
Debt Service coverage Ratio	Not Applicable
Return on equity ratio	Not Applicable
Inventory Turnover Ratio	Not Applicable
Trade Receivables turnover	Not Applicable
Trade Payables turnover Ratio	Not Applicable
Net Capital turnover ratio	Not Applicable
Net Profit ratio	Not Applicable
Return on Capital Employed	Not Applicable
Return on Investment	Profit increased comparatively and issue of Bonus share led to change in ratio

43 Corporate Social Responsibility

Particulars	Mar-23	Mar-22
CSR liability for the year:		
Average net profit for last 3 ye	803.86	768.27
CSR liability (2% of average) fo	16.08	15.37
Amount spent during the year	16.08	7.50
Balance amount unspent	-	7.87
Cummulative Payable	-	11.62
Amount spent during the year	-	11.62

44 Information relating to Litigations

Company has received following GST orders and Notices-Order for Aligarh Unit is Rs. 1489753 and for Aurangabad Unit Rs 131123. Notice for Input Tax - Reconciliation has been received and we are in process of its disposal and necessary step has been taken. There is dispute regarding accidental claim by worker which amounts to approximately Rs 17 Lakhs.

45 Other information

- (i) (i) Pursuant to the Taxation Laws (Amendment) Act, 2019, with effect from 01-April-19 domestic companies have the option to pay corporate income tax at a rate of 22% plus applicable surcharge and cess ('New Tax Rate') subject to certain conditions. The Company continued to compute tax as per old tax rate for the financial year 2019-20 & 2020-21 & adopted new scheme from 01.04.2021.
- (ii) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for



- (iii) The Company did not have any transactions with Companies struck off.
- (iv) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (v) The Company has not traded or invested in Crypto currency or Virtual Currency during the respective financial years / period.
- (vi) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (viii) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (ix) The Company has not been declared willful defaulter by any bank or financial Institution or other lender.
- (x) The Company does not have any Scheme of Arrangements which have been approved by the Competent Authority in terms of sections
- (xi) The Company has complied with the number of layers prescribed under of Section 2(87) of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- (xii) There are some differences between stock statement submitted to bank and books of accounts. These difference are due to clerical mistake, some amount remain undisclosed in stock statement submitted to bank



Pavna Industries Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(All amounts are in lacs(₹), unless otherwise specified)

35 Related party transactions

A. Name of the Related Parties and description of relationship is as follows:

- | | |
|--|--|
| a) Subsidiary Company | Swapnil Switches Pvt. Ltd.
Pavna Auto Engineering Pvt. Ltd.
Pavna Sun World Autotech Pvt Ltd
Pavna Marketing Pvt Ltd
Pavna Goyam Auto Pvt Ltd |
| b) Entity having substantial interest in the Company | PJ Wealth Management & Consultants P. Ltd. |
| c) Key Managerial Personnel (KMP) | |
| Managing Director | Shri Swapnil Jain |
| Director | Smt. Asha Jain |
| Director | Smt. Priya Jain |
| Director | Shri Sanjay Kumar Jain |
| CFO | Shri Makarand Haribhau Mahajan |
| CS | Ms. Charu Singh |
| Independent Director | Shri Naozer Firoze Aibara |
| Independent Director | Shri Dhruv Jain |
| Independent Director | Shri Achyutanand Ramchandra Mishra |
| e) Relatives of Key Managerial Personnel (KMP) | |
| Where transactions have taken place during the year or previous year or balances are outstanding | |
| f) Enterprise over which KMP exercise control or significant influence | Pavna Sports Venture Private Limited
Ascus Cricket Private Limited
Pavna Electric Systems Private Limited
Pavna International Schools Private Limited
PJ Wealth Management & Consultants P. Ltd. |



Pavna Industries Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(All amounts are in lacs(₹), unless otherwise specified)

Note No.- Related Party Disclosure - Contd..

B. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Nature of Transactions	Name of Related Party	Relationship	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 1 April 2021
	Loan taken during the year				
Loan taken	Smt. Asha Jain	KMP	120.00	711.00	231.09
Loan taken	Smt. Priya Jain	KMP	180.00	-	112.86
Loan taken	Shri Swapnil Jain	KMP	859.00	100.00	24.00
Loan taken	PJ Wealth Management & Consultants P. Ltd.	Entity having substantial	150.00	442.28	1,095.23
	Loan Repaid during the year				
Repayment of Loan taken	Smt. Asha Jain	KMP	225.00	511.00	485.59
Repayment of Loan taken	Shri Pawan Jain	KMP	-	-	408.57
Repayment of Loan taken	Smt. Priya Jain	KMP	180.00	-	115.67
Repayment of Loan taken	Shri Swapnil Jain	KMP	590.00	100.00	229.46
Repayment of Loan taken	PJ Wealth Management & Consultants P. Ltd.	Entity having substantial	325.00	470.89	715.48
	Interest on Loans (Net of TDS)				
Interest(Net)	Smt. Asha Jain	KMP	10.52	26.91	19.72
Interest(Net)	Shri Pawan Jain	KMP	-	-	33.46
Interest(Net)	Shri Swapnil Jain	KMP	9.26	4.32	14.97
Interest(Net)	Smt. Priya Jain	KMP	0.83	-	-
Interest(Net)	PJ Wealth Management & Consultants P. Ltd.	Entity having substantial	76.85	115.95	79.88
	Remuneration, Salary & Other Expense				
Remuneration	Smt. Asha Jain	KMP	96.00	-	6.83
Remuneration	Shri Swapnil Jain	KMP	216.00	144.00	114.83
Remuneration	Smt. Priya Jain	KMP	180.00	-	6.30
Remuneration	Mr. Ajay Maheshwari	KMP	11.90	-	-
Remuneration	Shri. Makarand Mahajan	CFO	15.00	12.77	9.57
Remuneration	Ms. Charu Singh	CS	7.12	1.83	-
Remuneration	Vijay Sharma	KMP	24.00	20.00	13.68
Remuneration	Geetika Varshney	CS	-	1.86	3.24
Remuneration	Divyani Kostha	CS	-	5.67	4.15
PROFESSIONAL CHARGES	Shri Pawan Jain	KMP	-	-	3.00
Building Rent	Smt. Asha Jain	KMP	28.08	5.64	4.20
Building Rent	Shri Pawan Jain	KMP	-	2.88	4.32
Lease Rent	Shri Pawan Jain	KMP	-	-	0.10
Lease Rent	Smt. Asha Jain	KMP	0.10	0.10	-
Rent	Pavna Goyam Auto PvtLtd	Fellow Subsidiary	20.48	-	-
Trade Mark Royalty	Shri Pawan Jain	KMP	-	-	42.80
Trade Mark Royalty	Smt. Asha Jain	KMP	76.93	62.39	42.80
	Sales & Purchase				
	SSPL & PIL		368.59	178.92	73.53
	PAEPL & PIL		2,295.54	101.61	58.83
	PIL & SSPL		242.99	659.36	518.42
	PIL & PAEPL		239.19	830.25	266.34
	PIL & PSAPL		0.58	5.69	0.96
	PSAPL & PIL		11.46	1.13	-
	PIL & PMPL		100.81	1,308.36	2,176.04
	PMPL & PIL		2,695.60	134.45	150.64
	PGPL & PIL		238.71	3,842.45	-
	PIL & PGPL		967.81	0.78	-
	PAEPL & SSPL		-	0.15	-
	PAEPL & PMPL		2.39	132.90	15.43
	SSPL & PMPL		13.5	1,381.92	2.10
	PSAPL & PMPL		0.02	21.94	0.08
	PMPL & PAEPL		0.83	8.47	486.95
	PMPL & SSPL		278.58	4.39	1,009.89
	PMPL VS PSPL		14.54	-	-
	PGAPL & PAEPL		-	12.37	-
Sale / Purchase of Fixed Assets	SSPL & PIL		44.26	-	-
	Investment of Shares- Sales/ Purchase				
Share Purchase	Pavna Auto Engineering Pvt. Ltd.	Subsidiary Company	-	-	184.74
Share Purchase	Pavna Goyam Auto Pvt. Ltd.	Subsidiary Company	-	255.00	-
	Security Deposits				
Security Deposit	Shri Pawan Jain	KMP	-	-	300.00
	Short Term Loans & Advances				
Advances	Pavna Goyam Auto Pvt. Ltd.	Subsidiary Company	100.00	150.00	-



Pavna Industries Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(All amounts are in lacs(₹), unless otherwise specified)

Note No.- Related Party Disclosure - Contd..

C. Details of related party balances as at year end:

Nature of Transactions	Name of Related Party	Relationship	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Loan Taken	Smt. Asha Jain	Director	95.00	202.56	-
Loan Taken	Shri Swapnil Jain	Director	269.00		
Loan Taken	PJ Wealth Management & Consultants P. Ltd.	Entity having substantial interest in the	790.00	972.38	993.62
	Creditors & Debtors				
	PIL & SSPL		231.76	303.79	-
	PIL & PMPL		216.05	121.67	77.04
	PIL & PSAPL		64.34	3.93	-
	PIL & PAEPL		193.16	30.43	65.67
	PAEPL & PIL			3.07	20.08
	PGAPL & PIL		37.83	1,287.72	-
	PAEPL & PMPL			8.89	-
	PGAPL & PAEPL			0.80	-
	SSPL & PMPL		89.94	366.47	-
	PSAPL & PMPL		1.77	8.01	-
	Shri Pawan Jain	Managing director		-	0.40
	Smt. Asha Jain	Whole time director	2.86	2.30	0.69
Investments	Swapnil Switches Pvt. Ltd.	Subsidiary company	197.76	197.76	197.76
Investments	Pavna Marketing Pvt Ltd	Subsidiary company	10.00	10.00	10.00
Investments	Pavna Sun World Autotech Pvt Ltd	Subsidiary company	71.50	71.50	71.50
Investments	Pavna Auto Engineering Pvt. Ltd.	Subsidiary company	684.77	684.77	684.77
Investments	Pavna Goyam Auto Pvt. Ltd.	Subsidiary company	255.00	255.00	255.00
Security Deposit	Shri Pawan Jain & Smt. Asha Jain	Managing director	300.00	300.00	300.00



Pavna Industries Limited

Notes to the financial statements for the year ended 31 March 2023

(All amounts are in lacs(₹), unless otherwise specified)

2 Reconciliation of the assets and liabilities presented in the balance sheet prepared as per Previous GAAP and as per Ind AS as at 1 April 2021 is as follows:

Particulars	Note	Previous GAAP*	Effect of transition to Ind AS	Ind AS
Non-current assets				
Property, plant and equipment		5,260.56	178.14	5,082.43
Right of Use assets		-	184.60	184.60
Financial assets		-	-	-
Investments		-	-	-
Others		1,187.64	359.34	828.30
Deferred tax assets (net)		-	-	-
Other Non Current assets		7.16	282.20	289.36
Total non-current assets		6,455.37	70.67	6,384.69
Current assets				
Inventories		4,635.25	-	4,635.25
Financial assets		-	-	-
Trade Receivable		3,845.61	0.00	3,845.61
Cash and cash equivalents		64.04	26.35	37.70
Other Bank Balances		-	15.98	15.98
Loans		-	-	-
Others		-	47.41	47.41
Income tax assets (net)		1,135.47	1,032.57	102.90
Other current assets		99.60	1,023.07	1,122.67
Total current assets		9,779.98	27.54	9,807.52
Total assets		16,235.35	43.13	16,192.21
Equity				
Equity share capital		609.04	-	609.04
Other equity		5,086.73	-54.87	5,031.86
Total equity		5,695.77	(54.87)	5,640.90
Non-current liabilities				
Financial liabilities				
Long term borrowings		2,185.89	14.40	2,171.49
Lease liabilities		-	165.96	165.96
Other Non current financial liabilities		55.00	-	55.00
Provisions		177.41	-	177.41
Deferred tax liabilities (net)		112.91	133.78	20.88
Total non-current liabilities		2,531.20	17.78	2,548.98
Current liabilities				
Financial liabilities				
Borrowings		3,669.51	0.71	3,670.22
Lease Liabilities		-	23.78	23.78
Trade payables		-	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-	-
Total outstanding dues of creditors other than micro enterprises and small		3,869.76	142.22	3,727.53
Other financial liabilities		-	286.93	286.93
Other current liabilities		145.14	5.60	150.74
Income tax liabilities		-	3.33	3.33
Short Term Provision		323.96	184.16	139.81
Total current liabilities		8,008.37	6.04	8,002.34
Total equity and liabilities		16,235.35	43.13	16,192.21

*The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements i.e. basis Division II of Schedule III for the purpose of this note. After reclassification, effect has been given for transition adjustments.



Pavna Industries Limited
Notes to the financial statements for the year ended 31 March 2023
(All amounts are in lacs(₹), unless otherwise specified)

A 46 Explanation of transition to Ind AS

1 Reconciliation of the assets and liabilities presented in the balance sheet prepared as per Previous GAAP and as per Ind AS as at 31 March 2022 is as follows:

Particulars	Note	Previous GAAP*	Effect of transition to Ind AS	Ind AS
Non-current assets				
Property, plant and equipment		7,700.79	252.09	7,448.70
Right of Use assets		-	231.38	231.38
Financial assets		-	-	-
Investments		-	-	-
Others		1,187.17	329.81	857.36
Deferred tax assets (net)		-	-	-
Other Non Current assets		6.64	246.29	252.93
Total non-current assets		8,894.59	104.22	8,790.37
Current assets				
Inventories		9,180.89	0.02	9,180.91
Financial assets		-	-	-
Trade Receivable		5,012.28	0.01	5,012.29
Cash and cash equivalents		68.22	23.67	44.55
Other Bank Balances		-	28.37	28.37
Loans		902.68	902.68	-
Others		-	17.50	17.50
Income tax assets (net)		76.42	0.13	76.55
Other current assets		-	959.37	959.37
Total current assets		15,240.49	79.05	15,319.54
Total assets		24,135.08	25.18	24,109.90
Equity				
Equity share capital		609.04	-	609.04
Other equity		6,107.16	-80.66	6,026.49
Total equity		6,716.20	(80.66)	6,635.53
Non-current liabilities				
Financial liabilities				
Long term borrowings		4,456.57	0.00	4,456.57
Lease liabilities		-	204.12	204.12
Other Non current financial liabilities		25.00	-	25.00
Provisions		219.97	-	219.97
Deferred tax liabilities (net)		200.23	205.19	4.96
Total non-current liabilities		4,901.77	1.06	4,900.71
Current liabilities				
Financial liabilities				
Borrowings		7,570.41	4.63	7,575.04
Lease Liabilities		-	38.64	38.64
Trade payables		-	-	-
Total outstanding dues of micro enterprises and small enterprises enterprises		4,191.27	73.29	4,117.98
Other financial liabilities		-	396.30	396.30
Other current liabilities		305.40	5.31	300.08
Income tax liabilities		-	4.26	4.26
Short Term Provision		450.04	308.67	141.37
Total current liabilities		12,517.11	56.55	12,573.66
Total equity and liabilities		24,135.08	25.18	24,109.90

*The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements i.e. basis Division II of Schedule III for the purpose of this note. After reclassification, effect has been given for transition adjustments.



Pavna Industries Limited
Notes to the financial statements for the year ended 31 March 2023
 (All amounts are in lacs(₹), unless otherwise specified)

3 Reconciliation of total comprehensive income presented in the statement of profit and loss prepared as per previous GAAP and as per Ind AS for the year ended 31 March 2022:

Particulars	Note	Previous GAAP*	Effect of transition to Ind AS	Ind AS
Revenue				
Revenue from operations		33,572.95	2,011.76	31,561.19
Other income		122.01	17.67	139.68
Total revenue		33,694.96	-1,994.09	31,700.87
Expenses				
Cost of materials consumed		23,706.26	1,408.00	22,297.84
Change in Inventory of finished goods		2,114.15	-	2,114.15
Employee benefits expense		3,625.46	91.00	3,534.87
Finance costs		926.19	(5.41)	920.78
Depreciation and Amortisation Expenses		920.17	(1.04)	919.13
Other expenses		5,232.14	-358.16	4,873.98
Total expenses		32,296.07	-1,863.61	30,432.44
Profit before tax		1,398.89	(130.48)	1,268.43
Tax expense				
Current tax		359.91	0.00	359.91
Deferred tax		74.51	-81.39	6.88
Earlier years tax adjustments (net)		-	-	-
Mat Credit adjustments		-	-	-
Profit for the year		964.47	(49.09)	915.40
Other comprehensive income				
Items that will not be reclassified to profit or loss		-	19.12	19.12
Re-measurements of the defined benefit plans		-	(4.81)	4.81
Income tax relating to above item	D3	-	-	-
Total comprehensive income for the year		964.47	(34.78)	929.70

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements i.e. basis Division II of Schedule III for the purpose of this note. After reclassification, effect has been given for transition adjustments.

B Ind AS optional exemptions

1 Deemed cost for Property, plant and equipment and intangible assets

Ind As 101 permits a first time adopter to elect to continue with the carrying value of all of its Property, plant and equipment as recognised in financial statements as at the date of transition to Ind As, measured as per previous GAAP and use its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by the Ind As 38 intangible assets. Accordingly, the company has elected to measure all of its Property, plant and equipment (including capital work in progress, if any) and intangible assets at their previous GAAP carrying value.

B Ind AS mandatory exceptions

1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2021 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

2 Classification and measurement of financial assets and liabilities

Classification of financial asset is required to be made on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Further, if it is impracticable for the Company to apply retrospectively the effective interest method in Ind AS 109, the fair value of the financial asset or the financial liability at the date of transition to Ind AS shall be the new gross carrying amount of that financial asset or the new amortised cost of that financial liability at the date of transition to Ind AS.



Pavna Industries Limited**Notes to the financial statements for the year ended 31 March 2023**

(All amounts are in lacs(₹), unless otherwise specified)

C Reconciliations between Previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from Previous GAAP to Ind AS.

1 Reconciliation of total equity as at 31 March 2022 and 1 April 2021

Particulars	adoption	31 March 2022	1 April 2021
Total equity (shareholder's funds) as per Previous GAAP		6,716.20	5,695.77
Adjustments:			
Effective Interest rate adjustment on term loan		-	-
Security deposit valued at amortised cost		-	-
Amortization & Interest cost of Right of Use assets		20.71	6.46
Change in Depreciation		-	-
Change in Deferred Tax		(528.37)	(81.40)
Other assets - Current / Non current		426.99	20.06
Total adjustments		(80.66)	(54.87)
Total equity as per Ind AS		6,635.53	5,640.90

2 Reconciliation of total comprehensive income for the year ended 31 March 2022

Particulars	adoption	31 March 2022
Profit after tax as per Previous GAAP		964.47
Adjustments:		
Security deposit valued at amortised cost assets		(5.41)
Change in Depreciation		-
Change in Deferred Tax due to above adjustments		(81.39)
Other expenses		37.73
Total adjustments		(49.07)
Profit for the year		915.40
Other comprehensive income		
Remeasurement of defined benefit obligations reclassified to OCI (net of tax)		14.31
Total comprehensive income for the year		929.71

3 Impact of restatement adjustment on the cash flows statement for the year ended 31 March 2022

The restatement adjustment has not made a material impact on the statement of cash flows.



Pavna Industries Limited
Notes to the financial statements for the year ended 31 March 2023

(All amounts are in lacs(₹), unless otherwise specified)

D Notes to first time adoption

1 Lease Accounting

Under previous GAAP, Rent was accounted in profit and loss account but at time of transition in line with Ind As, Lease having Right in terms of Ind As 116 been recognised as Right of Use assets and Corrospounding Lease Liability.

2 Tax impact on adjustments

(i) Retained earnings and statement of profit and loss has been adjusted consequent to the Ind AS transition adjustments with corresponding impact to deferred tax, wherever applicable.

3 Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit and loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised profit and loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurements of defined benefit plans and their corresponding income tax effects. The concept of other comprehensive income did not exist under previous GAAP.

4 Borrowing

Ind As 109 required transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition.

(i) These costs are recognised in the statement of Profit and loss over the tenure of borrowings as part of finance cost by applying Effective interest rate method. Under Previous GAAP, these transactions were charged to statement of Profit and loss.

For **Rajeev Kumar & Co**
Chartered Accountants
Firm's Registration No.: 000636C

Rajeev Kumar
Proprietor
Membership No.: 070103



For and on behalf of the Board of Directors of
Pavna Industries Limited

Asha Jain

Asha Jain
Director
DIN: 00035024

Makarand Mahajan
Makarand Mahajan
Chief Financial officer
PAN : ABUPM4863G

Swapnil Jain

Swapnil Jain
Director
DIN: 01542555

Charu Singh
Charu Singh
Company Secretary
PAN : CVBPS6669B

Place: Aligarh
Date: 30/05/2023