



Independent Auditor's Report

To the Members of **PAVNA INDUSTRIES LIMITED**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the financial statements of PAVNA INDUSTRIES LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2021, and the statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, its profit/loss and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.



Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our 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 Standalone Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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



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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our



report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
 - g) With respect to the matter to be included in the Auditor's Report under section 197(16), In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.



- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For DAS MAHESHWARI & COMPANY
Chartered Accountants
FRN: 007259C



Ghanshyam Das Maheshwari

GHANSHYAM DAS MAHESHWARI
(Partner)
Membership No. 076273

Place:-ALIGARH
Date: 30/06/2021
UDIN:21076273AAAADP4519

The Annexure referred to in paragraph 1 of Our Report on "Other Legal and Regulatory Requirements".

We report that:

- i.
 - a. The company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
 - b. As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
 - c. The title deeds of immovable properties are held in the name of the company.
- ii. As explained to us, inventories have been physically verified during the year by the management at reasonable intervals. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
- iii. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (a), (b) and (c) of the order are not applicable to the Company.
- iv. In respect of loans, investments, guarantees, and security, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- v. The company has not accepted any deposits from the public covered under sections 73 to 76 of the Companies Act, 2013.
- vi. As per information & explanation given by the management, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.



vii.

- a. According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, value added tax, cess and any other statutory dues to the extent applicable, have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2021 for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us, there is no amount payable in respect of income tax, service tax, sales tax, customs duty, excise duty, value added tax and cess whichever applicable, which have not been deposited on account of any disputes.

viii. In our opinion and according to the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a any of the financial institution and banks.

ix. Based on our audit procedures, during the year the company has raised the money by way of initial public offer (IPO) amounting to Rs.14,88,96,000.00, and according to the information given by the management, the money raised by way of initial public offer have been applied for the purpose for which they were obtained.

x. According to the information and explanations given to us, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. According to the information and explanations given to us, we report that managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

xii. The company is not a Nidhi Company. Therefore, clause (xii) of the order is not applicable to the company.

xiii. According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.



- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv. The company has not entered into non-cash transactions with directors or persons connected with him.
- xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place:-ALIGARH
Date: 30/06/2021
UDIN:21076273AAAADP4519



For DAS MAHESHWARI & COMPANY
Chartered Accountants
FRN: 007259C

Ghanshyam Das Maheshwari

GHANSHYAM DAS MAHESHWARI
(Partner)
Membership No. 076273

Report on Internal Financial Controls with reference to financial statements

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

We have audited the internal financial controls over financial reporting of PAVNA INDUSTRIES LIMITED ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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



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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external 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 Over Financial Reporting

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



Opinion

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



Place:-ALIGARH
Date: 30/06/2021
UDIN:21076273AAAADP4519

For DAS MAHESHWARI & COMPANY
Chartered Accountants
FRN: 007259C

A handwritten signature in blue ink, appearing to read 'Ghanshyam Das Maheshwari'.

GHANSHYAM DAS MAHESHWARI
(Partner)
Membership No. 076273

PAVNA INDUSTRIES LIMITED, ALIGARH
(FORMERLY KNOWN AS PAVNA ZADI SECURITY SYSTEMS LIMITED)
CIN : U34109UP1994PLC016359
BALANCE SHEET AS ON 31ST MARCH 2021

PARTICULARS	NOTE No.	AS AT		AS AT	
		MARCH 31, 2021		MARCH 31, 2020	
		Amount (Rs.)		Amount (Rs.)	
A) EQUITY AND LIABILITIES					
1) Shareholders' Funds					
a) Share Capital	3	60,904,000.00		25,940,000.00	
b) Reserves & Surplus	4	395,204,496.77	456,108,496.77	228,310,832.55	254,250,832.55
2) Non-Current Liabilities					
a) Long-term Borrowings	5	182,167,566.00		207,630,447.56	
b) Deferred Tax Liabilities (Net)	6	11,454,657.00		3,380,304.00	
c) Long-term provisions	7	9,888,000.00	203,510,223.00	12,473,000.00	223,483,751.56
3) Current Liabilities					
a) Short-term Borrowings	8	246,079,008.37		176,129,055.04	
b) Trade Payables	9	249,279,833.67		186,606,270.09	
c) Other Current Liabilities	10	53,349,113.93		88,823,949.02	
d) Short-Term Provisions	11	44,834,090.30	593,542,046.27	14,340,224.15	465,899,498.30
		TOTAL	1,253,160,766.04	943,634,082.41	943,634,082.41
B) ASSETS					
1) Non-Current Assets					
a) Property, Plant and Equipment					
(i) Tangible Assets	12	464,120,579.55		435,683,381.17	
b) Non-Current Investments	13	96,402,670.00		78,174,470.00	
c) Long-term Loans & Advances	14	37,538,100.00	598,061,349.55	10,172,100.00	524,029,951.17
2) Current Assets					
a) Inventories	15	292,548,800.00		181,165,850.00	
b) Trade Receivables	16	279,460,935.37		192,293,971.33	
c) Cash & Bank Balances	17	2,777,556.95		3,155,473.84	
d) Short-term Loans & Advances	18	75,958,438.55		34,985,808.07	
e) Other Current Assets	19	4,353,685.62	655,099,416.49	8,003,028.00	419,604,131.24
		TOTAL	1,253,160,766.05	943,634,082.41	943,634,082.41

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FOR & ON BEHALF OF THE BOARD OF DIRECTORS

AUDITORS' REPORT

As per our audit report of even date attached.

FOR DAS MAHESHWARI & COMPANY

CHARTERED ACCOUNTANTS

(Registration No 007259C)

Ghanshyam Das Maheshwari
GHANSHYAM DAS MAHESHWARI
PARTNER
M.No. 076273



PLACE : ALIGARH

30.06.2021

(ASHA JAIN)

DIN: 00035024

DIRECTOR

Asha Jain

Makarand Mahajan

CFO

PAN- ABUPM4863G

Makarand Mahajan

(SWAPNIL JAIN)

DIN: 01542555

DIRECTOR

Swapnil Jain

Dipzani Koshta

CS & CO

PAN- BGYPL8182L

PAVNA INDUSTRIES LIMITED, ALIGARH
[FORMERLY KNOWN AS PAVNA ZADI SECURITY SYSTEMS LIMITED]

CIN : U34109UP1994PLC016359

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2021

PARTICULARS	NOTE No.	YEAR ENDED	YEAR ENDED
		MARCH 31, 2021	MARCH 31, 2020
		Amount (Rs.)	Amount (Rs.)
A) REVENUE FROM OPERATIONS (GROSS)	20	1,712,169,703.94	1,362,010,850.60
B) OTHER INCOME	21	1,441,464.14	1,110,538.83
C) TOTAL REVENUE {(A)+(B)}		1,713,611,168.08	1,363,121,389.43
D) EXPENSES			
1) Cost of materials consumed	22	1,207,078,048.05	898,757,170.05
2) Changes in inventories of work-in-progress	23	(72,136,050.00)	(84,706,050.00)
3) Employee benefits Expenses	24	172,492,360.17	163,784,741.22
4) Finance costs	25	44,510,303.14	32,131,536.69
5) Depreciation & amortisation expense	11	35,551,878.00	41,587,804.00
6) Other Expenses	26	251,959,156.89	236,933,214.15
TOTAL EXPENSES		1,639,455,696.25	1,288,488,416.11
E) PROFIT BEFORE EXTRAORDINARY ITEM{(C)-(D)}		74,155,471.83	74,632,973.32
F) EXTRAORDINARY ITEMS			
Less: Profit/(Loss) on sale of Fixed Asset		3,424,079.00	(1,529,874.00)
Less: Profit/(Loss) on sale of Investment		-	(11,852,500.00)
Prior Period Item			
Less: Currency Fluctuation			(278,217.60)
E) PROFIT AFTER EXTRAORDINARY ITEM{(E)-(F)}		77,579,550.83	60,972,381.72
G) TAX EXPENSES	27		
1) Current Tax		16,543,533.61	17,951,638.00
2) Deferred Tax		8,074,353.00	2,454,059.00
H) PROFIT FOR THE YEAR {(E)-(F)}		52,961,664.22	40,566,684.72
I) EARNING PER EQUITY SHARE (in Rs.)	28		
1) Basic		8.70	7.82
2) Diluted		8.70	7.82

AUDITORS' REPORT

As per our audit report of even date attached.

FOR DAS MAHESHWARI & COMPANY
CHARTERED ACCOUNTANTS

(Registration No 007259C)

(Signature)

GHANSHYAM DAS MAHESHWARI
PARTNER
M.No. 076273



FOR & ON BEHALF OF THE BOARD OF DIRECTORS

(Signature)

(ASHA JAIN)

DIN: 00035024

DIRECTOR

(Signature)

Makarand Mahajan
CFO

PAN- ABUPM4863G

(Signature)

(SWAPNIL JAIN)

DIN: 01542555

DIRECTOR

(Signature)

Divyani Koshta
CS & CO

PAN- BGYPL8182L

PLACE : ALIGARH

30.06.2021

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

CIN : U34109UP1994PLC016359

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2021

Particulars	Financial Year Ended	
	2021	2020
Cash Flow From Operating Activities		
Net Profit Before Tax	77,579,550.83	61,250,599.32
Adjustments for :		
Prior period adjustment	-	(278,217.60)
Depreciation/Amortisation	35,490,982.00	41,587,804.00
Loss/Profit on sale of asset	(3,424,079.00)	1,529,874.00
Loss on sale of shares	-	11,852,500.00
Interest Received	(100,039.00)	(97,039.00)
Finance cost	44,510,303.14	32,131,536.69
FBT Write off	80,313.00	-
Operating Profit Before Working Capital Adjustment	154,137,030.97	147,977,057.41
Adjustment for Changes in Working Capital		
Trade and other payable	62,673,563.58	9,983,791.86
Long-term provisions	(2,585,000.00)	2,049,000.00
Short-term provisions	30,493,866.15	(301,558.85)
Other Current Liabilities	(35,474,835.09)	47,621,898.55
Trade and other Recievables	(87,166,964.04)	(3,570,443.75)
Long Term Loans & Advances	(27,366,000.00)	2,072,000.00
Short Term Loans & Advances	(41,052,943.48)	(39,139.04)
Other Current Assets	3,649,342.38	(6,853,474.00)
Inventories	(111,382,950.00)	(130,641,100.00)
Cash Flow Generated from Operations	(54,074,889.53)	68,298,032.18
Taxes Paid	16,543,533.61	17,951,638.00
Net Cash flow from Operating activities (A)	(70,618,423.14)	50,346,394.18
Cash Flow From Investing Activities		
(Purchase)/Sale of Fixed Assets	(63,928,179.51)	(247,543,387.27)
Change in Current investment	(18,228,200.00)	34,930,530.00
Loss on sale of fixed asset	3,424,079.00	(13,382,374.00)
Interest Received	100,039.00	97,039.00
Net Cash Flow from Investing Activites (B)	(78,632,261.51)	(225,898,192.27)
Cash Flow From Financing Activities		
Issue of Share Capital	148,896,000.00	
Proceeds from/ (Repayment of) Borrowing	44,487,071.77	205,585,915.76
Finance cost	(44,510,303.14)	(32,131,536.69)
Net Cash Flow From Financing Activities (C)	148,872,768.63	173,454,379.07
Net Increase/ (Decrease) in Cash and Cash Equivalents (A + B + C)	(377,916.02)	(2,097,419.02)
Cash & Cash equivalent at the beginning of the year	3,155,473.24	5,252,893.46
Cash & Cash Equivalent at the end of the year	2,777,557.22	3,155,474.44

Cash and cash equivalents comprises of :

Particulars	Year Ended March 31	Year Ended March 31
	2021	2020
Cash-in-Hand	590,157.45	784,935.81
Balance with Banks	599,741.50	897,272.03
Balance in FD	1,587,658.00	1,473,266.00
Total	2,777,556.95	3,155,473.84



PAVNA INDUSTRIES LIMITED, ALIGARH
(FORMERLY KNOWN AS PAVNA ZADI SECURITY SYSTEMS LIMITED)
CIN : U34109UP1994PLC016359

NOTES

Forming part of the financial statement for the year ended March 31, 2021

4. RESERVES AND SURPLUS

PARTICULARS	AS AT	AS AT
	March 31, 2021	MARCH 31, 2020
	Amount (Rs.)	Amount (Rs.)
a) General Reserve		
Balance outstanding at the beginning of year	112,000.00	112,000.00
Add : Transferred from surplus in Statement of Profit and Loss	-	-
Balance outstanding at the end of the year	112,000.00	112,000.00
b) Surplus in Statement of Profit and Loss		
Balance outstanding at the beginning of year	228,198,832.55	198,056,147.83
Less: Bonus Issue	-25,940,000.00	-
Add : Transferred from Statement of Profit & Loss	52,961,664.22	40,566,684.72
	255,220,496.77	238,622,832.55
Less: Provision for Gratuity		(10,424,000.00)
Balance outstanding at the end of the year	255,220,496.77	228,198,832.55
c) Security Premium	139,872,000.00	-
TOTAL	395,204,496.77	228,310,832.55

5. LONG-TERM BORROWINGS

PARTICULARS	AS AT	AS AT
	March 31, 2021	MARCH 31, 2020
	Amount (Rs.)	Amount (Rs.)
a) Term Loan		
Secured Loans		
from Bank	-	4,769,186.56
from Financial Institutions	82,806,025.00	69,425,233.00
b) Loans and advances from related parties		
from Directors	0.00	80,037,340.00
from Corporate entities	99,361,541.00	53,398,688.00
TOTAL	182,167,566.00	207,630,447.56

additional information

- i) Loans taken from related parties have been treated as per AS-18. Interest on such loans have been duly credited in Interest account.



PAVNA INDUSTRIES LIMITED, ALIGARH
(FORMERLY KNOWN AS PAVNA ZADI SECURITY SYSTEMS LIMITED)
CIN : U34109UP1994PLC016359

NOTES

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6. DEFERRED TAX LIABILITIES (NET)

PARTICULARS	AS AT	AS AT
	March 31, 2021	MARCH 31, 2020
	Amount (Rs.)	Amount (Rs.)
a) Deferred Tax Liabilities		
On difference between book balance and tax balance of fixed assets	11,454,657.00	3,380,304.00
b) Deferred Tax Assets		
DEFERRED TAX LIABILITIES (NET)	11,454,657.00	3,380,304.00
NET AMOUNT CHARGED TO STATEMENT OF PROFIT AND LOSS (AS PER AS-22)	8,074,353.00	(2,454,059.00)

7. LONG TERM PROVISIONS

PARTICULARS	AS AT	AS AT
	March 31, 2021	MARCH 31, 2020
	Amount (Rs.)	Amount (Rs.)
Provision for Gratuity	9,888,000.00	12,473,000.00
	9,888,000.00	12,473,000.00

8. SHORT TERM BORROWINGS

PARTICULARS	AS AT	AS AT
	March 31, 2021	MARCH 31, 2020
	Amount (Rs.)	Amount (Rs.)
a) Loans repayable in Short Term		
Secured		
from Bank	62,121,745.37	53,995,722.04
from Financial Institutions	183,957,263.00	122,133,333.00
TOTAL	246,079,008.37	176,129,055.04

additional information

- i) Secured Loans by way of first charge by hypothecation on the entire stock of raw materials, work in progress, stores and spares, both present and future book debts, receivable.

9. TRADE PAYABLES

PARTICULARS	AS AT	AS AT
	March 31, 2021	MARCH 31, 2020
	Amount (Rs.)	Amount (Rs.)
For Goods & Services	249,279,833.67	186,606,270.09
TOTAL	249,279,833.67	186,606,270.09

additional information

- i) Trade Payables are subject to confirmation & reconciliation.



PAVNA INDUSTRIES LIMITED, ALIGARH
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10. OTHER CURRENT LIABILITIES

PARTICULARS	AS AT	AS AT
	March 31, 2021	MARCH 31, 2020
	Amount (Rs.)	Amount (Rs.)
a) Current maturities to Long Term Debt		
From Banks	-	5,272,003.00
From Financial Institutions	25,704,439.00	23,537,084.00
From Unsecured Loan		
b) Advance from Customers	1,000,407.54	36,977,694.02
c) Capital Receipt in Advance	50,000.00	
d) Other Payables		
Trade mark royalty	9,459,736.00	7,354,856.00
Salary payable	9,561,131.00	10,370,856.00
Statutory Dues payable	7,573,400.39	5,311,456.00
TOTAL	53,349,113.93	88,823,949.02

11. SHORT TERM PROVISIONS

PARTICULARS	AS AT	AS AT
	March 31, 2021	MARCH 31, 2020
	Amount (Rs.)	Amount (Rs.)
a) Provision for employee benefits		
Provision for Bonus	11,538,051.00	11,428,823.00
Provision for Gratuity	6,055,401.00	1,036,880.00
b) Provision for Others		
Provison for Audit Fees	13,875.00	30,000.00
Provison for Expenses	27,226,763.30	1,844,521.15
TOTAL	44,834,090.30	14,340,224.15



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12. PROPERTY, PLANT & EQUIPMENT

PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION/ AMORTISATION			NET BLOCK	
	AS AT MARCH 31, 2020	ADDITIONS	DISPOSAL	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020	FOR THE PERIOD	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
TANGIBLE ASSETS								
Land								
-Owned	34,804,740.00			34,804,740.00	-		34,804,740.00	34,804,740.00
Building								
-Owned	97,559,899.80	8,837,184.67		106,397,084.47	22,649,881.96	1,708,644.00	82,038,558.51	74,910,017.84
Plant & Machinery								
-Owned	481,949,454.06	65,406,946.21	14,232,810.00	536,123,590.27	187,825,920.93	30,347,523.00	318,011,034.30	297,123,533.13
Furniture and fixtures								
-Owned	9,225,136.56	1,189,868.26		10,415,004.82	3,682,995.91	448,831.00	6,283,177.91	5,542,140.65
Vehicles								
-Owned	25,870,523.27	282,000.00		26,152,523.27	6,284,723.44	2,349,224.00	17,518,575.83	19,585,799.83
Office Equipment								
-Owned	4,638,327.20	469,106.49		5,107,433.69	2,346,147.94	246,884.00	2,514,401.74	2,292,179.26
Computer								
-Owned	12,368,015.87	1,975,883.88		14,343,899.75	10,943,044.48	450,772.00	2,950,083.26	1,424,971.39
TOTAL	669,416,096.76	78,160,989.51	14,232,810.00	733,344,276.27	233,732,714.66	35,551,878.00	464,120,571.55	435,683,382.10
PREVIOUS YEAR	427,368,835.89	250,873,261.27	8,826,000.00	669,416,097.16	1,97,641,036.66	41,587,504.00	233,732,414.66	229,727,799.23

Additional Information:
 Depreciation have been charged as per the provisions of the Companies Act, 2013.



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13. NON-CURRENT INVESTMENT

PARTICULARS	AS AT	AS AT
	March 31, 2021	MARCH 31, 2020
	Amount (Rs.)	Amount (Rs.)
a) Shares of Swapnil Switches Pvt. Ltd.	19,776,064.00	19,776,064.00
b) Shares of Pavna Marketing Pvt. Ltd.	999,990.00	999,990.00
c) Shares of Pavna Sunworld Autotech Pvt. Ltd.	7,150,000.00	7,400,000.00
d) Shares of Pavna Auto Engineering Pvt. Ltd.	68,476,616.00	49,998,416.00
TOTAL	96,402,670.00	78,174,470.00

14. LONG-TERM LOANS & ADVANCES

PARTICULARS	AS AT	AS AT
	March 31, 2021	MARCH 31, 2020
	Amount (Rs.)	Amount (Rs.)
a) Advance for Land	0.00	8,000,000.00
b) Other (Deposits)	37,538,100.00	2,172,100.00
TOTAL	37,538,100.00	10,172,100.00

15. INVENTORIES

PARTICULARS	AS AT	AS AT
	March 31, 2021	MARCH 31, 2020
	Amount (Rs.)	Amount (Rs.)
a) Finished Goods	-	-
b) Raw Materials	86,278,500.00	54,349,500.00
c) Work-in-Progress	189,894,100.00	117,758,050.00
d) Store and Spares	16,376,200.00	9,058,300.00
TOTAL	292,548,800.00	181,165,850.00

additional information

- i) Detailed Inventories of Work in Progress
 RAW MATERIAL OF ZINC ,ALUMUNUM , BRASS ,POWDER AND OTHER CONSUMABLE AT
 DIFFERENT STAGE OF ITS PROCESSING TO FINAL PRODUCT
- ii) Valuation of Stocks
 FIFO METHOD LOWER OF COST OR NET REALIZABLE VALUE



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16. TRADE RECEIVABLES

PARTICULARS	AS AT	AS AT
	March 31, 2021	MARCH 31, 2020
	Amount (Rs.)	Amount (Rs.)
a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Doubtful	415,655.62	1,706,711.65
b) Other Trade receivables		
Unsecured, Considered Good	279,045,280.68	190,587,259.68
TOTAL	279,460,936.30	192,293,971.33

additional information

i) Trade Receivables (Unsecured, considered good) are subject to confirmation & reconciliation.



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17. CASH AND BANK BALANCES

PARTICULARS	AS AT	AS AT
	March 31, 2021	MARCH 31, 2020
	Amount (Rs.)	Amount (Rs.)
Cash and Cash Equivalents		
a) Cash in Hand	590,157.45	784,935.81
b) Balance with Banks in Current Accounts	599,741.50	897,272.03
Other Bank Balances		
a) Bank FDRs	1,587,658.00	1,473,266.00
TOTAL	2,777,556.95	3,155,473.84

additional information

i) Bank accounts have been reconciled attached to financial statement.

18. SHORT TERM LOANS AND ADVANCES

PARTICULARS	AS AT	AS AT
	March 31, 2021	MARCH 31, 2020
		Amount (Rs.)
a) Advance to suppliers	68,101,236.76	19,863,561.51
b) Balances with government authorities	7,187,671.79	15,122,246.56
c) TDS receivable	669,530.00	-
TOTAL	75,958,438.55	34,985,808.07

19. OTHER CURRENT ASSETS

PARTICULARS	AS AT	AS AT
	March 31, 2021	MARCH 31, 2020
		Amount (Rs.)
a) Advance money for Shares	-	3,800.00
b) Prepaid Expense	1,522,356.35	1,586,714.00
c) Advance Income Tax/TDS (Net)	2,831,329.27	6,412,514.00
TOTAL	4,353,685.62	8,003,028.00



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20. REVENUE FROM OPERATIONS

PARTICULARS	AS AT	AS AT
	March 31, 2021	MARCH 31, 2020
	Amount (Rs.)	Amount (Rs.)
a) Sale of manufactured goods (Gross)	1,712,169,703.94	1,362,010,850.60
b) REVENUE FROM OPERATIONS (NET)	1,712,169,703.94	1,362,010,850.60
<i>additional information</i>		
i) Details of sale of products (Net)		
Locks and Switch Parts	1,137,074,223.77	516,367,246.70
M. V. Parts	507,567,091.23	845,643,603.90
Others	67,528,388.94	-
TOTAL	1,712,169,703.94	1,362,010,850.60

ii) AS-9, Revenue Recognition, has been duly followed in recognition of revenue.

21. OTHER INCOME

PARTICULARS	AS AT	AS AT
	March 31, 2021	MARCH 31, 2020
	Amount (Rs.)	Amount (Rs.)
a) Other Non Operating Income		
Miscellaneous Income	12,886.14	89,349.00
Interest on FDR	100,039.00	97,039.00
Export incentive	1,268,539.00	839,260.00
Rent received	60,000.00	60,000.00
Foreign Currency Fluctuation	0.00	24,890.83
TOTAL	1,441,464.14	1,110,538.83

22. COST OF MATERIALS CONSUMED

PARTICULARS	AS AT	AS AT
	March 31, 2021	MARCH 31, 2020
	Amount (Rs.)	Amount (Rs.)
a) Opening Stock	54,349,500.00	15,046,500.00
b) Add : Purchases	1,239,007,048.05	938,060,170.05
	1,293,356,548.05	953,106,670.05
c) Less: Closing Stock	86,278,500.00	54,349,500.00
Cost of Materials Consumed	1,207,078,048.05	898,757,170.05

additional information

i) Material Consumed comprises Zinc, Aluminum, Brass Sheet, CRC Sheet, Iron, Plastic Material etc.



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23. CHANGES IN INVENTORIES OF WORK-IN-PROCESS

PARTICULARS	AS AT	AS AT
	March 31, 2021	MARCH 31, 2020
	Amount (Rs.)	Amount (Rs.)
a) Work in Process		
Inventories at the beginning of the year	117,758,050.00	33,052,000.00
Inventories at the end of the year	189,894,100.00	117,758,050.00
TOTAL	(72,136,050.00)	(84,706,050.00)

additional information

i) Work in Progress includes Semi Finished Goods/Components lying at assembly shop.

24. EMPLOYEE BENEFIT EXPENSES

PARTICULARS	AS AT	AS AT
	March 31, 2021	MARCH 31, 2020
	Amount (Rs.)	Amount (Rs.)
a) Directors Remuneration	12,795,000.00	10,800,000.00
b) Salaries and Wages	118,741,883.07	128,957,172.00
c) Contributions to provident and other funds	9,208,838.00	7,704,303.00
d) Staff Welfare Expenses	17,673,888.28	2,207,376.22
e) Bonus	11,139,238.00	11,030,010.00
f) Gratuity	2,933,512.82	3,085,880.00
TOTAL	172,492,360.17	163,784,741.22

additional information

i) Net of Recoveries

25. FINANCE COSTS

PARTICULARS	AS AT	AS AT
	March 31, 2021	MARCH 31, 2020
	Amount (Rs.)	Amount (Rs.)
a) Interest on:		
Borrowings	21,395,658.00	4,675,038.00
Secured Loans	4,395,728.56	19,089,853.00
Unsecured Loans	16,307,884.00	4,150,385.00
Car Loan/Other	689,752.53	1,063,440.25
b) Other Borrowing Cost	1,721,280.05	3,152,820.44
TOTAL	44,510,303.14	32,131,536.69



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26. OTHER EXPENSES

PARTICULARS	AS AT	AS AT
	March 31, 2021	MARCH 31, 2020
	Amount (Rs.)	Amount (Rs.)
a) Consumption of Stores, Spares, Packing and Tools	29,789,548.75	27,246,213.23
b) Commission paid		582,310.00
c) Communication expense	526,599.29	447,961.24
d) Diecasting/ job work charges	64,877,924.09	40,138,009.21
e) Donation & contribution	1,000,000.00	1,000.00
f) Electricity expense	1,059,985.94	2,796,740.39
g) Export promotion expense	56,109.00	43,256.00
h) Freight & forwarding expense	16,620,059.75	12,915,332.36
i) Insurance	1,559,901.03	1,433,000.04
j) Interest on late payments	38,520.00	9,035.00
k) ISO TS certification expense	241,300.00	152,000.00
l) Legal & Professional	6,633,251.86	9,518,712.36
m) Membership expense	209,088.00	74,107.00
n) Miscellaneous Expenses	2,610.92	42,560.65
o) Non competitive fee	12,500,000.00	12,500,000.00
p) Office expense	1,492,138.14	1,335,257.13
q) Power and fuel expense	57,217,482.00	47,259,364.74
r) Printing & stationery expense	1,240,643.00	1,257,261.65
s) Rate Difference		16,863,370.00
t) R & D expense	100,420.56	282,752.77
u) Rebate & Discount	582,015.00	1,899,779.00
v) IPO Exp	4,320,057.69	-
w) Rent (including lease rentals)	9,498,180.00	6,688,500.00
x) Repairs & maintenance- machinery	7,417,753.42	9,648,719.54
y) Repairs & maintenance- others	8,393,693.59	11,720,933.04
z) Sales Promotion expense	3,094,874.01	2,809,436.24
za) Sales tax/ GST/ROC	52,283.04	16,001.00
zb) Security expense	7,090,030.57	4,939,584.00
zc) Software Expenses	979,040.00	830,239.80
zd) Trade Mark royalty	8,560,848.00	6,810,054.00
ze) Travelling & conveyance expense	1,171,739.53	8,924,182.43
zf) Travelling & conveyance- foreign		28,040.00
zg) Vehicle running & maintenance expense	2,109,722.49	7,519,122.85
zh) Foreign Currency Fluctuation	805,912.65	-
zi) Bad Debts	430,439.37	
zj) FBT Provision w/off	80,313.00	
zk) Warranty claim/ Line rejection expense	2,176,672.20	170,378.48
zl) Payments to Auditors	30,000.00	30,000.00
TOTAL	251,959,156.89	236,933,214.15
<i>additional information</i>		
i) Consumption of Stores, Spares, Packing and Tools		
Opening Stock	9,058,300.00	2,426,250.00
Add: Consumption of stores and spare parts	19,108,371.31	14,358,238.18
Consumption of loose tools	7,267,629.59	7,214,421.60
Consumption of packing materials	8,795,793.20	9,715,683.08
Polishing and Plating Material	1,935,654.65	2,589,920.37
	46,165,748.75	36,304,513.23
Less: Closing Stock	16,376,200.00	9,058,300.00
Net Consumption of Stores, Spares, Packing and Tools	29,789,548.75	27,246,213.23



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27. TAX EXPENSES

PARTICULARS	AS AT	AS AT
	March 31, 2021	MARCH 31, 2020
	Amount (Rs.)	Amount (Rs.)
a) Current Tax	16,543,533.61	17,951,638.00
b) Deferred Tax	8,074,353.00	2,454,059.00
TOTAL	24,617,886.61	20,405,697.00

28. EARNING PER SHARE

PARTICULARS	AS AT	AS AT
	March 31, 2021	MARCH 31, 2020
	Amount (Rs.)	Amount (Rs.)
a) Net Profit after Tax	52,961,664.22	40,566,684.72
b) Weighted Average no. of equity shares outstanding during the year		
for Basic EPS (Nos.)	6,090,400	5,188,000
for Diluted EPS (Nos.)	6,090,400	5,188,000
c) Earning Per Share		
Basic (in Rs.)	8.70	7.82
Diluted (in Rs.)	8.70	7.82
d) Nominal Value Per Share (in Rs.)	10.00	10.00

29. EMPLOYER'S CONTRIBUTION

PARTICULARS	AS AT	AS AT
	March 31, 2021	MARCH 31, 2020
	Amount (Rs.)	Amount (Rs.)
a) Employer's Contribution to P.F.	6,947,616.00	5,183,014.00
a) Employer's Contribution to E.S.I.	2,261,222.00	2,521,289.00

30. IMPORTED AND INDIGENOUS MATERIALS CONSUMED

PARTICULARS	AS AT	AS AT
	March 31, 2021	MARCH 31, 2020
a) Raw Materials		
Imported (in kg.)	22,417.00	
Indigenous (in kg.)	1,895,955.00	1,712,138.03
b) Stores, Spares, Packing and Tools		
Imported (in Rs.)	878,050.00	386,181.96
Indigenous (in Rs.)	28,911,498.75	26,860,031.27



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31. RELATED PARTY DISCLOSURES

S.N.	NAME OF PERSON	RELATION	NATURE OF PAYMENT	AS ENDED	AS ENDED
				March 31, 2021	MARCH 31, 2020
				Amount (Rs.)	Amount (Rs.)
Loan taken during the year					
1	SMT. ASHA JAIN	DIRECTOR	Loan taken	23,109,498.00	26,100,000.00
2	SHRI PAWAN JAIN	DIRECTOR	Loan taken	-	43,650,000.00
3	SMT. PRIYA JAIN	DIRECTOR	Loan taken	11,285,510.00	7,900,000.00
4	SHRI SWAPNIL JAIN	MANAGING DIRECTOR	Loan taken	2,400,000.00	57,100,000.00
5	PJ WEALTH MANAGEMENT & CONSULTANTS P. LTD	SISTER CONCERN	Loan taken	109,523,360.00	53,000,000.00
Loan Repaid during the year					
1	SMT. ASHA JAIN	DIRECTOR	Repayment of Loan taken	48,558,656.00	3,100,805.00
2	SHRI PAWAN JAIN	DIRECTOR	Repayment of Loan taken	40,857,258.00	6,405,157.00
3	SMT. PRIYA JAIN	DIRECTOR	Repayment of Loan taken	11,567,419.00	9,761,986.00
4	SHRI SWAPNIL JAIN	MANAGING DIRECTOR	Repayment of Loan taken	22,945,870.00	39,985,280.00
5	PJ WEALTH MANAGEMENT & CONSULTANTS P. LTD	SISTER CONCERN	Repayment of Loan taken	71,548,444.00	1,000,000.00
Interest on Loans (Net of TDs)					
1	SMT. ASHA JAIN	DIRECTOR	Interest(Net)	1,972,219.00	176,939.00
2	SHRI PAWAN JAIN	DIRECTOR	Interest(Net)	3,346,193.00	266,222.00
3	SMT. PRIYA JAIN	DIRECTOR	Interest(Net)	-	259,685.00
4	SHRI SWAPNIL JAIN	MANAGING DIRECTOR	Interest(Net)	1,496,534.00	1,633,811.00
5	PJ WEALTH MANAGEMENT & CONSULTANTS P. LTD	SISTER CONCERN	Interest(Net)	7,987,937.00	1,398,688.00
Remuneration					
1	SMT. ASHA JAIN	DIRECTOR	Remuneration	682,500.00	3,900,000.00
2	SHRI PAWAN JAIN	DIRECTOR	Remuneration	-	3,000,000.00
3	SHRI SWAPNIL JAIN	MANAGING DIRECTOR	Remuneration	11,482,500.00	3,900,000.00
4	SMT. PRIYA JAIN	DIRECTOR	Remuneration	630,000.00	-
Salary & Other Expense					
1	SMT. PRIYA JAIN	DIRECTOR	Salary	-	3,600,000.00
2	SHRI PAWAN JAIN	DIRECTOR	PROFESSIONAL CHARGES	300,000.00	-
3	SMT. ASHA JAIN	DIRECTOR	Building Rent	420,000.00	420,000.00
4	SHRI PAWAN JAIN	DIRECTOR	Building Rent	432,000.00	420,000.00
5	SHRI PAWAN JAIN	DIRECTOR	Lease Rent	10,000.00	10,000.00
6	SHRI PAWAN JAIN	DIRECTOR	Trade Mark Royalty	4,280,424.00	3,405,027.00
7	SMT. ASHA JAIN	DIRECTOR	Trade Mark Royalty	4,280,424.00	3,405,027.00
Sales & Purchase					
1	SWAPNIL SWITCHES PVT. LTD.	SISTER CONCERN	Purchase	7353178.61	10,091,131.78
2	PAVNA AUTO ENGINEERING PVT. LTD.	SISTER CONCERN	Purchase	5882826.15	6,300,196.64
3	SWAPNIL SWITCHES PVT. LTD.	SISTER CONCERN	Sale	51841728.80	2,255,873.64
4	PAVNA AUTO ENGINEERING PVT. LTD.	SISTER CONCERN	Sale	26633521.00	11,218,479.00
5	PAVNA SUN WORLD AUTOTECH PVT LTD	SISTER CONCERN	Sale	96110.56	36.00
6	PAVNA SUN WORLD AUTOTECH PVT LTD	SISTER CONCERN	Tool Sale	4,241,000	-
7	PAVNA AUTO ENGINEERING PVT. LTD.	SISTER CONCERN	Tool Sale	13,355,000	-
8	PAVNA MARKETING PVT LTD	SISTER CONCERN	Sale	217604477.75	138,220,257.48
9	PAVNA MARKETING PVT LTD	SISTER CONCERN	Purchase	15063749.53	-
Investment of Shares- Sales/ Purchase					
1	PAVNA AUTO ENGINEERING PVT. LTD.	SISTER CONCERN	Advance for shares	-	3,800.00
2	PAVNA SUN WORLD AUTOTECH PVT LTD	SISTER CONCERN	Share Purchase	-	7,400,000.00
3	SWAPNIL SWITCHES PVT. LTD.	SISTER CONCERN	Share Purchase	-	19,776,000.00
4	PAVNA AUTO ENGINEERING PVT. LTD.	SISTER CONCERN	Share Purchase	18,474,400.00	68,474,400.00
5	PAVNA MARKETING PVT LTD	SISTER CONCERN	Share Purchase	-	999,990.00
6	SMT. ASHA JAIN	DIRECTOR	Share Purchase of SSPL	-	64.00
7	SHRI SWAPNIL JAIN	MANAGING DIRECTOR	Share Purchase of PAEPL	-	2,216.00
8	PJ WEALTH MANAGEMENT & CONSULTANTS P. LTD.	SISTER CONCERN	Sale of Shares	-	76,227,500.00
Security Deposits					
	SHRI PAWAN JAIN	DIRECTOR	Security Deposit	30,000,000.00	-
Outstanding Balances					
1	SMT. ASHA JAIN	DIRECTOR	Loan	-	23,476,939.00
2	SHRI PAWAN JAIN	DIRECTOR	Loan	-	37,511,065.00
3	SHRI SWAPNIL JAIN	MANAGING DIRECTOR	Loan	-	19,049,336.00
4	PJ WEALTH MANAGEMENT & CONSULTANTS P. LTD.	SISTER CONCERN	Loan	99,361,541.00	53,398,688.00
5	SWAPNIL SWITCHES PVT. LTD.	SISTER CONCERN	Advance to suppliers	-	759,389.80
6	PAVNA MARKETING PVT LTD	SISTER CONCERN	Debtors	7,703,914.02	6,082,930.00
7	PAVNA SUN WORLD AUTOTECH PVT LTD	SISTER CONCERN	Debtors	-	42.00
8	PAVNA AUTO ENGINEERING PVT. LTD.	SISTER CONCERN	Debtors	6,566,597.60	1,141,469.40
9	PAVNA AUTO ENGINEERING PVT. LTD.	SISTER CONCERN	Advance to supplier	2,007,783.60	2,794,298.40
10	SHRI PAWAN JAIN	DIRECTOR	Creditors	39,780.00	37,800.00
11	SMT. ASHA JAIN	DIRECTOR	Creditors	68,505.00	37,800.00
12	SWAPNIL SWITCHES PVT. LTD.	SISTER CONCERN	Creditors	8,983,564.72	-

AUDITORS' REPORT

As per our audit report of even date attached.

FOR DAS MAHESHWARI & COMPANY

CHARTERED ACCOUNTANTS

(Registration No 007259C)

GHANSHYAM DAS MAHESHWARI

PARTNER (M.No. 076273)

PLACE : ALIGARH

30.06.21



FOR & ON BEHALF OF THE BOARD OF DIRECTORS

Asha Jain
(ASHA JAIN)

DIN: 00035024

DIRECTOR

Swapnil Jain
(SWAPNIL JAIN)

DIN: 01542555

DIRECTOR

Shri Pawan Jain

D. S. S.

PAVNA INDUSTRIES LIMITED, ALIGARH
(FORMERLY KNOWN AS PAVNA ZADI SECURITY SYSTEM LTD)
CIN: U34109UP1994PLC016359

NOTES

1. Accounting Policies for the year ended March 31, 2021

1. Corporate Information

Pavna Industries Limited ('PIL' or 'the Company'), having its registered office at Vimlanchal, GopalPuri, Aligarh, India, was incorporated on April 19, 1994. The Company is engaged in business of manufacturing of Locks, Auto Locks and Auto Parts in India.

2. Significant Accounting Policies

a. Basis of preparation of Financial Statements

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.

b. Use of estimates

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

c. Cash Flow Statement

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

d. Cash and Bank Balances

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



e. Property, Plant & Equipment

Tangible Assets

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

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

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

f. Depreciation and Amortization

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

g. Revenue Recognition

Revenue is recognized on mercantile basis.

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

h. Employee Benefits

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

i. Foreign currency transactions

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



j. Investments

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

k. Inventories

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

l. Taxes on Income

- i. Provision for current tax is made, based on the tax payable under the Income Tax Act, 1961. Minimum Alternative Tax (MAT) credit, which is equal to the excess of MAT (calculated in accordance with provisions of Section 115JB of the Income tax Act, 1961) over normal income-tax is recognised as an asset by crediting the Statement of Profit and Loss only when and to the extent there is convincing evidence that the Company will be able to avail the said credit against normal tax payable during the period of ten succeeding assessment years.
- ii. Deferred tax on timing differences between taxable income and accounting income is accounted for, using the tax rates and the tax laws enacted or substantively enacted as on the balance sheet date. Deferred tax assets on unabsorbed tax losses and unabsorbed tax depreciation are recognised only when there is a virtual certainty of their realisation. Other deferred tax assets are recognised only when there is a reasonable certainty of their realization.

m. Provisions and Contingent Liabilities

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

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

n. Earnings Per Share

Basic Earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the number of shares outstanding during the period.

o. Segment Reporting

The Company's only identifiable reportable segment is manufacturing of Auto Locks and Auto Parts and hence disclosure of Segment wise information is not applicable under Accounting Standard – 17 "Segment Information" (AS-17). There are no geographical segments to be reported.



2. Notes on Financial Statements for the year ended March 31, 2021

- 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 as follows:-

Particulars	Year ended March 31,	
	2021	2020
Mr. Pawan Jain		30,00,000.00
Mrs. Asha Jain	6,82,500.00	39,00,000.00
Mr. Swapnil Jain	1,14,82,500.00	39,00,000.00
Mrs. Priya Jain	6,30,000.00	

- c. Trade receivables, Trade payables, Loans & Advances and Unsecured Loans have been taken at their book value subject to confirmation and reconciliation.
- d. The company has not received any intimation from supplier regarding their status under micro, small and medium enterprises development Act, 2006 and hence disclosure, if any, in relation to amount unpaid as at the year end together with interest payable as required under the said Act have not furnished.
- e. In the opinion of the management the value on realization of current assets, Loans & Advance in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.
- f. Loans and Advances are considered good in respect of which company does not hold any security other than the personal guarantee of persons.
- g. The Management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required.
- h. Payments to Auditors:

Particulars	Year ended March 31,	
	2021	2020
Audit Fees	22,500.00	22,500.00
Tax Audit Fees	7,500.00	7,500.00
G.S.T. (At the time of payment)	---	---
Total	30,000.00	30,000.00

- i. **Related Party disclosure:**

The transactions with related parties are disclosed in Note No. 31.



- j. Deferred Tax Liabilities (Net) of Rs.80,74,353.00 have been created during the current year as per the provisions prescribed in AS-22 issued by The Institute of Chartered Accountants of India. Major components of Deferred tax:-

Particulars	As at 31.03.2021 (Rs.)	As at 31.03.2020(Rs.)
A) Deferred Tax Liability		-
Depreciation	1,22,70,760.00	42,38,796.00
Others		
Total(A)	1,22,70,760.00	42,38,796.00
B) Deferred Tax Assets		
Depreciation		
Others (Provision for Gratuity)	8,16,103.00	8,58,492.00
Total(B)	8,58,492.00	8,58,492.00
Net Deferred Tax liabilities/(assets)	1,14,54,657.00	33,80,304.00

- k. % of imported & indigenous raw material & consumables

	2020-21		2019-20	
	%	Amount	%	Amount
Imported	0.36	44,64,431.74	0.08	7,52,778.41
Indigenous	99.64	123,24,03,165.05	99.92	92,52,50,604.87

- l. Value of Imports

Raw Material & Consumables Rs.44,64,431.74 Rs 7,52,778.41

Finished Goods

NIL

NIL

- m. Foreign Currency Transaction

PARTICULARS	2020-21		2019-20		
	EURO	US \$	EURO	US \$	YEN
Import in Foreign Exchange		70005.47	500.00	985779.00	90930000.00
Expenditure in Foreign Exchange	11,000.00	1240.00	7500.00	3231.00	
Export in Foreign Exchange	220504.56	590035.91	259423.13	435269.58	

- n. Previous year figures have been regrouped and reclassified whenever necessary to confirm to the current year classification.

