



**ARUN VARSHNEY & ASSOCIATES**

**CHARTERED ACCOUNTANTS**

12 - 13, 1st FLOOR, VIKRAM ARCADE,  
RAILWAY ROAD, ALIGARH-202001

Mob: 9412175533, 7017611301, 8909208415

Email: ca.arun@gmail.com

**AUDITED FINANCIAL  
STATEMENTS**

**OF**

**PAVNA AUTO ENGINEERING PVT LTD  
PALA SAHIBABAD ROAD  
ALIGARH, 202001**

**FOR THE**

**FINANCIAL YEAR 2021-22**

**ASSESSMENT YEAR 2022-23**



## ***Independent Auditor's Report***

To the Members of **PAVNA AUTO ENGINEERING PRIVATE LIMITED**

### **Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the financial statements of "PAVNA AUTO ENGINEERING PRIVATE LIMITED" ("the Company"), which comprise the balance sheet as at 31st March 2022, and the statement of Profit and Loss and statement of cash flows for the year ended on 31<sup>st</sup> March 2022, 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, 2022, its profit 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 there under, 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.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Reporting of Key Audit Matters as per SA 701, are not applicable on the company as it is an unlisted company.

#### **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.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of 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 other matters to be included in the Auditor's report in accordance with the requirements of Sec 197(16) of the Act as amended, we report that Section 197 is not applicable to a private company. Hence reporting as per Section 197(16) is not required.
- 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.
  - iv. (a) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and



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

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

Place:-ALIGARH  
Date: 28/05/2022  
UDIN:  
22073299AJUEEI3881



For ARUN VARSHNEY AND ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN: 0005560C

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

CA. ARUN KUMAR  
(PARTNER )  
Membership No. 073299



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

We report that:

- (i) (a) (A) The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;  
(B) The company is maintaining proper records showing full particulars of intangible assets;
  - (b) As explained to us, Property, Plant and Equipment have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification;
  - (c) The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company.
  - (d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
  - (e) As explained to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under.
- (ii) (a) As explained to us, physical verification of inventory has been conducted at reasonable intervals by the management. In our opinion, the coverage and procedure of such verification by the management is appropriate. No discrepancy of 10% or more in the aggregate for each class of inventory were noticed on physical verification of stocks by the management as compared to book records.
  - (b) The company has not been sanctioned during any point of time of the year, working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets.



- (iii) During the year the company has not made investments in, nor provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.
- (iv) In respect of loans, investments, guarantees, and security, provisions of sections 185 and 186 of the Companies Act have been complied with.
- (v) The company has not accepted any deposits or amounts which are deemed to be deposits 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.
- (vii) (a) According to the records made available to us, company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. According to the information and explanation given to us there were no outstanding statutory dues as on 31st of March, 2022 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 statutory dues referred to in sub-clause (a) that have not been deposited on account of any dispute.
- (viii) According to the information and explanations given by the management, no transactions not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) (a) 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 loans or other borrowings or in the payment of interest thereon to any lender.  
(b) According to the information and explanations given by the management, the company is not declared willful defaulter by any bank or financial institution or other lender;  
(c) In our opinion and according to the information and explanations given by the management, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained,  
(d) In our opinion and according to the information and explanations given





by the management, funds raised on short term basis have not been utilised for long term purposes.

- (e) In our opinion and according to the information and explanations given by the management, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures,
- (f) In our opinion and according to the information and explanations given by the management, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) The company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.
- (xi) (a) According to the information and explanations given by the management, no fraud by the company or any fraud on the company has been noticed or reported during the year;
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- (c) According to the information and explanations given to us by the management, no whistle-blower complaints had been received by the company
- (xii) The company is not a Nidhi Company. Therefore, clause xii is not applicable on 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, where applicable and the details have been disclosed in the financial statements, etc., as required by the applicable accounting standards;
- (xiv) (a) According to the information and explanations given by the management, the company has an internal audit system commensurate with the size and nature of its business;
- (b) The reports of the Internal Auditors for the period under audit were considered by us;
- (xv) On the basis of the information and explanations given to us, in our opinion during the year the company has not entered into any non-cash transactions with directors or persons connected with him.



- (xvi) (a) In our Opinion and based on our examination, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).
- (b) In our Opinion and based on our examination, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934,
- (c) In our Opinion and based on our examination, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) According to the information and explanations given by the management, the Group does not have any CIC as part of the Group.
- (xvii) Based on our examination, the company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year.
- (xix) On the information obtained from the management and audit procedures performed and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;
- (xx) Based on our examination, the provision of section 135 are not applicable on the company. Hence this clause is not applicable on the company.
- (xxi) The company is not required to prepare Consolidate financial statement hence this clause is not applicable.

Place:-ALIGARH  
Date: 28/05/2022



For ARUN VARSHNEY AND ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN: 0005560C

A handwritten signature in blue ink, appearing to read "Arjun Kumar", written over a circular stamp.

CA. ARUN KUMAR  
(PARTNER)  
Membership No. 073299



***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 AUTO ENGINEERING PRIVATE LIMITED"** ("the Company") as of **March 31, 2022** 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 authorisations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

In our opinion, 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, 2022, 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: 28/05/2022



For ARUN VARSHNEY AND ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN: 0005560C

CA. ARUN KUMAR  
(PARTNER )  
Membership No. 073299

**PAYNA AUTO ENGINEERING PRIVATE LIMITED, ALIGARH**  
**CIN : U50300UP1994PTC016358**  
**BALANCE SHEET AS ON 31ST MARCH 2022**

PARTICULARS	NOTES No.	AS AT MARCH 31, 2022		AS AT MARCH 31, 2021	
Amount (Rs.)					
A) EQUITY AND LIABILITIES					
1) Shareholders' Funds					
a) Share Capital	3	60,90,000		60,90,000	
b) Reserves & Surplus	4	<u>16,74,32,706</u>	17,35,22,706	<u>14,90,66,794</u>	15,51,56,794
2) Non-Current Liabilities					
a) Long-term Provision	6	39,11,782		29,55,000	
b) Deferred Tax Liabilities (Net)	5	1,01,931		-	
b) Long-term Borrowings	7	<u>99,72,976</u>	1,39,86,689	<u>2,30,37,714</u>	2,59,92,714
3) Current Liabilities					
a) Short-term Borrowings	8	5,34,00,542		4,88,39,104	
b) Trade Payables	9	4,75,92,547		4,50,02,461	
c) Other Current Liabilities	10	17,12,916		18,41,007	
d) Short-Term Provisions	11	<u>1,70,77,291</u>	11,97,83,296	<u>69,78,703</u>	10,26,61,275
		<b>TOTAL</b>	<u><u>30,72,92,691</u></u>	<b>TOTAL</b>	<u><u>28,38,10,783</u></u>
B) ASSETS					
1) Non-Current Assets					
a) Fixed Assets					
(i) Tangible Assets	12	3,46,95,846		3,81,90,186	
b) Deferred Tax Assets (Net)	5			1,52,347	
c) Long-term Loan & Advances	13	<u>6,04,05,250</u>	9,51,01,096	<u>6,04,05,250</u>	9,87,47,783
2) Current Assets					
a) Inventories	14	12,24,36,000		5,50,85,000	
b) Trade Receivables	15	7,10,26,825		10,86,61,593	
c) Cash & Cash Equivalents	16	22,65,686		20,84,794	
c) Short-term Loans & Advances	18	<u>1,64,63,084</u>	21,21,91,595	<u>1,92,31,613</u>	18,50,63,000
		<b>TOTAL</b>	<u><u>30,72,92,691</u></u>	<b>TOTAL</b>	<u><u>28,38,10,783</u></u>

**AUDITORS' REPORT**

As per our audit report of even date attached.

**FOR ARUN VARSHNEY & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**



**(CA. ARUN KUMAR)**  
**PARTNER**  
**M.No. 073299**

**PLACE : ALIGARH**  
**DATED: 28.05.2022**  
**UDIN: 22073299AJUEE13881**



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

  
**(PRIYA JAIN)**  
**DIN: 03355623**  
**DIRECTOR**

  
**(SWAPNIL JAIN)**  
**DIN: 01542555**  
**DIRECTOR**



**PAVNA AUTO ENGINEERING PRIVATE LIMITED, ALIGARH**  
**CIN : U50300UP1994PTC016358**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022**

PARTICULARS	NOTES No.	YEAR ENDED MARCH 31, 2022 Amount (Rs.)	YEAR ENDED MARCH 31, 2021 Amount (Rs.)
A) REVENUE FROM OPERATIONS	19	46,87,33,370	33,20,57,660
B) OTHER INCOME	20	1,06,121	2,37,725
<b>C) TOTAL REVENUE {(A)+(B)}</b>		<b>46,88,39,491</b>	<b>33,22,95,385</b>
D) EXPENSES :-			
1) Cost of Materials Consumed	21	33,33,28,643	21,56,86,698
2) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	22	(2,69,39,400)	(69,66,000)
3) Employee Benefits Expense	23	5,60,01,715	2,98,80,309
4) Finance Costs	24	63,55,191	50,68,212
5) Depreciation & Amortisation Expense	25	51,84,840	27,52,139
6) Other Expenses	26	6,99,66,534	6,54,83,339
<b>TOTAL EXPENSES</b>		<b>44,38,97,523</b>	<b>31,19,04,697</b>
<b>E) PROFIT BEFORE TAX {(C)-(D)}</b>		<b>2,49,41,968</b>	<b>2,03,90,688</b>
F) TAX EXPENSES	27		
1) Current Tax		63,21,778	53,67,697
2) Deferred Tax		2,54,278	4,35,967
<b>G) PROFIT FOR THE YEAR {(E)-(F)}</b>		<b>1,83,65,912</b>	<b>1,45,87,024</b>

**AUDITORS' REPORT**

As per our audit report of even date attached.

**FOR ARUN VARSHNEY & ASSOCIATES  
CHARTERED ACCOUNTANTS**



**(CA. ARUN KUMAR)**  
**PARTNER**  
**M.No. 073299**

**PLACE : ALIGARH**  
**DATED: 28.05.2022**  
**UDIN: 22073299AJUEEI3881**



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

  
**(PRIYA JAIN)**  
**DIN: 03355623**  
**DIRECTOR**
  
**(SWAPNIL JAIN)**  
**DIN: 01542555**  
**DIRECTOR**


**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2022**

PARTICULARS	YEAR ENDED MARCH 31, 2022	YEAR ENDED MARCH 31, 2021
		Amount (Rs.)
Net Profit Before Tax	2,49,41,968	2,03,90,688
Adjustments for :		
Depreciation/Amortisation	51,84,840	27,52,139
Finance cost	63,55,191	50,68,212
Operating Profit Before Working Capital Adjustment	3,64,81,999	2,82,11,039
Adjustment for Changes in Working Capital		
Trade and other payable	25,90,086	1,69,02,430
Long-term provisions	9,56,782	(36,88,000)
Short-term provisions	1,00,98,588	41,95,337
Other Current Liabilities	(1,28,091)	(36,15,869)
Trade and other Recievables	3,76,34,768	(1,34,17,144)
Long Term Loans & Advances	-	(1,00,00,000)
Short Term Loans & Advances	27,68,529	(1,08,58,317)
Non-Current Investment	-	-
Inventories	(6,73,51,000)	(1,75,11,800)
Cash Flow Generated from Operations	2,30,51,661	(97,82,324)
Taxes Paid	63,21,778	57,55,390
Net Cash flow from Operating activities (A)	1,67,29,883	(1,55,37,714)
Cash Flow From Investing Activities		
(Purchase)/Sale of Fixed Assets	(16,90,500)	(3,54,02,049)
Sale of Shares	-	1,84,78,200
Net Cash Flow from Investing Activites ( B)	(16,90,500)	(1,69,23,849)
Cash Flow From Financing Activities		
Proceeds from/ (Repayment of ) Borrowing	(85,03,300)	3,69,16,975
Finance cost	(63,55,191)	(50,68,212)
Net Cash Flow From Financing Activities (C)	(1,48,58,491)	3,18,48,763
Net Increase/ ( Decrease) in Cash and Cash Equivalents ( A + B + C )	1,80,892	(6,12,800)
Cash & Cash equivalent at the beginning of the year	20,84,794	26,97,594
Cash & Cash Equivalent at the end of the year	22,65,686	20,84,794
Cash and cash equivalents comprises of :		
Cash-in-Hand	4,80,665	4,38,839
Balance with Banks	6,07,513	5,27,946
Balance in FD	11,77,508	11,18,009
Total	22,65,686	20,84,794

**AUDITORS' REPORT**

FOR &amp; ON BEHALF OF THE BOARD OF DIRECTORS

As per our audit report of even date attached.

FOR ARUN VARSHNEY & ASSOCIATES  
CHARTERED ACCOUNTANTS

(CA. ARUN KUMAR)  
PARTNER  
M.No. 073299
  
(PRIYA JAIN)  
DIN: 03355623  
DIRECTOR

  
(SWAPNIL JAIN)  
DIN: 01542555  
DIRECTOR
PLACE : ALIGARH  
DATED: 28.05.2022  
UDIN: 22073299AJUEEI3881



# PAVNA AUTO ENGINEERING PRIVATE LIMITED, ALIGARH

## NOTES

### 1. Forming part of the financial statement for the Year ended March 31st, 2022

#### 1. Corporate Information

Pavna Auto engineering Pvt. Ltd. ('the Company'), having its registered office at Pala Sahibabad Road, Aligarh, India, was incorporated on April 19, 1994. The Company is engaged in business of manufacturing of Fuel Cock Assemble, Die Cast components 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 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
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 capitalized 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

There is no foreign currency transaction during the year.





**j. Investments**

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

**k. Inventories**

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

**l. Taxes on Income**

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

**m. Provisions and Contingent Liabilities**

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

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

**n. Earnings Per Share**

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

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



## 2. Notes on Financial Statements

### 1. 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 as follows:-

Particulars	March 2022	
	March 2022	March 2021
Mr. Swapnil Jain	---	8,92,500
Mrs. Priya Jain	1,44,00,000	1,14,82,500

- 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 half yearend 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	March 2022	
	March 2022	March 2021
Audit Fees	30,000	30,000
Tax Audit Fees	11,000	11,000
G.S.T. (At the time of payment)	---	---
Total	41,000	41,000

i. Related Party disclosure:

The transactions with related parties are disclosed in Note No. 32.

- j. Deferred Tax Liabilities have been increased by Rs. 2,54,277.00 during the year as per the provisions prescribed in AS-22 issued by The Institute of Chartered Accountants of India. Major components of Deferred tax:-





Particulars	As at 31.03.2022 (Rs.)	As at 31.03.2021(Rs.)
<b>A) Deferred Tax Liability</b>		
Depreciation	3,21,268.00	1,61,731.00
Others		
<b>Total(A)</b>		
<b>B) Deferred Tax Assets</b>		
Depreciation		
Others	2,19,338.00	3,14,078.00
<b>Total(B)</b>		
<b>Net Deferred Tax liabilities/(assets)</b>	<b>1,01,930.00</b>	<b>1,52,347.00</b>

k. % of imported & indigenous raw material & consumables

	2021-22		2020-21	
	%	Amount	%	Amount
Imported	0.00	0.00	0.00	0.00
Indigenous	100.00	33,52,47,641.45	100.00	21,80,48,402.11

l. Value of Imports

Raw Material

NIL

NIL

Finished Goods

NIL

NIL

m. Expenditure in Foreign Currency

NIL

NIL

n. Earning in Foreign Exchange

NIL

NIL



**PAVNA AUTO ENGINEERING PRIVATE LIMITED, ALIGARH**  
CIN : U50300UP1994PTC016358

**NOTES**

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

**3. SHARE CAPITAL**

PARTICULARS	AS ENDED MARCH 31, 2022		AS ENDED MARCH 31, 2021	
			Number	Amount (Rs.)
<b>Authorised</b>				
Equity Shares of Rs. 100/- each (Previous year Rs. 100/- each)	65,000	65,00,000.00	65,000	65,00,000.00
<b>Issued, subscribed and paid up</b>				
Equity Shares of Rs. 100/- each Fully paid Rs 100/-each	60,900	60,90,000.00	60,900	60,90,000.00
<b>TOTAL</b>	<b>60,900</b>	<b>60,90,000.00</b>	<b>60,900</b>	<b>60,90,000.00</b>

**a) Reconciliation of number of Equity Shares and amount outstanding**

PARTICULARS	AS ENDED MARCH 31, 2022		AS ENDED MARCH 31, 2021	
			Number	Amount (Rs.)
Shares outstanding at the beginning of year	60900	60,90,000	60900	60,90,000
Shares issued by way of Fresh Issue, Bonus ESOP, Conversion, Buy Back, Other.	0	-	0	-
Shares outstanding at the ending of year	<b>60900</b>	<b>60,90,000</b>	<b>60900</b>	<b>60,90,000</b>

**b) Details of Shareholders holding more than 5% shares in the company/shares held by promoters**

PARTICULARS	AS ENDED MARCH 31, 2022		AS ENDED MARCH 31, 2021	
	No. of Share	% of Holding	No. of Share	% of Holding
Shri Swapnil Jain	26,959	44.32	26,989	44.32
Pavna Industries Ltd.	30,901	50.74	30,901	50.74





**PAVNA AUTO ENGINEERING PRIVATE LIMITED, ALIGARH**  
**CIN : U50300UP1994PTC016358**

**NOTES**

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

**4. RESERVES AND SURPLUS**

PARTICULARS	AS ENDED MARCH 31, 2022 Amount (Rs.)	AS ENDED MARCH 31, 2021 Amount (Rs.)
<b>a) General Reserve</b>		
Balance outstanding at the beginning of year	6,25,000	6,00,000
Add : Transferred from Surplus in Statement of Profit and Loss	25,000	25,000
Balance outstanding at the ending of year	<u>6,50,000</u>	<u>6,25,000</u>
<b>b) Securities Premium</b>		
Balance outstanding at the beginning of year	6,53,84,400	-
Add : Share Premium on Fresh Capital Issued	-	6,53,84,400
Balance outstanding at the ending of year	<u>6,53,84,400</u>	<u>6,53,84,400</u>
<b>c) Surplus in Statement of Profit and Loss</b>		
Balance outstanding at the beginning of year	8,30,57,394	6,88,83,062
Add : Net Profit for the year	1,83,65,912	1,45,87,024
	<u>10,14,23,306</u>	<u>8,34,70,087</u>
Less: Transferred to General Reserve	25,000	25,000
Self Assessment Tax	-	3,87,693
Balance outstanding at the ending of year	<u>10,13,98,306</u>	<u>8,30,57,394</u>
<b>TOTAL</b>	<u>16,74,32,706</u>	<u>14,90,66,794</u>

**5. DEFERRED TAX LIABILITIES (NET)**

PARTICULARS	AS ENDED MARCH 31, 2022	AS ENDED MARCH 31, 2021 Amount (Rs.)
<b>a) Deferred Tax Liabilities</b>		
On difference between book balance and tax balance of fixed assets	1,01,931	-
<b>b) Deferred Tax Assets</b>		1,52,347
<b>DEFERRED TAX ASSETS (NET)</b>	<u>(1,01,931)</u>	<u>1,52,347</u>
Amount of Deffered Tax Assets Created		-
Amount of Deffered Tax Assets Reversed	2,54,278	(4,35,967)
Amount Transferred to Statement of P&I. (As Per AS-22)	<u>(2,54,278)</u>	<u>4,35,967</u>



**PAVNA AUTO ENGINEERING PRIVATE LIMITED, ALIGARH**  
CIN : U50300UP1994PTC016358

**NOTES**

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

**6. LONG TERM PROVISIONS**

PARTICULARS	AS ENDED MARCH 31, 2022	AS ENDED MARCH 31, 2021 Amount (Rs.)
a) Provision for employee benefits		
Provision for Gratuity	39,11,782	29,55,000
	<u>39,11,782</u>	<u>29,55,000</u>

**7. LONG TERM BORROWINGS**

PARTICULARS	AS ENDED MARCH 31, 2022	AS ENDED MARCH 31, 2021 Amount (Rs.)
a) Secured Loan		
from Bank		
COVID TERM LOAN	23,55,560	53,00,000
CAR LOAN	76,17,416	1,37,37,714
from Other Financial institution		
COVID TERM LOAN	-	40,00,000
	<u>99,72,976</u>	<u>2,30,37,714</u>

**8. SHORT TERM BORROWINGS**

PARTICULARS	AS ENDED MARCH 31, 2022	AS ENDED MARCH 31, 2021 Amount (Rs.)
a) Loans repayable on demand		
from Bank		
Secured Cash Credit Limit	4,45,11,388	2,25,76,818
from Other Financial institution		
Secured	-	2,00,00,000
b) Current maturities of Long term Borrowings	71,22,490	62,62,286
1 (AXIS Bank, Aligarh- Secured by Hypothecation of Car and personal guarantee of Directors )		
2 From Bank		
COVID TERM LOAN	17,66,664	-
	<u>5,34,00,542</u>	<u>4,88,39,104</u>
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 ENDED MARCH 31, 2022	AS ENDED MARCH 31, 2021 Amount (Rs.)
For Goods & Services	4,75,92,547	4,50,02,461
<b>TOTAL</b>	<u>4,75,92,547</u>	<u>4,50,02,461</u>
additional information		
i) Trade Payables are subject to confirmation & Confirmation.		





**PAVNA AUTO ENGINEERING PRIVATE LIMITED, ALIGARH**  
**CIN : U50300UP1994PTC016358**

**NOTES**

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

**10. OTHER CURRENT LIABILITIES**

PARTICULARS	AS ENDED MARCH 31, 2022	AS ENDED MARCH 31, 2021 Amount (Rs.)
a) Advance from Customers	3,00,000	3,10,269
b) Other Payables		
Statutory Remittances		
Statutory Dues Payable	14,12,916	15,30,738
	<u>17,12,916</u>	<u>18,41,007</u>

**11. SHORT TERM PROVISIONS**

PARTICULARS	AS ENDED MARCH 31, 2022	AS ENDED MARCH 31, 2021 Amount (Rs.)
a) Provision for employee benefits		
Provision for Bonus	48,20,122	12,62,932
Provision for Gratuity	54,25,000	55,10,279
b) Provision for Others		
Provision for Current Tax (Net)	67,98,344	1,81,317
Provision for Audit fees	33,825	24,175
<b>TOTAL</b>	<u>1,70,77,291</u>	<u>69,78,703</u>



**PAYNA AUTO ENGINEERING PRIVATE LIMITED, ALIGARH**

CIN : U50300UP1994PTC016358

**NOTES**

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

**12. TANGIBLE ASSETS**

PARTICULARS	GROSS BLOCK		ACCUMULATED DEPRECIATION/ AMORTISATION				NET BLOCK	
	AS AT MARCH 31, 2021	ADDITIONS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021	FOR THE PERIOD	AS AT MARCH 31, 2022	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
Plant and Equipment								
-Owned	2,91,19,430	2,02,500	2,93,21,930	1,49,97,604	20,48,899	1,70,46,503	1,22,75,427	1,41,21,826
Furniture and Fixtures								
-Owned	16,67,264		16,67,264	15,41,282	35,150	15,76,432	90,832	1,25,982
Vehicles								
-Owned	2,73,01,577	14,88,000	2,87,89,577	37,37,822	30,38,336	67,76,158	2,20,13,419	2,35,63,755
Computer								
-Owned	29,06,681		29,06,681	26,84,360	43,167	27,27,527	1,79,154	2,22,321
Office Equipment								
-Owned	13,33,991		13,33,991	11,77,689	19,288	11,96,977	1,37,014	1,56,302
<b>TOTAL</b>	<b>6,23,28,944</b>	<b>16,90,500</b>	<b>6,40,19,444</b>	<b>2,41,38,758</b>	<b>51,84,840</b>	<b>2,93,23,598</b>	<b>3,46,95,846</b>	<b>3,81,90,186</b>
<b>PREVIOUS YEAR</b>	<b>2,69,26,895</b>	<b>3,54,02,049</b>	<b>6,23,28,944</b>	<b>2,13,86,619</b>	<b>27,52,139</b>	<b>2,41,38,758</b>	<b>3,81,90,186</b>	<b>55,40,276</b>

*additional information*

i) Depreciation has been charged as per the provisions of the Companies Act, 2013.





**PAVNA AUTO ENGINEERING PRIVATE LIMITED, ALIGARH**  
**CIN : U50300UP1994PTC016358**

**NOTES**

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

**13. LONG TERM LOAN & ADVANCES**

PARTICULARS	AS ENDED MARCH 31, 2022	AS ENDED MARCH 31, 2021
		Amount (Rs.)
a) Security Deposit	6,03,89,000	6,03,89,000
b) Telephone security	16,250	16,250
	<b>6,04,05,250</b>	<b>6,04,05,250</b>

**14. INVENTORIES**

PARTICULARS	AS ENDED MARCH 31, 2022	AS ENDED MARCH 31, 2021
		Amount (Rs.)
a) Raw Materials	6,85,64,160	2,91,95,000
b) Work-In-Progress	4,89,74,400	2,20,35,000
c) Store and Spares	48,97,440	38,55,000
<b>TOTAL</b>	<b>12,24,36,000</b>	<b>5,50,85,000</b>

*additional information*

- i) Detailed Inventories of Work in Progress  
 RAW MATERIAL OF ZINC ,ALUMINIUM AND PLASTIC AND OTHER CONSUMABLE AT  
 DIFFERENT STAGE OF ITS PROCESSING TO FINAL PRODUCT
- ii) Valuation of Stocks  
 FIFO METHOD LOWERE OF COST OR NRV

**15. TRADE RECEIVABLES**

PARTICULARS	AS ENDED MARCH 31, 2022	AS ENDED MARCH 31, 2021
		Amount (Rs.)
a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Doubtful	1,34,10,760	6,14,493
b) Other Trade Receivables		
Unsecured, Considered Good	5,76,16,065	10,80,47,100
<b>TOTAL</b>	<b>7,10,26,825</b>	<b>10,86,61,593</b>

*additional information*

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



**PAVNA AUTO ENGINEERING PRIVATE LIMITED, ALIGARH**  
**CIN : U50300UP1994PTC016358**

**NOTES**

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

**16. CASH AND CASH EQUIVALENTS**

PARTICULARS	AS ENDED MARCH 31, 2022	AS ENDED MARCH 31, 2021
		Amount (Rs.)
a) Cash on Hand	4,80,665	4,38,839
b) Balance with Banks in Current Accounts	6,07,513	5,27,946
c) FDR with Banks	11,77,508	11,18,009
	22,65,686	20,84,794
<i>additional information</i>		
i) Bank accounts have been reconciled attached to financial statement.		

**17. SHORT TERM LOANS AND ADVANCES**

PARTICULARS	AS ENDED MARCH 31, 2022	AS ENDED MARCH 31, 2021
		Amount (Rs.)
a) Advance to suppliers	81,11,542	1,52,79,788
b) Balances with government authorities		
Unsecured, considered good		
CENVAT receivable	5,705	5,705
GST/VAT Refundable	1,74,245	20,79,375
Compensation Receivable	-	7,65,000
TDS/ TCS Recievable	4,37,278	35,554
Income Tax Refundable	7,46,030	4,50,780
Advance Tax	65,00,000	-
c) Prepaid Expenses	4,78,159	6,03,411
d) Other Advances	10,125	12,000
	1,64,63,084	1,92,31,613





**PAVNA AUTO ENGINEERING PRIVATE LIMITED, ALIGARH**  
**CIN : U50300UP1994PTC016358**

**NOTES**

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

**18. REVENUE FROM OPERATIONS**

PARTICULARS	AS ENDED MARCH 31, 2022	AS ENDED MARCH 31, 2021
		Amount (Rs.)
a) Sale of manufactured goods	46,87,33,370	33,20,57,660
d) REVENUE FROM OPERATIONS (NET)	<u>46,87,33,370</u>	<u>33,20,57,660</u>
<i>additional information</i>		
i) Details of sale of products (Net)		
M. V. Parts	46,87,33,370	24,43,81,802
Tractor Parts	-	8,76,75,858
Others	-	-
	<u>46,87,33,370</u>	<u>33,20,57,660</u>
ii) AS-9, Revenue Recognition, has been duly followed in recognition of revenue.		

**19. OTHER INCOME**

PARTICULARS	AS ENDED MARCH 31, 2022	AS ENDED MARCH 31, 2021
		Amount (Rs.)
a) Interest Income	1,06,121	76,507
b) Miscellaneous Income	-	1,61,218
<b>TOTAL</b>	<u>1,06,121</u>	<u>2,37,725</u>

**20. COST OF MATERIALS CONSUMED**

PARTICULARS	AS ENDED MARCH 31, 2022	AS ENDED MARCH 31, 2021
		Amount (Rs.)
a) Opening Stock	2,91,95,000	1,97,61,800
b) Add : Purchases (including Freights)	37,26,97,803	22,51,19,898
	40,18,92,803	24,48,81,698
c) Less: Closing Stock	6,85,64,160	2,91,95,000
<b>Cost of Materials Consumed</b>	<u>33,33,28,643</u>	<u>21,56,86,698</u>
<i>additional information</i>		
i) Material Consumed comprises Zinc, Aluminum, Plastic and Rubber Material etc.		



**PAVNA AUTO ENGINEERING PRIVATE LIMITED, ALIGARH**  
**CIN : U50300UP1994PTC016358**

**NOTES**

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

**21. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS**

PARTICULARS	AS ENDED MARCH 31, 2022	AS ENDED MARCH 31, 2021
		Amount (Rs.)
a) Work in Progress		
Inventories at the beginning of the year	2,20,35,000	1,50,69,000
Inventories at the end of the year	4,89,74,400	2,20,35,000
	<u>(2,69,39,400)</u>	<u>(69,66,000)</u>
<i>additional information</i>		
i) Work in Progress includes Semi Finished Goods/Components lying at assembly shop.		

**22. EMPLOYEE BENEFIT EXPENSES**

PARTICULARS	AS ENDED MARCH 31, 2022	AS ENDED MARCH 31, 2021
		Amount (Rs.)
a) Directors Remuneration	1,44,00,000	1,23,75,000
b) Salaries and Wages	3,04,58,751	1,24,69,627
c) Contributions to Provident and Other Funds	28,63,741	12,06,880
d) Staff Welfare Expenses	25,87,604	14,36,905
e) Bonus	48,20,122	12,62,932
f) Gratuity	8,71,497	11,28,965
<b>TOTAL</b>	<u><b>5,60,01,715</b></u>	<u><b>2,98,80,309</b></u>
<i>additional information</i>		
i) Net of Recoveries		

**23. FINANCE COSTS**

PARTICULARS	AS ENDED MARCH 31, 2022	AS ENDED MARCH 31, 2021
		Amount (Rs.)
a) Interest on:		
Borrowings	-	-
Secured Loans	31,84,978	22,93,610
Car Loan	12,81,616	-
Unsecured Loans	2,28,082	1,85,698
Other Loans	11,37,138	21,97,790
b) Other Borrowing Cost	<u>5,23,377</u>	<u>3,91,114</u>
	<u><b>63,55,191</b></u>	<u><b>50,68,212</b></u>

**24. DEPRECIATION AND AMORTISATION EXP.**

PARTICULARS	AS ENDED MARCH 31, 2022	AS ENDED MARCH 31, 2021
		Amount (Rs.)
a) Depreciation	<u>51,84,840</u>	<u>27,52,139</u>
	<u><b>51,84,840</b></u>	<u><b>27,52,139</b></u>





**PAVNA AUTO ENGINEERING PRIVATE LIMITED, ALIGARH**

**CIN : U50300UP1994PTC016358**

**NOTES**

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

**25. OTHER EXPENSES**

PARTICULARS	AS ENDED MARCH 31, 2022	AS ENDED MARCH 31, 2021
		Amount (Rs.)
a) Consumption of Stores, Spares, Packing and Tools	19,18,998	23,61,704
b) Subcontracting /Diecasting Charges	4,84,60,088	4,23,20,334
c) Power and fuel Expenses	4,13,762	14,65,867
d) Rent including lease Rentals	34,57,440	33,00,882
e) Repairs and maintenance - Machinery	1,51,900	3,35,592
f) Repairs and maintenance - Others	83,021	99,157
g) Insurance	7,35,512	2,81,286
h) Telephone/software/Postage & Courier Expenses/ Books & Periodicals	1,63,483	98,608
i) Electricity Expenses	7,007	93,941
j) Travelling and conveyance	2,03,157	5,78,004
k) Printing and stationery	1,95,425	1,29,469
l) Freight and forwarding	44,14,781	39,52,198
m) GST/Sales Tax/ Service Tax Expenses	23,08,030	6,08,720
n) Warranty Claim/Line Rejection Claim	2,48,054	7,80,164
o) Marketing Expenses	6,92,700	5,41,675
p) Trade Mark Royalty	11,71,833	8,30,144
q) Sales Promotion Expenses	4,19,648	5,49,060
r) Miscellaneous Expenses/Interest on late payments	28,677	24,002
s) Office Expenses	55,865	1,82,596
t) Security Expenses	-	1,26,000
u) Vehicale Running & Maintenance Expenses	10,77,450	3,50,827
v) Membership Fees	20,000	-
w) Donations and contributions	-	5,02,000
x) Non Competative Fees	20,00,000	20,00,000
y) Legal and Professional Expenses	16,67,578	38,14,610
z) ISO Expenses	31,125	1,15,500
za) Round Off	-	(1)
zb) Payments to Auditors	41,000	41,000
<b>TOTAL</b>	<b>6,99,66,534</b>	<b>6,54,83,339</b>
<i>additional information</i>		
i) Consumption of Stores, Spares, Packing and Tools		
Opening Stock	38,55,000	27,42,400
Add: Consumption of stores and spare parts	10,75,035	11,03,445
Consumption of loose tools	1,01,108	5,49,079
Consumption of packing materials	17,85,295	18,21,780
	68,16,438	62,16,704
Less: Closing Stock	48,97,440	38,55,000
<b>Net Consumption of Stores, Spares, Packing and Tools</b>	<b>19,18,998</b>	<b>23,61,704</b>
ii) Payments to Auditor		
As Auditor- Statutory Audit	30,000	30,000
For Taxation Matters	11,000	11,000
	<b>41,000</b>	<b>41,000</b>

**26. TAX EXPENSES**

PARTICULARS	AS ENDED MARCH 31, 2022	AS ENDED MARCH 31, 2021
		Amount (Rs.)
a) Current Tax	63,21,778	53,67,697
b) Deferred Tax	2,54,278	4,35,967
<b>TOTAL</b>	<b>65,76,056</b>	<b>58,03,664</b>



**PAVNA AUTO ENGINEERING PRIVATE LIMITED, ALIGARH**  
**CIN : U50300UP1994PTC016358**

**NOTES**

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

**27. EARNING PER SHARE**

PARTICULARS	AS ENDED MARCH 31, 2022	AS ENDED MARCH 31, 2021 Amount (Rs.)
a) Net Profit after Tax	1,83,65,912	1,45,87,024
b) Weighted Average no. of equity shares outstanding during the year		
for Basic EPS (Nos.)	60,900	60,900
for Diluted EPS (Nos.)	60,900	60,900
c) Earning Per Share		
Basic (in Rs.)	301.57	239.52
Diluted (in Rs.)	301.57	239.52
d) Nominal Value Per Share (in Rs.)	100.00	100.00

**28. EMPLOYER'S CONTRIBUTION**

PARTICULARS	AS ENDED MARCH 31, 2022	AS ENDED MARCH 31, 2021 Amount (Rs.)
a) Employer's Contribution to P.F.	17,32,242.00	9,54,458.00
b) Employer's Contribution to E.S.I.	8,60,138.00	2,52,422.00

**29. IMPORTED AND INDIGENOUS MATERIALS CONSUMED**

PARTICULARS	AS ENDED MARCH 31, 2022	AS ENDED MARCH 31, 2021
a) Raw Materials		
Imported (in kg.)	-	-
Indigenous (in kg.)	3,12,298	4,13,793
b) Stores and Spares		
Imported (in Rs.)		
Indigenous(in Rs.)	1918998	23,61,704





**NOTES**

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

**30. RELATED PARTY DISCLOSURES**

NAME OF PERSON	RELATION	NATURE OF PAYMENT	AS ENDED MARCH 31, 2022	AS ENDED MARCH 31, 2021 <u>Amount (Rs.)</u>
Mr. Pawan Jain	Director	Counsltancy	-	5,00,000
Mr. Pawan Jain	Director	Building Rent	5,48,000	8,22,000
Mrs. Asha Jain	Wife of Director	Building Rent	4,84,000	2,10,000
Mrs. Asha Jain	Wife of Director	Machine Rent	84,000	-
Mr. Pawan Jain	Director	Machine Rent	-	84,000
Mr. Swapnil Jain	Director	Remuneration	-	8,92,500
Mrs. Priya Jain	Managing Director	Remuneration	1,44,00,000	1,14,82,500
Mrs. Asha Jain	Wife of Director	Trade Mark Royalty	11,71,833	-
Mr. Pawan Jain	Director	Trade Mark Royalty	-	8,30,144
M/s Die Cast Solution	Partnership Firm (Director is Partner)	Die Casting Charges	-	7,30,291
Pavna Industries Ltd	Sister Concern	Share Capital	-	8,34,300
Pavna Industries Ltd	Sister Concern	Share Premium	-	1,76,40,100
Mr. Swapnil Jain	Director	Security Deposit	-	25,00,000
Mrs. Asha Jain	Wife of Director	Security Deposit	-	25,00,000
Mr. Pawan Jain	Director	Security Deposit	-	50,00,000
Mr. Pawan Jain	Managing Director	Loan taken	40,00,000	NIL
Mr. Pawan Jain	Managing Director	Repayment of Loan taken	40,00,000	NIL
Mr. Pawan Jain	Managing Director	Interest (Net)	1,22,425	NIL
Mr. Swapnil Jain	Director	Loan taken	-	24,00,000
Mr. Swapnil Jain	Director	Repayment of Loan taken	-	24,13,989
Mr. Swapnil Jain	Director	Interest (Net)	-	13,989
Mrs. Priya Jain	Director	Loan taken	2,10,00,000	1,28,00,000
Mrs. Priya Jain	Director	Repayment of Loan taken	2,10,00,000	1,28,18,348
Mrs. Priya Jain	Director	Interest (Net)	82,849	18,348
PJ WEALTH MANAGEMENT & CONSULTANTS P. LTD.	SISTER CONCERN	Loan taken	-	70,00,000
PJ WEALTH MANAGEMENT & CONSULTANTS P. LTD.	SISTER CONCERN	Repayment of Loan taken	-	70,01,918
PJ WEALTH MANAGEMENT & CONSULTANTS P. LTD.	SISTER CONCERN	Interest	-	1,918
Swapnil Switches Pvt Ltd	Sister Concern	Sale	15,403	84,079
Swapnil Switches Pvt Ltd	Sister Concern	Purchase	160	NIL
Pavna Industries Ltd	Sister Concern	Sale	1,01,61,147	58,82,826
Pavna Industries Ltd	Sister Concern	Purchase	8,30,25,136	2,66,33,521
Pavna Industries Ltd	Sister Concern	Tool Purchase	-	1,33,55,000
Pavna Marketing Ltd	Sister Concern	Sale	1,32,89,563	4,86,95,292
Pavna Marketing Ltd	Sister Concern	Purchase	8,47,369	15,43,459
Pavna Goyam Auto Pvt Ltd	Sister Concern	Rent	12,36,600	-
<b>Outstanding Balances</b>				
Swapnil Switches Pvt Ltd	Sister Concern	Debtors	-	33,367
Pavna Marketing Pvt Ltd	Sister Concern	Debtors	8,88,967	2,82,13,605
Pavna Industries Limited	Sister Concern	Debtors	3,07,815	20,07,784
Pavna Industries Limited	Sister Concern	Creditors	30,43,401	65,66,598
Pavna Goyam Auto Pvt Ltd	Sister Concern	Creditors	79,704	-
Mrs. Asha Jain	Wife of Director	Creditors	92,880	-

**AUDITORS' REPORT**

As per our audit report of even date attached.

**FOR ARUN VARSHNEY & ASSOCIATES  
CHARTERED ACCOUNTANTS**



(CA. ARUN KUMAR)  
PARTNER  
M.No. 073299

PLACE : ALIGARH  
DATED: 28.05.2022  
UDIN: 22073299AJUEE13881



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

  
(PRIYA JAIN)  
DIN: 03355623  
DIRECTOR

  
(SWAPNIL JAIN)  
DIN: 01542555  
DIRECTOR

NOTES ON STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2022**NOTES**

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

31. The accounting ratios required under Schedule III of the Companies Act, 2013 given as follows:

S.NO	Ratio	Numerator/ Denominator	For the year ended 31 March 2022	For the year ended 31 March 2021	% Variance	Reason for variance (Mandatorily required if variance exceeds 25%)
1	Current ratio	Total current assets/ Total current liabilities	1.77	1.80	-1.73%	
2	Debt-equity ratio	Total Debt/ Shareholder's equity	0.37	0.46	-21.16%	
3	Debt service coverage ratio	Net profit after tax (excluding Other Comprehensive Income) + Depreciation & amortizations + Interest on loans + Loss on sale of PPE / Total amount of interest, lease payments & principle repayments of loan payable or paid during the period	5.02	4.74	5.91%	
4	Return on equity ratio	Net profit after tax*100/ Shareholder's equity	10.58	9.40	12.58%	
5	Inventory turnover ratio	Cost of goods sold/ (Opening inventory+closing inventory)/2	3.76	4.66	-19.34%	
6	Trade receivables turnover ratio	Total Net Revenue/ Average Account Receivables (Opening+Closing)/2	5.22	3.26	60.19%	Due to poor collection owing to Covid-19 impact
7	Trade payables turnover ratio	Total Purchases/ Average Account Payables (Opening+Closing)/2	8.05	6.16	30.70%	Due to poor collection, the payment cycle also disurbed
8	Net Capital turnover ratio	Total Net Revenue from operations/ Working capital (Current Assets-Current liabilities)	5.07	4.03	25.87%	Due to better efforts of management, revenue increased.
9	Net Profit ratio	Net Profit after tax*100/ Net Revenue from operations	3.92	4.39	-10.81%	
10	Return on capital employed	Earning Before interest and Tax/ Capital Employed (Tangible Net worth+ Total Debt+ Deferred tax liability)	0.13	0.11	17.76%	
11	Return on Investment	Net Operating Income(EBIT)/ Net Profit/ Average Operating Assets (Current Assets)/Total cost of Investment	0.33	0.26	27.65%	Due to better efforts of management, net operating income increased.





### 32. Other Information

- (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 had adopted new scheme from previous year.
- (ii) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (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 230 to 237 of the Act.
- (xi) 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.
- (xii) In March 2020, the World Health Organisation declared COVID 19 to be a pandemic. Consequent to this, Government of India declared a national lockdown on 25 March 2020, which has impacted the business activities of the Company. The Company has assessed the impact that may result from this pandemic on its liquidity position, carrying amounts of other assets / liabilities. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has considered internal and external information available till the date of approval these financial statements and has assessed its situation.
- In that context and based on the current estimates, the Company believes that COVID 19 is not likely to have any material impact on its financial statements, liquidity or ability to service its debt or other obligations. However, the overall economic environment, being uncertain due to COVID 19, may affect the underlying assumptions and estimates in future, which may differ from those considered as at the date of approval of these financial statements. The Company would closely monitor such developments in future economic conditions and consider their impact on the financial statements of the relevant periods.
33. Previous year figures have been re-grouped/re-classified wherever considered necessary, so as to confirm with those of current year.

### AUDITORS' REPORT

As per our audit report of even date attached.

FOR ARUN VARSHNEY & ASSOCIATES  
CHARTERED ACCOUNTANTS  
(FRN: 005560C)

(CA. ARUN KUMAR)  
PARTNER  
M.NO. 073299



FOR & ON BEHALF OF THE BOARD OF DIRECTORS

  
(PRIYA JAIN)  
DIN: 03355623  
DIRECTOR

  
(SWAPNIL JAIN)  
DIN: 01542555  
DIRECTOR