

May 30, 2023

To,
The Manager- Listing
The Listing Department,
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block,
Bandra-Kurla Complex,
Bandra (East), Mumbai-400051.

NSE Symbol: PAVNAIND
ISIN- INE07S101020

Subject: Outcome of Board Meeting Pursuant to Regulation 30 and Regulation 33 read with Para A of Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 held on Tuesday, 30 May 2023 at Registered address of the Company.

Dear Sir,

With reference to Regulation 30 and Regulation 33 read with Para A of Schedule III of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, we hereby inform you that the Board of Directors of the Company at its Meeting held today, approved the following matters:

- Audited Financial Results (Standalone and Consolidated) of the Company for the half year and year ended 31st March, 2023.
- Auditor's Report on the Audited Financial Results (Standalone and Consolidated) for the year ended 31st March, 2023.

Pursuant to Regulation 33(3) (d) of SEBI (LODR) Regulations 2015, we hereby declare that the Statutory Auditors of the Company have issued Auditor Report with unmodified opinion on Standalone & Consolidated Audited Financial Results for the half year and year ended on 31st March, 2023 and the same was approved at the Board Meeting held today i.e. 30th May, 2023.

The Board Meeting commenced at 5:00 PM concluded at 11:20 PM.

This information is for your information & record.

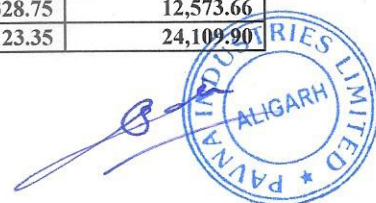
Yours faithfully

For Pavna Industries Limited


charu singh

Charu Singh
Company Secretary & Compliance Officer
M.No. A 48257

Pavna Industries Limited				
Statement of Assets and Liabilities as at March 31, 2023				
(All amounts are in lacs(₹))				
Particulars	Standalone		Consolidated	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
	Audited	Audited	Audited	Audited
ASSETS				
Non-current assets				
Property, plant and equipment	5,626.40	4,547.73	8,594.16	7,423.70
Intangible Work in Progress	81.40	-	103.90	25.00
Right of Use assets	38.71	56.42	185.44	231.38
Financial assets				
Investments	1,219.03	1,219.03	936.39	857.36
Others	254.81	245.92	-	-
Other Non Current assets	58.76	68.53	215.60	252.93
	7,279.11	6,137.62	10,035.49	8,790.37
Current assets				
Inventories	6,682.00	5,725.41	10,635.41	9,180.91
Financial assets				
Trade Receivable	4,375.22	4,081.98	5,344.74	5,012.29
Cash and cash equivalents	16.94	12.16	43.09	44.55
Other Bank Balances	4.50	16.49	4.61	28.37
Loans	250.00	150.00	250.00	-
Others	16.00	17.50	16.50	17.50
Income tax assets (net)	16.83	38.87	67.59	76.55
Other current assets	1,053.73	628.68	1,725.92	959.37
Total current assets	12,415.23	10,671.09	18,087.86	15,319.54
Total assets	19,694.34	16,808.71	28,123.35	24,109.90
EQUITY AND LIABILITIES				
Equity				
Equity share capital	1,218.08	609.04	1,218.08	609.04
Other equity	4,515.05	4,499.75	4,948.44	4,817.69
			1,244.52	1,208.80
Total equity	5,733.13	5,108.79	7,411.04	6,635.53
Non current liabilities				
Financial liabilities				
Long term Borrowing	2,272.33	1,678.88	4,910.51	4,456.57
Lease liabilities	38.86	43.45	175.62	204.12
Other Non current financial liabilities	-	-	15.00	25.00
Provisions	154.99	133.85	231.31	219.97
Deferred tax liabilities (net)	35.91	13.99	51.13	(4.96)
	2,502.09	1,870.17	5,383.57	4,900.71
Current liabilities				
Financial liabilities				
Borrowings	6,553.18	5,772.80	9,057.15	7,575.04
Lease Liabilities	4.96	16.87	28.87	38.64
Trade payables				
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-
Total outstanding dues of creditors other than micro and small enterprises	4,357.15	3,653.40	5,381.74	4,117.98
Other financial liabilities	347.43	252.56	472.57	396.30
Other current liabilities	126.28	69.57	230.85	300.08
Income Tax liabilities	-	-	4.52	4.26
Short term provisions	70.13	64.55	153.05	141.37
Total current liabilities	11,459.13	9,829.76	15,328.75	12,573.66
Total equity and liabilities	19,694.34	16,808.71	28,123.35	24,109.90



Pavna Industries Limited

Statement of Audited Standalone Financial Results for the Half Year and year ended March 31, 2023 and Audited Consolidated Financial Results for the Half Year and year ended March 31, 2023
(All amounts are in lakhs ₹)

Particulars	Standalone				Consolidated			
	Half Year Ended		Year Ended		Half Year Ended		Year Ended	
	As at 31 March 2023 Audited	As at 30 September, 2022 Unaudited	As at 31 March 2022 Audited	As at 31 March 2023 Audited	As at 31 March 2023 Audited	As at 30 September, 2022 Unaudited	As at 31 March 2022 Audited	As at 31 March 2023 Audited
Revenue:								
Revenue from operations	11,850.57	14,472.52	14,720.70	26,323.09	12,704.27	23,517.92	19,231.30	36,222.20
Other income	33.46	5.89	11.15	39.35	88.91	53.45	30.10	194.88
Total income	11,884.03	14,478.41	14,731.85	26,362.44	12,845.71	23,571.37	19,261.40	36,417.08
Expenses:								
Cost of materials consumed	7,844.19	10,794.70	11,915.21	18,638.89	2,485.32	17,437.62	13,984.22	19,922.94
Purchase of Stock-in-Trade	(257.89)	(563.90)	(1,238.41)	(621.79)	(365.09)	(194.42)	(1,551.53)	3,823.49
Change in inventory of finished goods	1,082.07	1,289.06	1,218.98	2,371.13	(1,822.57)	(194.42)	(1,970.20)	(559.51)
Employee benefits expense	405.18	290.44	311.04	695.62	1,861.30	2,044.38	1,970.20	3,905.68
Finance costs	366.94	350.17	277.73	717.11	654.63	461.06	468.56	1,087.28
Depreciation and Amortisation Expenses	1,640.75	1,918.60	1,698.60	3,559.35	614.54	566.80	479.38	1,181.34
Other expenses	1,081.24	1,427.08	1,183.15	3,559.35	2,761.54	3,083.73	2,962.69	5,845.27
Total expenses	11,081.24	14,279.08	14,183.15	25,360.32	11,807.33	23,399.17	18,313.51	35,206.50
Profit/(Loss) before tax	802.78	199.33	548.70	1,002.12	1,038.38	172.20	947.88	1,210.58
Extraordinary items (net of tax)								
Less: Profit/(Loss) on sale of Fixed Asset		6.94			(68.71)			
Profit / (Loss) before tax		206.27				240.91	947.88	1,210.58
Tax expense:								
Current tax	190.87	66.71	141.96	287.58	209.64	100.67	179.67	310.31
Deferred tax credit	22.42	(6.42)	(12.11)	16.00	40.34	-3.63	-	36.71
Earlier years tax adjustments (net)								
Mat. Credit adjustments								
Total tax expense	213.29	60.29	129.85	273.58	249.98	97.04	146.11	347.02
Profit/(Loss) for the year	589.49	145.98	418.85	728.53	788.40	143.87	801.77	863.56
Other comprehensive income								
Items that will not be reclassified to profit or loss								
Re-measurements of the defined benefit plans	23.53	0	9.25	23.53	45.43			45.43
Income tax relating to above item	(5.92)	-	(2.33)	(5.92)	(11.68)			(11.68)
Other comprehensive income / (loss)	17.61	-	6.92	17.61	33.75	-	-	33.75
Total comprehensive Profit / (loss) for the year	607.10	145.98	418.85	746.14	822.15	143.87	801.77	897.32
Earnings per equity share (₹ 10 per share)								
Basic EPS	5.98	1.2	6.88	5.98	10.43			9.45
								15.03

Notes

- The above Financial Results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at the meeting held on 30th May, 2023
- The Audited Standalone Financial Result have been prepared in accordance with the Accounting Standards as notified under section 133 of the Companies Act, 2013 read with relevant rules made thereunder and other accounting principles generally accepted in India as amended from time to time.
- In accordance with Regulation 33 of SEBI (LODR) Regulation 2015, the above Audited Standalone Financial Results of the Company are posted on Company's website (www.pavna.in) and on the website of NSE Limited (<https://www.nseindia.com>) where the Company's shares are listed.
- The figures for the half year ended 31st March, 2023 are the balancing figures between the audited figures in respect of the full financial year.
- The Company operates in a single segment only i.e. Manufacturing of Auto Mobile Parts for two and three wheelers.
- Figures for the previous period/year have been re-grouped/reworked/re-arranged whenever necessary, to make them comparable.
- Figures of September 30, 2022 are the figures as per IGAAP Financials.



Payna Industries Limited

Statement of Standalone and Consolidated Cash Flow Statement for the Year Ended March 31, 2023

(All amounts are in lacs(₹)).

	Standalone		Consolidated	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
	Audited	Audited	Audited	Audited
A	1,002.12	881.83	1,210.58	1,268.43
Cash flow from operating activities				
Profit/(Loss) before tax				
Adjustments for:				
Depreciation and amortisation expense	717.11	633.90	1,181.34	919.13
Interest income on bank deposits	(0.56)	(0.78)	(2.33)	(1.45)
Interest income on loan	-	-	-	-
Interest expense on lease liability	4.96	6.59	21.35	18.21
Loss/(Profit) on sale of PPE	(6.94)	(58.45)	(71.46)	(58.45)
Provision for impairment on advances/ balance written off	-	-	-	-
Interest expense on borrowings	695.62	654.63	1,044.66	920.78
Operating profit before working capital changes	2,412.31	2,117.73	3,384.14	3,066.65
Movement in working capital				
Inventories	(956.60)	(2,799.92)	(1,454.49)	(4,545.66)
Trade Receivables	(295.61)	(1,287.37)	964.93	(1,166.71)
Loans	(100.00)	(150.00)	(100.00)	-
Other financial assets	4.59	21.82	(52.49)	(11.54)
Other current & Non current assets	(415.28)	98.46	(725.51)	199.74
Other financial liabilities	94.87	41.57	66.27	79.37
Other current & non current liabilities	56.71	(16.67)	(69.23)	149.34
Provision	50.25	48.21	68.45	44.12
Trade payables	703.74	793.60	(33.81)	390.44
Cash used in operating activities post working capital changes	1,555.00	(1,132.56)	2,048.26	(1,794.23)
Income tax paid (net)	(235.54)	(205.86)	(301.09)	(332.63)
Net cash used in operating activities (A)	1,319.46	(1,338.42)	1,747.17	(2,126.86)
B				
Cash flows from investing activities				
Purchase of property, plant and equipment	(1,884.97)	(765.99)	(2,429.82)	(765.99)
Sale of property, plant and equipment	35.16	110.00	119.27	110.00
Investment made in subsidiaries	-	(255.00)	(0.00)	-
Interest received	0.56	0.78	2.33	1.45
Net cash used in investing activities (B)	(1,849.25)	(910.21)	(2,308.23)	(654.54)
C				
Cash flows from financing activities				
Proceeds from issue of share capital	609.04	-	609.04	-
Payment of Lease liability	(21.83)	(23.04)	(59.99)	-
Finance cost paid	(695.62)	(654.63)	(1,044.66)	(920.78)
Repayment of borrowing	(730.85)	-	(264.87)	-
Proceeds from borrowings	1,373.83	2,925.85	1,320.06	6,189.90
Net cash flows from financing activities (C)	534.57	2,248.18	559.58	5,269.11
Net increase in cash and cash equivalents (A+B+C)	4.78	(0.45)	(1.47)	2,487.71
Cash and cash equivalents at the beginning of the year	12.16	12.61	44.55	37.70
Cash and cash equivalents at the end of the year	16.94	12.16	43.08	2,525.41



NOTES:

- 1 The above Financial Results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at the meeting held on 30th May, 2023
- 2 The Audited Standalone Financial Result have been prepared in accordance with the Accounting Standards as notified under section 133 of the Companies Act, 2013 read with relevant rules made thereunder and other accounting principles generally accepted in India as amended from time to time.
- 3 In accordance with Regulation 33 of SEBI (LODR) Regulation 2015, the above Audited Consolidate Financial Results of the Company are posted on Company's website (www.pavna.in) and on the website of NSE Limited (<https://www.nseindia.com>) where the Company's shares are listed.
- 4 The Company operates in a single segment only i.e. Manufactuirng of Auto Mobile Parts for two and three wheelers.

FOR AND ON BEHALF OF PAVNA INDUSTRIES LIMITED



SWAPNIL JAIN
MANAGING DIRECTOR
DIN:01542555



Pavna Industries Limited

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

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

C Reconciliations between Previous GAAP and Ind AS

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

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

Particulars	Notes to first time adoption	31 March 2022	1 April 2021
Total equity (shareholder's funds) as per Previous GAAP		5,201.94	4,561.08
Adjustments:			
Effective Interest rate adjustment on term loan	6	(0.00)	14.40
Security deposit valued at amortised cost	2	(2.52)	(1.16)
Amortization & Interest cost of Right of Use assets	1	(3.90)	(1.54)
Change in Depreciation	3	(271.31)	(192.83)
Change in Deferred Tax due to above adjustments	4	184.59	86.59
Total adjustments		(93.14)	(94.55)
Total equity as per Ind AS		5,108.80	4,466.54

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

Particulars	Notes to first time adoption	31 March 2022
Profit after tax as per Previous GAAP		640.85
Adjustments:		
Effective Interest rate adjustment on term loan	6	(14.40)
Security deposit valued at amortised cost	2	(1.36)
Amortization & Interest cost of Right of Use assets	1	(2.37)
Change in Depreciation	3	(78.48)
Change in Deferred Tax due to above adjustments	4	98.00
Remeasurement of defined benefit obligations reclassified to OCI (net of tax)	5	(6.92)
Total adjustments		(5.52)
Profit for the year		635.33
Other comprehensive income		
Remeasurement of defined benefit obligations reclassified to OCI (net of tax)		6.92
Total comprehensive income for the year		642.25

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

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



Pavna Industries Limited

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

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

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

Particulars	Note	Previous GAAP*	Effect of transition to Ind AS^	Ind AS
Revenue				
Revenue from operations		24,954.28	-	24,954.28
Other income		80.34	8.56	88.91
Total revenue		25,034.62	8.56	25,043.19
Expenses				
Cost of materials consumed		19,373.95	-	19,373.95
Change in Inventory of finished goods		(1,822.57)	-	(1,822.57)
Employee benefits expense		2,306.77	9.00	2,316.02
Finance costs		623.72	30.91	654.63
Depreciation and Amortisation Expenses		536.61	97.29	633.90
Other expenses		3,028.46	(23.04)	3,005.42
Total expenses		24,046.94	114.16	24,161.36
Profit before tax		987.68	(105.60)	881.83
Tax expense				
Current tax		262.80	-	262.80
Deferred tax		84.03	(100.33)	(16.30)
Earlier years tax adjustments (net)		-	-	-
Mat Credit adjustments		-	-	-
Profit for the year		640.85	(5.27)	635.33
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Re-measurements of the defined benefit plans		-	9.25	9.25
Income tax relating to above item	D3	-	(2.33)	(2.33)
Total comprehensive income for the year		640.85	1.65	642.25

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

B Ind AS optional exemptions

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

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

B Ind AS mandatory exceptions

1 Estimates

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

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

2 Classification and measurement of financial assets and liabilities

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

RAJEEV KUMAR & COMPANY

CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Members of PAVNA INDUSTRIES LIMITED

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

We have audited the accompanying Consolidated Ind AS Financial Statements of PAVNA INDUSTRIES LIMITED (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as 'the Group'), its associates and jointly controlled entities, which comprise the consolidated Balance Sheet as at March 31, 2023, and the consolidated statement of Profit and Loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (here in after referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2023, of consolidated profit/loss, consolidated total comprehensive income, consolidated statement of changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Other Information

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

Our opinion on the Consolidated Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS Financial Statements or our knowledge obtained in the Audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material



misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

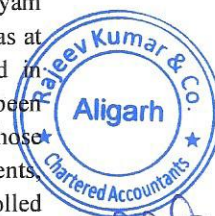
Auditor's Responsibilities for the Audit of the consolidated Ind AS financial statements

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

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

Other matters

We did not audit the financial statements/ financial information of five subsidiaries, namely, a) Pavna Marketing Private Limited (PMPL) b) Pavna Sunworld Autotech Private Limited (PSAPL), c) Swapnil Switches Private Limited (SSPL) d) Pavna Auto Engineers Private Limited (PAEPL) and e) Pavna Goyam Auto Private Limited whose financial statements/ financial information reflect total assets of Rs. 9,384.32 as at 31st March, 2023, total revenues of Rs. 15,508.90 Lacs for year ended on that date, as considered in consolidated Ind AS financial statements whose financial statements/ financial information have not been audited by us. These Financial statements, financial information have been audited by other auditors whose reports have been furnished to us by management and our opinion on consolidated Ind AS financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled



entities and associates, and our report in terms of sub section (3) of section 143 of the Act, in so far as it relates to aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of other auditors.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by paragraph 3(xxii) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included in the CARO 2020 report issued by the respective auditors in respect of the companies included in the Consolidated Ind AS Financial Statements.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and joint ventures, as noted in the 'Other Matter' paragraph we report, to the extent applicable, that:
 - a. We / the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
 - b. In our opinion, proper books of account as required by law have been kept by the Company, in electronic mode on servers physically located in India so far as it appears from our examination of those books and reports of other auditors;
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
 - d. In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the Internal Financial Control with reference to Consolidated Ind AS Financial Statements of the Holding Company and its subsidiary companies, associate companies and jointly controlled companies and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"
 - g. In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, associates and joint ventures incorporated in India, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Holding Company, its subsidiaries, associates and joint ventures incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint ventures, as noted in the 'Other matter' paragraph:
 - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and joint ventures in its consolidated Ind AS



[Handwritten signature]

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

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



For RAJEEV KUMAR & COMPANY
CHARTERED ACCOUNTANTS

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

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

Responsibilities for Audit of Consolidated Ind AS Financial Statement

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

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

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Ind AS Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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

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



For RAJEEV KUMAR & COMPANY
CHARTERED ACCOUNTANTS

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

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

ANNEXURE B

Report on Internal Financial Controls with reference to financial statements

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

A company's internal financial control with reference to consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions



- and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
 3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Ind AS Financial Statements

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

Opinion

In our opinion, the Group, its associates and joint ventures, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated Ind AS financial statements and such internal financial controls with reference to consolidated Ind AS financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the guidance Note issued by the ICAI.

Other Matter

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



For RAJEEV KUMAR & COMPANY
CHARTERED ACCOUNTANTS

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

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

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

RAJEEV KUMAR & COMPANY

CHARTERED ACCOUNTANTS

B-120, CENTRE POINT

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INDEPENDENT AUDITOR'S REPORT

To the Members of Pavna Industries Limited

Report on the Standalone Ind AS Financial Statements

Opinion

Basis for Opinion

We conducted our audit of the Standalone Ind AS Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS 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 Standalone Ind AS Financial Statements under the provisions of the Act, 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 audit opinion on the Standalone Ind AS Financial Statements.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS Financial Statements for the financial year ended 31st March, 2023. These matters were addressed in the context of our audit of the Standalone Ind AS Financial Statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

Other Information

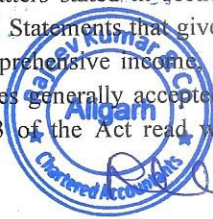
The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's but does not include the Standalone Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian



Accounting Standards) Rules, 2015, as amended. 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 the 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 standalone Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

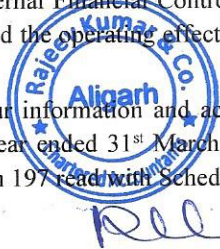
Auditor's Responsibilities for the Audit of Standalone Ind AS Financial Statement

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

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

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 Act, we give in the Annexure B 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, in electronic mode on servers physically located in India so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss including Statement of Other Comprehensive income, the Cash Flow Statement and the Statement of Changes in equity dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) With respect to the adequacy of the Internal Financial Control with reference to these Standalone Ind AS Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C" to this report;
 - g) In our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration paid for the year ended 31st March, 2023 by the Company to its directors is in accordance with the provisions of section 197 read with Schedule V of the Act.



- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements. Note No. 43 of notes to accounts
 - 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 its knowledge and belief, other than as disclosed in Note- 34 of notes to 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 persons or entities, 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 its knowledge and belief, other than as disclosed in Note- 34 of notes to accounts, no funds have been received by the Company from any persons or entities, 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 performed 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 (a) and (b) contain any material misstatement.
 - v) The interim dividend paid by the company during the year is in accordance with section 123 of the Companies Act, 2013.
 - vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

PLACE: ALIGARH
DATE: 30th May, 2023
UDIN: 23070103BGXUPE9810

For RAJEEV KUMAR & COMPANY
CHARTERED ACCOUNTANTS

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



Annexure A

Responsibilities for Audit of Standalone Ind AS Financial Statement

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

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

For RAJEEV KUMAR & COMPANY
CHARTERED ACCOUNTANTS



PLACE: ALIGARH
DATE: May 30, 2023
UDIN: 23070103BGXUPE9810

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



ANNEXURE B

The annexure referred to in paragraph 1 of Our Report on “Other Legal and Regulatory Requirements” of Pavna Industries Limited (the Company)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
- (B) The company has maintained proper records showing full particulars, of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Property, Plant and Equipment have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification;
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year ended 31st March, 2023.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are 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 thereunder.
- (ii) (a) As explained to us & on the basis of the records examined by us, in our opinion, 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 such physical verification.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks and/or financial institutions during the year on the basis of security of current assets of the company. The quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company except as disclosed in note no. 44 of the notes to accounts.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has made investments in, provided 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 during the year.
- a. The Company has provided loans and advances in the nature of loan during the year:

A. (In Lakhs)

Particulars	Loans	Security	Gaurantees	Advances in nature of loans
Aggregate amount granted/ provided during the year – Subsidiaries	100	2,794	2,794	NIL
Balance outstanding as at balance sheet date in respect of above cases- Subsidiaries	250	2,794	2,794	NIL

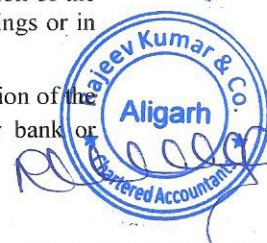


B. The aggregate amount during the year with respect to such loans or advances and guarantees or security to subsidiaries, Joint ventures and Associates is NIL and balance outstanding at the balance sheet date is Rs. NIL

- b. In our opinion, the investments made, guarantees given and terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided, during the year, prima facie, not prejudicial to the Company's interest. However the company is not charging interest on an advance of Rs. 2,50,00,000 given to its subsidiary company. However the loan stands repaid as on date.
- c. There is no stipulation of schedule of repayment of principal and payment of interest and therefore we are unable to comment on regularity of repayment of principal & payment of interest. However, the loan stands repaid as on date.
- d. In respect of loans and advances granted by the Company, since the term of arrangement do not stipulate any repayment schedule, we are unable to comment whether the amount is overdue or not. However, the loan stands repaid as on date.
- e. No loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- f. The Company has granted loans or advances in nature of loan either repayable on demand or without specifying any terms or period of repayment:
- Aggregate amount of loans or advances of above nature given during the year is Rs. 2,50,00,000
 - Percentage thereof to total loans granted is 100%
 - Aggregate amount of loans granted to promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013 is Rs. 2,50,00,000.

However, the loan stands repaid as on date.

- (iv) According to the information and explanations given to us and on the basis of our examination of the records, in respect of loans, investments, guarantees, and security, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with except not charging interest on the loan.
- (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. Accordingly, clause 3(v) of the Order is not applicable.
- (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 information and explanations given to us and on the basis of our examination of the records of the company, the company is generally 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, 2023 for a period of more than six months from the date they became payable except as disclosed in note 43 of notes to accounts.
- (b) According to the information and explanations given to, there is no statutory dues referred to in sub-clause (a) that have not been deposited on account of any dispute except as disclosed in note 43 of notes to accounts.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, 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 to us and on the basis of our examination of the records of the company, the company has not been declared a willful defaulter by any bank or



financial institution or other lender;

- (c) According to the information and explanations given to us 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) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term purposes by the company.
- (e) On an overall examination of the Standalone Ind AS Financial Statements of the company, the Company has not taken any funds from any entity or person on account of or to meet obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised loans during the year on pledge of securities held in its subsidiaries, associates or joint ventures. Hence the requirement to report on clause ix (f) of the order is not applicable to the company.
- (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. Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. However, the company has issued bonus shares during the year. The same is in compliance with section 63 of the Companies Act, 2013.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the company or any fraud on the company has been noticed or reported during the course of audit.
- (b) According to the information and explanations given to us, 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 have been received by the company
- (xii) The company is not a Nidhi Company. Accordingly, clause 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order is not applicable.
- (xiii) In our opinion and 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, as required by the applicable accounting standards;
- (xiv) (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business;
- (b) the reports of internal auditors for the period under audit were considered by us;
- (xv) In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with them.
- (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). Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (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. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (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. Accordingly, clause 3(xvi)(c) of the Order is not applicable.



- (d) According to the information and explanations given by the management, the Group does not have not more than one 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) During the year, M/s Das Maheshwari & Company, Chartered Accountants, who were the statutory auditors resigned as auditors of the company before the expiry of their term. We have considered the reason cited by the outgoing auditors relating to the same being expiry of validity of peer review certificate of the firm.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not 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. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) a. In respect of other ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 42 of the standalone Ind AS financial statements.
- b. There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 42 of the standalone Ind AS financial statements.

For RAJEEV KUMAR & COMPANY
CHARTERED ACCOUNTANTS



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

PLACE: ALIGARH
DATE: May 30, 2023
UDIN: 23070103BGXUPE9810

(RAJEEV KUMAR, F.C.A.)
PROPRIETOR
FRN: 000633C
M.NO.070103

Report on Internal Financial Controls with reference to financial statements

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

We have audited the internal financial controls with reference to Standalone Ind AS Financial Statements of PAVNA INDUSTRIES LIMITED (“the Company”) as of March 31, 2023 in conjunction with our audit of the standalone Ind AS 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 (the “Guidance Note”) 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 with reference to Standalone Ind AS Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, 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 with reference to Standalone Ind AS Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to Standalone Ind AS Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone Ind AS Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, 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 with reference to Standalone Ind AS Financial Statements.



A circular blue stamp of Rajeev Kumar & Co. Chartered Accountants, Aligarh. The stamp contains the text "Rajeev Kumar & Co.", "Aligarh", and "Chartered Accountants". A blue ink signature is written across the stamp.

Meaning of Internal Financial Controls with reference to Standalone Ind AS Financial Statements

A company's internal financial control with reference to Standalone Ind AS Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Standalone Ind AS Financial Statements 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 standalone Ind AS 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 standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to Standalone Ind AS Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone Ind AS Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone Ind AS Financial Statements 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 with reference to Standalone Ind AS Financial Statements and such internal financial controls with reference to Standalone Ind AS Financial Statements were operating effectively as at March 31, 2023, 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 issued by the Institute of Chartered Accountants of India.

For RAJEEV KUMAR & COMPANY
CHARTERED ACCOUNTANTS



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

PLACE: ALIGARH

DATE: May 30, 2023

UDIN: 23070103BGXUPE9810

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