

INDEPENDENT AUDITOR'S REPORT

To the Members of Pavna Industries Limited

Report on the Consolidated Ind AS Financial

Statements Opinion

We have audited the accompanying Consolidated Ind AS Financial Statements of Pavna Industries Limited ("*the Company*") which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including the statement of Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to Consolidated Ind AS 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 Consolidated Ind AS Financial Statements give the information required by the Companies Act, 2013 as amended, ("*the Act*") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the Consolidated state of affairs of the Company as at March 31, 2023, its Consolidated statement of profit and loss including other comprehensive income, its consolidated statement of cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated 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 Consolidated 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 Consolidated 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 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 the financial year ended 31st March, 2024. These matters were addressed in the context of our audit of the Consolidated 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 company's annual 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 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 Consolidated 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 Consolidated 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 is also responsible for overseeing the company's financial reporting process.

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

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.

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 section 143(11) 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. (A) 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 relating to preparation of aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books except for the matters stated in paragraph 2 (B) (f) below on reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 ;
 - c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss (including Other Comprehensive income), the consolidated Cash Flow Statement and the consolidated Statement of Changes in equity dealt with by this Report are in agreement with the relevant book of account maintained for the purpose of preparation of the consolidated financial statements ;
 - d) In our opinion, the aforesaid Consolidated Financial Statements comply with the 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, 2024 taken on record by the Board of Directors of the



Holding company none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;

- f) The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- g) With respect to the adequacy of the Internal Financial Control with reference to Financial Statements of the Holding Company and its Subsidiary Companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure C" to this report;

(B)

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 Consolidated Financial Statements. Refer income tax liabilities disclosed in the consolidated balance sheet along with *Note No. 43 of notes to accounts* to the consolidated financial statements.
- ii) The Group did not have any long- term contracts including derivative contracts for which there were any material foreseeable losses during the year ended 31st March 2024;
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year ended 31st March 2024, There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the subsidiary companies incorporated in India during the year ended 31st March 2024..
- iv) i.. The management of the Holding Company represented that, to the best of its knowledge and belief, other than as disclosed in Note- 45 of notes to accounts of the consolidated financial statements , 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 its Subsidiary companies incorporated in India 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 Holding Company or any of its Subsidiary companies incorporated in India ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- ii. The management of the Holding company represented that, to the best of its knowledge and belief, other than as disclosed in Note- 45 of notes to accounts to the consolidated financial statements , no funds have been received by the Holding Company or any of its Subsidiary companies incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of its



Subsidiary companies incorporated in India shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

iii. Based on such audit procedures 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) of Rule 11 (e) as provided under (i) & (ii) above contain any material misstatement.

v) There is no interim dividend declared & paid by the Holding company during the year and until the date of this Audit Report.

vi) The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1st April 2023.

Based on our examination of holding company which included test checks, and as communicated by the respective auditors of the subsidiaries, except for the instances mentioned below, the Holding Company and its subsidiary companies, except PGAPL; have used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated; in case of the holding company w.e.f. 13 June, 2023 to the end of the year and in case of the subsidiaries, except PGAPL; throughout the year for all relevant transactions recorded in the respective software.

In case of the subsidiary PGAPL we have not received any confirmation from their auditors in respect of the above therefore we are not able to comment on the same. However PGAPL ceased to be subsidiary w.e.f. 11 May, 2023.

Further, for the periods where the audit trail (edit log) facility was enabled and operated for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries incorporated in India, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Holding Company, its subsidiaries incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act.



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 Engineering Private Limited (PAEPL) and e) Pavna Goyam Auto Private Limited (PGAPL) (Ceased to be a subsidiary w.e.f. May 11 2023). These Financial statements and 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 and our report in terms of sub section (3) of section 143 of the Act, in so far as it relates to aforesaid subsidiaries, is based solely on the reports of other auditors. In respect of one of these subsidiaries i.e. Pavna Goyam Auto Private Limited which ceased to be a subsidiary w.e.f. May 11 2023, the accounts are consolidated on the basis of unaudited financial statements of the subsidiary as on May 11, 2023 on which limited review report of the Statutory Auditor has been issued. The financial statements/ financial information of these subsidiaries reflect total assets of Rs. 6,101.43 Lacs as at 31st March, 2024, total revenues of Rs. 9,089.46 Lacs and net cash flows amounting to Rs. (8.94) Lacs for year ended on that date, as considered in consolidated Ind AS financial statements.

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.

For RAJEEV KUMAR & COMPANY
CHARTERED ACCOUNTANTS
FRN: 000633C

PLACE: ALIGARH

DATE: 30 MAY 2024

UDIN:24070103BKCOMM5369

CA RAJEEV KUMAR
PROPRIETOR
M.NO. 070103



Annexure A

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 Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Consolidated 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 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 Company 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.

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
FRN: 000633C



PLACE: ALIGARH
DATE: 30 MAY 2024
UDIN: 24070103BKCOMMS369

CA RAJEEV KUMAR
PROPRIETOR
M.NO. 070103



Annexure B to the Independent Auditors Report on the Consolidated Financial Statements of PAVNA INDUSTRIES LIMITED for the year ended 31 March 2024

(Referred to in Paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In our opinion and according to the information and explanations given to us, the Companies (Auditor's Report) Order, 2020 of the Holding Company did not include any unfavorable answers or qualifications or adverse remarks. In respect of the following entities the CARO report relating to them has not been issued by its auditor till the date of principal auditor's report:

Name of Subsidiaries	CIN
PAVNA AUTO ENGINEERING PRIVATE LIMITED	U50300UP1994PTC016358
PAVNA MARKETING PRIVATE LIMITED	U50400UP2019PTC116110
SWAPNIL SWITCHES PRIVATE LIMITED	U74899DL1991PTC042822
PAVNA SUNWORLD AUTOTECH PRIVATE LIMITED	U74994UP2018PTC100570

For RAJEEV KUMAR & COMPANY
CHARTERED ACCOUNTANTS
FRN: 000633C



PLACE: ALIGARH
DATE: 30 MAY 2024
UDIN: 24070103BKCOMH5369

CA RAJEEV KUMAR
PROPRIETOR
M.NO. 070103



ANNEXURE C

Report on Internal Financial Controls with reference to financial statements

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

We have audited the internal financial controls over financial reporting of PAVNA INDUSTRIES LIMITED (the "company") as of 31 March 2024 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Holding Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls 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 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(hereinafter referred to as "The Act")

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements of the Holding Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal financial controls over financial reporting and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and whether 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 Holding Company's internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls over financial reporting with reference to Consolidated Financial Statements

A Holding company's internal financial control with reference to 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 Holding company's internal financial control with reference to 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 holding 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 holding company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the holding company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 Financial Statements to future periods are subject to the risk that the internal financial control with reference to 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 conjunction with our audit of the consolidated financial statements of PAVNA INDUSTRIES LIMITED (hereinafter referred to as "The Holding Company") as of and for the year ended 31st March 2024, we have audited the internal financial controls with



reference to financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013, which are its subsidiary companies as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies have, in all material respects, adequate internal financial controls system with reference to Financial Statements and such internal financial controls with reference to Financial Statements were operating effectively as at March 31, 2024, based on the internal controls with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to subsidiary companies, is based on the corresponding reports of the auditors of such companies except PGAPL which ceased to be a subsidiary w.e.f. May 11, 2023.

For RAJEEV KUMAR & COMPANY
CHARTERED ACCOUNTANTS
FRN: 000633C



CA RAJEEV KUMAR
PROPRIETOR
M.NO. 070103

PLACE: ALIGARH
DATE: 30 MAY 2024
UDIN: 24070103BKCOMMS369



PAVNA INDUSTRIES LIMITED, ALIGARH
CIN: L34109UP1994PLC016359

NOTES

These Consolidated Financial Information comprise the financial information of Pavna Industries Limited hereinafter referred to as the ("Pavna Industries Limited" or "The Company") and its subsidiaries, (the Company and its subsidiaries together referred to as "the Group"), for the years ended forming part of the Consolidated Financial Statement for the year ended March 31, 2024. Pavna Industries Limited is a Public Limited Company incorporated in India on 19 April 1994 under the Provision of Companies Act 1956. The Company is engaged in the business of manufacturing of Locks, Auto Locks and Auto Parts in India.

1. Corporate Information

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

- (1) Pavna Marketing Private Limited (PMPL)
- (2) Pavna Sunworld Autotech Private Limited (PSAPL)
- (3) Swapnil Switches Private Limited (SSPL)
- (4) Pavna Auto Engineers Private Limited (PAEPL)
- (5) Pavna Goyam Auto Private Ltd. (PGAPL) (Ceased to exist w.e.f 11th May 2023)

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

2. Significant Accounting Policies

a. Basis of Consolidation

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

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

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

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

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

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

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

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

Details of subsidiary company considered in the consolidated accounts:

Particulars	Extent of Ownership / Control as on March 31, 2024
Pavna Marketing Private Limited	100.00%
Pavna Sunworld Autotech Private Limited	74.00%
Pavna Auto Engineering Private Limited	50.74%
Swapnil Switches Private Limited	50.74%
Pavna Goyam Auto Pvt Ltd	51.00% (ceased to exist w.e.f 11 th May 2023)

Basis of preparation of Consolidated Financial Statements

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

Accounting policies adopted in the preparation of consolidated accounts:

The consolidated accounts related to Pavna Industries Limited (Holding Company) and its subsidiaries namely (1) Pavna Marketing Private Limited (PMPL), (2) Pavna Sunworld Autotech Private Limited (PSAPL), (3) Swapnil Switches Private Limited (SSPL) and (4) Pavna Auto Engineers Private Limited (PAEPL) (5) Pavna Goyam Auto Pvt Ltd. (hereinafter collectively referred as "Subsidiary Companies"), have been prepared in accordance with IND AS - 110 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

The Consolidated Financial Information:

- have been prepared based on line-by-line consolidation by adding together the book values of each & every item like Assets, Liabilities, Income and Expenses as per the accounts of the Holding Company and its Subsidiary Company and intra group balances/ intra group transactions have been eliminated.
- have been prepared after incorporating adjustments in respect of changes in accounting policies, material errors and regrouping/reclassifications, as may be applicable, retrospectively in the financial years ended March 31, 2024
- do not require any adjustment for qualification as there are no qualifications in the underlying audit reports.

d) The accounting policies have been consistently applied by the group in preparation of the Consolidated Financial Information and are consistent with those adopted in the preparation of Consolidated Financial Information for the year ended March 31, 2024. These Consolidated Financial Information do not reflect the effects of events that occur subsequent to the respective dates of Auditor's report on the audited consolidated financial statements mentioned above.

The Consolidated Financial Statements have been prepared using uniform policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the holding company's individual accounts.

Historical Cost Convention

The Consolidated Financial Information have been prepared on the Historical cost basis, except for the following items:

- Certain Financial Assets and liabilities measured at Fair Value.
- Defined benefit plans- plan assets measured at fair value.

Estimates and Assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

b. Current versus non-current classification

The Company presents assets and liabilities in the consolidated balance sheet based on current/ non-current classification.

Assets:

An asset is treated as current when it is:

- a) Expected to be realized or intended to be sold or consumed in normal operating cycle.
- b) Held primarily for the purpose of trading
- c) Expected to be realized within twelve months after the reporting period, or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Liabilities:

A liability is current when:

- (a) It is expected to be settled in normal operating cycle
- (b) It is held primarily for the purpose of trading
- (c) It is due to be settled within twelve months after the reporting period, or
- (d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

c. Property, Plant & Equipment

Property, plant and equipment and capital work in progress are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of

materials and direct services, any other costs directly attributable to bringing the assets to its working condition for their intended use and cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss within other income.

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

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

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

d. Intangible Assets

Recognition and measurement

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

Amounts paid towards technical know-how fees for specifically identified projects/products being development expenditure incurred towards product design is carried forward based on assessment of benefits arising from such expenditure. Such expenditure is amortized over the period of expected future sales from the related product, i.e. the estimated period of 60 to 72 months on straight line basis based on past trends, commencing from the month of commencement of commercial production.

Technical knowhow

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

e. Borrowing costs

Borrowing costs consists of interest and amortization of ancillary costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

f. Foreign currencies

Functional and presentational currency

The Company's consolidated financial statements are presented in Indian Rupees (₹) which is also the Company's functional currency. Functional currency is the currency of the primary economic environment in which a Company operates and is normally the currency in which the Company primarily generates and expends cash. All the financial information presented in ' except where otherwise stated.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in statement of profit and loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

The company is not dealing in any kind of derivatives.

g. Revenue Recognition

Revenue to be recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue to be measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Sale of goods

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

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

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

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

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

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

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

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

Use of significant judgements in revenue recognition:

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

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

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

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

Rendering of services

Revenue from services rendered is recognized in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

Job work and development charges are recognized upon full completion of the job work and development services and when all the significant risks and rewards of ownership of the goods have been passed to the buyer, on delivery of the goods and no significant uncertainty exists regarding the collection of the consideration.

Interest income

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument

(for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in the statement of profit and loss

h. Inventories

Inventories are stated at lower of cost and net realisable value. Cost is determined using the first in, first out basis. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The Cost in case of Work-in-Progress and finished goods to be inclusive of allocable manufacturing overheads. The Provision for obsolescence to be made whenever necessary.

i. Leases

Finance lease

Leases of property, plant and equipment are classified as finance leases where the lessor has substantially transferred all the risks and rewards of ownership to the Company.

Operating lease

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Indian Accounting Standard (Ind AS) 116, Leases, was notified as part of the Companies (Indian Accounting Standards) (Amendment) Rules, 2019, issued by the Ministry of Corporate Affairs, Government of India, vide notification dated March 30, 2019. These Rules came into force w.e.f. April 1, 2019. Accordingly, Ind AS 116, comes into effect in respect of annual reporting periods beginning on or after 1st April, 2019.

j. Employee's Benefits

Short Term Employee Benefits: All employee benefits expected to be settled wholly within twelve months of rendering the service are classified as short-term employee benefits. When an employee has rendered service to the Company during an accounting period, the Company recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as an expense unless another Ind AS requires or permits the inclusion of the benefits in the cost of an asset. Benefits such as salaries, wages and short-term compensated absences, bonus and ex-gratia etc. are recognised in statement of profit and loss in the period in which the employee renders the related service.

A liability is recognised for the amount expected to be paid after deducting any amount already paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. If the amount already paid exceeds the undiscounted amount of the benefits, the Company recognises that excess as an asset /prepaid expense to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and will have no legal or constructive obligation to pay further amounts.

Retirement benefits in the form of Provident Fund is a defined contribution scheme and contributions paid/payable towards Provident Fund and Employee state insurance scheme (ESI) are recognised as an

expense in the statement of profit and loss during the period in which the employee renders the related service.

Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation report using the projected unit credit method as at the year end.

The obligations are measured at the present value of the estimated future cash flows. The discount rate is generally based upon the market yields available on Government bonds at the reporting date with a term that matches that of the liabilities.

Re-measurements, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest and if applicable), is reflected immediately in Other Comprehensive Income in the statement of profit and loss. All other expenses related to defined benefit plans are recognised in statement of profit and loss as employee benefit expenses. Re-measurements recognised in Other Comprehensive Income will not be reclassified to statement of profit and loss hence it is treated as part of retained earnings in the statement of changes in equity. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Curtailment gains and losses are accounted for as past service costs.

k. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. The unwinding of discount is recognised in the statement of profit and loss as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

l. Financial instruments

A financial instrument is a contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity.

Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost

- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit and loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

De-recognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

- (i) The contractual rights to receive cash flows from the asset has expired, or
- (ii) The Company has transferred its contractual rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, security deposits received etc.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at amortised cost
- Financial liabilities at fair value through profit and loss (FVTPL)

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

m. Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

Financial assets that are debt instruments, and are initially measured at fair value with subsequent measurement at amortised cost e.g., trade and other receivables, security deposits, loan to employees, etc. The Company to be follows 'simplified approach' for recognition of impairment loss allowance for trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it to be recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At

every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss.

Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU').

An impairment loss is recognized, if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount and is recognised in statement of profit and loss.

Impairment losses recognised in prior periods are assessed at end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

n. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the asset or liability, or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

o. Taxes on Income

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income (OCI) or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for consolidated financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

p. Cash and cash equivalents

Cash and cash equivalent in the consolidated balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash balance on hand, cash balance at banks and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

q. Earnings Per Share

Basic EPS amounts are calculated by dividing the profit for the year attributable to the shareholders of the Company by the weighted average number of equity shares outstanding as at the end of reporting period. Diluted EPS amounts are calculated by dividing the profit attributable to the shareholders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

We have also calculated EPS amount by dividing the profit for the year attributable to the shareholders of the Company by actual outstanding number of equity shares as at the end of reporting period.

r. Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the consolidated financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

s. Segment Reporting

The Group is primarily engaged in the business of manufacture of auto components for two wheeler, four wheelers and commercial vehicle industry, which are governed by the same set of risks and returns but subject to the geographical industry trends and hence the Group's business activities fall within a single primary business segment. Hence disclosure of Segment wise information is not applicable under IND AS – 108. Geographical segment is not material and hence not reported.

3. Notes on Consolidated 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. Trade receivables, Trade payables, Loans & Advances and Unsecured Loans have been taken at their book value subject to confirmation and reconciliation.

The company has not received any intimation from supplier regarding their status under micro, small and medium enterprises development Act, 2006 and hence disclosure, if any, in relation to amount unpaid as at the year-end together with interest payable as required under the said Act have not furnished. We have put the amount of Outstanding of those parties for which we have received the declaration. We have sent a declaration in form of mail to all vendors but only few have responded, which has been considered above. The interest payable on these outstanding amount is immaterial due to which it is not provided.

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

f. Payments to Auditors:

Particulars	Year ended March 31, 2024
Audit Fees	3.20
Total	3.20

g. Related Party disclosure:

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

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

i. Other Information

1. Company has received following GST orders and Notices-Order for Aligarh Unit is Rs. 1489753 and for Aurangabad Unit Rs 9589497. Notice for Input Tax - Reconciliation has been received and we are in process of its disposal and necessary step has been taken. There is dispute regarding accidental claim by worker which amounts to approximately Rs 17 Lakhs.
2. One of the subsidiaries of the company M/s Pavna Goyam Auto Private Limited ceased to be a subsidiary w.e.f 11.05.2023.
3. There are certain charges open at MCA portal. These charges are created against the loan availed and which has been fully repaid. We have got no dues certificate from respective institution and charge satisfaction form filing with MCA is under process.
4. Since payments to MSME creditors has been made by way of Account Payee cheques, within the specified time limits hence no provision has been made.

**FOR & ON BEHALF OF THE BOARD OF DIRECTORS
PAVNA INDUSTRIES LIMITED**

already signed

**ASHA JAIN
DIN: 00035024
DIRECTOR**

**SWAPNIL JAIN
DIN: 01542555
DIRECTOR**

**PALAK JAIN
CHIEF FINANCIAL OFFICER
PAN: BDEPJ7242M**

**CHARU SINGH
COMPANY SECRETARY
PAN: CVBPS6669B**

Pavna Industries Limited
Consolidated Balance Sheet as at 31st March 2024
(All amounts are in lacs(₹), unless otherwise specified)

	Note	As at 31 March 2024	As at 31 March 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3A	7,350.77	8,594.16
Intangible Asset Under Development	3A	34.61	103.90
Right of Use assets	3B	151.66	185.43
Financial assets			
Investments		-	-
Others	4	916.76	936.39
Deferred tax Assets(net)		-	-
Other Non Current assets	5	233.18	215.60
		8,686.98	10,035.49
Current assets			
Inventories	6	9,779.98	10,635.41
Financial assets			
Trade Receivable	7	5,569.67	5,344.74
Cash and cash equivalents	8	30.58	43.09
Other Bank Balances	9	4.56	4.61
Loans	10	-	-
Others	11	(1.00)	16.50
Income tax assets (net)	12	16.47	67.59
Other current assets	13	1,683.23	1,725.93
Total current assets		17,083.49	17,837.87
Total assets		25,770.47	27,873.35
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	1,218.08	1,218.08
Other equity	15	6,081.57	4,948.44
Non Controlling Interest	16A	1,168.28	1,244.52
Total equity		8,467.93	7,411.04
Non current liabilities			
Financial liabilities			
Long term Borrowing	17A	1,443.63	4,660.51
Lease liabilities	3B	153.26	175.61
Other Non current financial liabilities	18	70.32	15.00
Provisions	19	262.61	231.31
Deferred tax liabilities (net)	20	4.24	51.13
		1,934.05	5,133.56
Current liabilities			
Financial liabilities			
Borrowings	17B	10,651.75	9,057.16
Lease Liabilities	3B	22.35	28.88
Trade payables	18A	-	-
Total outstanding dues of micro enterprises and small enterprises		681.83	63.92
Total outstanding dues of creditors other than micro and small enterprises		3,212.10	5,317.82
Other financial liabilities	19A	319.07	472.57
Other current liabilities	20	265.74	230.85
Income Tax liabilities	21	31.53	4.52
Short term provisions	22	184.13	153.05
Total current liabilities		15,368.50	15,328.76
Total equity and liabilities		25,770.48	27,873.36

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

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

Rajeev Kumar

Rajeev Kumar
Proprietor
Membership No.: 070103

Place: Aligarh
Date: 30/05/2024



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

Swapnil Jain

Swapnil Jain
Director
DIN: 01542555

Palak Jain
Palak Jain
Chief Financial officer
PAN : BDEPJ7242M

Asha Jain

Asha Jain
Director
DIN: 00035024

Charu Singh
Charu Singh
Company Secretary
PAN : CVBPS6669B

Pavna Industries Limited

Consolidated Statement of Profit and Loss for the year ended 31st March 2024

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

	Note	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue:			
Revenue from operations	23	31,687.49	36,222.20
Other income	24	299.83	194.88
Total income		31,987.32	36,417.08
Expenses:			
Cost of materials consumed	25	17,160.21	19,922.94
Purchase of Stock-in-Trade	26	4,047.09	3,823.49
Change in Inventory of finished goods	27	(960.24)	(559.51)
Employee benefits expense	28	3,151.13	3,905.68
Finance costs	29	1,107.73	1,087.28
Depreciation and Amortisation Expenses	30	1,070.25	1,181.34
Other expenses	31	4,840.17	5,845.27
Total expenses		30,416.34	35,206.50
Profit/(Loss) before tax		1,570.98	1,210.58
Tax expense:	32		
Current tax		383.69	310.31
Deferred tax credit		(13.12)	36.71
Earlier years tax adjustments (net)		-	-
Mat Credit adjustments		-	-
Total tax expense		370.57	347.02
Profit/(Loss) for the year		1,200.41	863.56
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurements of the defined benefit plans		18.78	45.43
Income tax relating to above item		(4.73)	(11.68)
Other comprehensive income / (loss)		14.05	33.75
Total comprehensive Profit /(loss) for the year		1,214.46	897.32
Profit/ (Loss) for the year attributable to			
- Owners of the company		1,056.06	835.79
- Non- Controlling interest		144.35	27.77
Other comprehensive income / (loss) for the year attributable to			
- Owners of the company		10.26	25.80
- Non- Controlling interest		3.79	7.95
Total comprehensive Profit /(loss) for the year attributable to			
- Owners of the company		1,066.32	861.59
- Non- Controlling interest		148.14	35.72
Earnings per equity share (₹ 10 per share)			
Basic EPS on actual outstanding	33	8.67	6.86
Basic & Diluted EPS weighted average		8.67	8.88

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



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


Rajeev Kumar
Proprietor
Membership No.: 070103

Place: Aligarh
Date: 30/05/2024



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


Swapnil Jain
Director
DIN: 01542555

Palak Jain
Chief Financial officer
PAN : BDEPJ7242M


Asha Jain
Director
DIN: 00035024

Charu Singh
Company Secretary
PAN : CVBPS6669B

Pavna Industries Limited
Consolidated Cash flow statement for the year ended 31st March 2024

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

	For the year ended 31 March 2024	For the year ended 31 March 2023
A Cash flow from operating activities		
Profit/(Loss) before tax	1,570.98	1,210.58
Adjustments for:		
Depreciation and amortisation expense	1,070.25	1,181.34
Interest income on bank deposits	(0.86)	(2.33)
Interest income on loan	-	-
Interest expense on lease liability	18.17	21.35
Loss/(Profit) on sale of PPE	(3.76)	(71.46)
Provision for impairment on advances/ balance written off	-	-
Interest expense on borrowings	1,107.73	1,044.66
Operating profit before working capital changes	3,762.51	3,384.14
Movement in working capital		
Inventories	(530.26)	(1,454.49)
Trade Receivables	(931.43)	(332.61)
Other non current financial assets	(34.95)	(79.04)
Other current financial assets	17.55	26.54
Other current assets	9.59	(762.84)
Other Non current assets	(17.58)	37.33
Other financial current liabilities	(163.01)	76.27
Other financial non current liabilities	55.32	(10.00)
Other current liabilities	82.25	(69.23)
Provision Long Term	31.30	33.34
Provision Short Term	31.08	35.11
Trade payables	(1,415.50)	1,263.76
Cash used in operating activities post working capital changes	896.88	2,148.29
Income tax paid (net)	(347.30)	(301.09)
Net cash used in operating activities (A)	549.58	1,847.20
B Cash flows from investing activities		
Purchase of property, plant and equipment	(2,064.32)	(2,474.08)
Sale of property, plant and equipment	23.28	163.53
Sale of Investment in subsidiaries	255.00	-
Loans	-	-
Investment made in subsidiaries	-	(0.00)
Interest received	0.86	2.33
Net cash used in investing activities (B)	(1,785.18)	(2,308.23)
C Cash flows from financing activities		
Proceeds from issue of share capital	-	-
Payment of Lease liability	(46.68)	(59.99)
Finance cost paid	(1,107.73)	(1,044.66)
Bonus / Dividend Paid	-	(121.81)
Proceeds from borrowings	2,377.49	1,686.04
Net cash flows from financing activities (C)	1,223.08	459.58
Net increase in cash and cash equivalents (A+B+C)	(12.51)	(1.46)
Cash and cash equivalents at the beginning of the year	43.09	44.55
Cash and cash equivalents at the end of the year	30.58	43.09

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

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

Rajeev Kumar
Proprietor
Membership No.: 070103

Place: Aligarh
Date: 30/05/2024



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

Swapnil Jain
Director
DIN: 01542555

Palak Jain
Chief Financial officer
PAN : BDEPJ7242M

Asha Jain
Director
DIN: 00035024

Charu Singh
Company Secretary
PAN : CVBPS6669B

Pavna Industries Limited
Summary of significant accounting policies and other explanatory information for the year ended 2024
(All amounts are in lacs^(), unless otherwise specified)*

3A Property, plant and equipment

Particulars	Land	Building	Plant and Machinery	Office Equipment	Furniture and fixtures	Computer	Vehicle	Total
Gross block								
Balance as at 31 March 2022	366.82	1,466.51	8,718.09	192.47	135.29	219.13	756.98	11,855.30
Additions	-	85.98	2,049.76	56.64	27.92	42.13	86.00	2,348.43
Disposals	-	-	(121.32)	-	-	-	(19.70)	(141.02)
Balance as at 31 March 2023	366.82	1,552.50	10,646.53	249.11	163.21	261.26	823.28	14,062.72
Additions	-	11.59	1,962.55	6.84	8.76	121.88	8.82	2,120.44
Disposals	-	-	(27.96)	-	-	(0.44)	(4.80)	(33.20)
Entity disposed during the year	(70.32)	(352.39)	(2,592.34)	(143.56)	(4.59)	(13.73)	(45.23)	(3,222.16)
Balance as at 31 March 2024	296.50	1,211.70	9,988.78	112.40	167.38	368.97	782.07	12,927.80
Accumulated depreciation								
Balance as at 31 March 2022	-	349.10	3,542.37	71.32	71.80	165.03	231.98	4,431.60
Charge for the year	-	63.13	915.16	26.20	10.22	29.01	89.18	1,132.90
Disposals	-	-	(86.04)	-	-	-	(9.90)	(95.94)
Balance as at 31 March 2023	-	412.24	4,371.48	97.52	82.02	194.04	311.26	5,468.56
Charge for the year	-	37.55	842.01	9.11	9.92	51.08	84.30	1,033.98
Disposals	-	-	(10.21)	-	-	(0.83)	(2.64)	(13.68)
Entity disposed during the year	-	(90.61)	(753.80)	(48.78)	(2.62)	(10.00)	(6.02)	(911.83)
Balance as at 31 March 2024	-	359.18	4,449.48	57.85	89.31	234.30	386.90	5,577.02
Net block as at 31 March 2023	366.82	1,140.26	6,275.05	151.60	81.19	67.23	512.02	8,594.16
Net block as at 31 March 2024	296.50	852.52	5,539.30	54.55	78.06	134.67	395.17	7,350.77

Intangible Asset Under Development

Particulars	Knowhow	Software	Total
Balance as at 31 March 2022	25.00	-	25.00
Additions	-	81.40	81.40
Disposals	-	-	-
Balance as at 31 March 2023	25.00	81.40	106.40
Additions	14.61	-	14.61
Disposals	-	81.40	81.40
Balance as at 31 March 2024	39.61	-	39.61
Net block as at 31 March 2023			103.90
Net block as at 31 March 2024			34.61

Balance as at 1 April 2022	-	-
Charge for the year	2.50	-
Disposals	-	-
Balance as at 31 March 2023	2.50	-
Charge for the year	2.50	-
Disposals	-	-
Balance as at 31 March 2024	5.00	-

Pavna Industries Limited

Summary of significant accounting policies and other explanatory information for the year ended 2024

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

3B Leases

(i) Right of Use Assets

Particulars	Buildings	Total
As at 31 March 2022	283.81	283.81
Additions	-	-
Deletions	-	-
As at 31 March 2023	283.81	283.81
Additions	-	-
Deletions	-	-
As at 31 March 2024	283.81	283.81
Accumulated Depreciation		
As at 31 March 2022	52.44	52.44
Charges during the year	45.95	45.95
Deletions	-	-
As at 31 March 2023	98.38	98.38
Charges during the year	33.77	33.77
Deletions	-	-
As at 31 March 2024	132.15	132.15
Net Carrying Value		
As at 31 March 2023	185.43	185.43
As at 31 March 2024	151.66	151.66

(ii) Lease Liabilities

Particulars	Current	Non Current	Total
As at 31 March 2022	38.63	204.12	242.75
Additions	-	-	-
Accretions of interest	-	21.36	21.36
Payments of lease liabilities	-38.63	-21.36	(59.99)
Deletions	-	-	-
Re-classification from non current to current	28.88	-28.51	0.37
As at 31 March 2023	28.88	175.61	204.49
Additions	-	-	-
Accretions of interest	-	18.17	18.17
Payments of lease liabilities	-26.24	-20.43	-46.68
Deletions	-	-	-
Re-classification from non current to current	19.72	-20.09	-0.37
As at 31 March 2024	22.35	153.26	175.61

Pavna Industries Limited

Summary of significant accounting policies and other explanatory information for the year ended 31st March 2024

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

4 Other non current financial assets

	As at 31 March 2024	As at 31 March 2023
Margin money deposits (including interest accrued) (a)		
Margin money deposits	0.12	0.11
Advance From Supplier	-	-
Security deposits	478.19	
- Unsecured considered good	409.11	936.28
Trade Recievable considered doubtful	29.34	-
	<u>916.76</u>	<u>936.39</u>

(a) Includes Margin Deposit with Government authorities

5 Other non current assets

	As at 31 March 2024	As at 31 March 2023
Prepaid expense	189.29	215.60
Capital advances-Unsecured, considered good	43.89	-
	<u>233.18</u>	<u>215.60</u>

6 Inventories

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

	As at 31 March 2024	As at 31 March 2023
Finished Goods	-	955.83
Goods in Transit	25.74	95.18
Raw Materials	2,660.70	3,080.76
Work in Progress	5,833.73	5,241.64
Store and Spares	411.14	599.70
Trading Material	848.67	662.31
	<u>9,779.98</u>	<u>10,635.41</u>
Impairment provision on Project in progress		
	<u>9,779.98</u>	<u>10,635.41</u>

7 Trade Receivable

	As at 31 March 2024	As at 31 March 2023
Unsecured, considered good	5,569.67	5,344.74
Unsecured, considered doubtful	-	-
	<u>5,569.67</u>	<u>5,344.74</u>

Trade receivable aging schedule as at 31 March 2024

Outstanding for following periods from due date of payment	Undisputed Trade Receivables- considered good	Undisputed Trade Receivables- considered
Not due	-	-
0-6 Months	4,425.89	-
6-12 Months	595.08	-
1-2 Years	399.36	-
2-3 Years	62.20	-
above 3 years	87.15	-
Total	<u>5,569.67</u>	<u>-</u>

Trade receivable aging schedule as at 31 March 2023

Outstanding for following periods from due date of payment	Undisputed Trade	Undisputed
Not due	-	-
0-6 Months	4,681.24	-
6-12 Months	550.01	-
1-2 Years	15.81	-
2-3 Years	4.76	-
above 3 years	92.92	-
Total	<u>5,344.74</u>	<u>-</u>

	As at 31 March 2024	As at 31 March 2023
8 Cash and cash equivalents		
Cash on hand	18.57	23.92
Balances with banks	12.01	19.17
	<u>30.58</u>	<u>43.09</u>

	As at 31 March 2024	As at 31 March 2023
9 Other Bank Balances		
Balance with bank in deposit account having maturity of more than three months but are due for maturity within twelve months from balance sheet date (a)	4.56	4.61
	<u>4.56</u>	<u>4.61</u>

(a) Includes Margin Deposit with Government authorities

	As at 31 March 2024	As at 31 March 2023
11 Other Current assets		
Security deposit to others	(1.00)	16.50
	<u>(1.00)</u>	<u>16.50</u>

	As at 31 March 2024	As at 31 March 2023
12 Income tax assets		
Income Tax paid (net of provision for taxation)	16.47	67.59
	<u>16.47</u>	<u>67.59</u>

	As at 31 March 2024	As at 31 March 2023
13 Other current assets		
Prepaid expenses	214.98	129.75
Advances to contractors and material suppliers	-	-
Unsecured, Consider Good	1,002.63	1,364.62
Unsecured, Considered Doubtful	71.01	-
Other advances	1.36	27.10
Balances with government authorities	353.68	138.45
	<u>13.95</u>	<u>-</u>
	1,657.61	1,659.91
Amount receivable - Others	25.61	66.02
Less : Allowance for Impairment (net)	-	-
	<u>1,683.23</u>	<u>1,725.93</u>

	As at 31 March 2024	Amount	As at 31 March 2023	Amount
14 Equity Share capital				
Authorized shares	Number*		Number*	
Equity shares of ₹ 10 each with voting rights	1,80,00,000	1,800.00	1,50,00,000	1,500.00
	<u>1,80,00,000</u>	<u>1,800.00</u>	<u>1,50,00,000</u>	<u>1,500.00</u>
Issued, subscribed and fully paid up				
Equity share capital of face value of ₹ 10 each	1,21,80,800	1,218.08	1,21,80,800	1,218.08
	<u>1,21,80,800</u>	<u>1,218.08</u>	<u>1,21,80,800</u>	<u>1,218.08</u>

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

	As at 31 March 2024	Amount	As at 31 March 2023	Amount
	Number		Number	
Balance at the beginning of the period	1,21,80,800	1,218.08	60,90,400	609.04
Shares Issued during the period	-	-	-	-
Bonus Issued during the period	-	-	60,90,400	609.04
Balance at the end of the year	<u>1,21,80,800</u>	<u>1,218.08</u>	<u>1,21,80,800</u>	<u>1,218.08</u>

Pavna Industries Limited

Statement of Changes in Equity for the year ended 31st March 2024

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

A. Equity share capital*

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

Particulars	Opening balance as at 31 March 2023	Changes in equity share capital during the year	Balance as at 31 March 2024
Equity share capital	1,218.08	-	1,218.08

B. Other equity**

Particulars	Reserves and Surplus				OCI	Total
	Security Premium	Retained Earnings	Capital Reserve	General Reserve	Remeasurement of defined benefit plans	
Balance as at 31 March 2022	1,398.72	3,381.18	19.46	1.62	16.71	4,817.69
Profit/ (Loss) for the year	-	835.79	-	-	-	835.79
Issue of Bonus Shares	-	(609.04)	-	-	-	(609.04)
Dividend	-	(121.81)	-	-	-	(121.81)
Other comprehensive income for the year (net of tax impact)	-	-	-	-	25.80	25.80
Balance as at 31 March 2023	1,398.72	3,486.12	19.46	1.62	42.51	4,948.44
Profit/ (Loss) for the period	-	1,056.06	-	-	-	1,056.06
Other comprehensive income for the year (net of tax impact)	-	-	-	-	10.26	10.26
Change Due to sale of subsidiary	-	(25.02)	91.84	-	-	66.81
Balance as at 31 March 2024	1,398.72	4,517.16	111.30	1.62	52.77	6,081.57

*Refer note 14 for details

*Refer note 15 for details

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

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

Rajeev Kumar
Proprietor
Membership No.: 070103

Place: Aligarh
Date: 30/05/2024



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

[Signature] *[Signature]*
Swapnil Jain Asha Jain
Director Director

DIN: 01542555 DIN: 00035024

[Signature] *[Signature]*
Palak Jain Charu Singh
Chief Financial officer Company Secretary
PAN : BDEPJ7242M PAN : CVBPS6669B

b. Rights, preferences and restrictions attached to equity shares

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

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

Name of the equity shareholder (Promotor)	As at 31 March 2024		As at 31 March 2023	
	Number	%	Number	%
Smt. Asha Jain	58,21,960	47.80%	58,21,960	47.80%
Shri Swapnil Jain	13,56,160	11.13%	13,56,160	11.13%
P.J. Wealth Management and Consultant Private Limited	9,97,040	8.19%	9,97,040	8.19%
Smt. Palak Jain	5,78,200	4.75%	9,23,200 *	7.58%
Smt. Sadhna Jain	3,58,529	2.94%	6,70,400	5.50%

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

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

e. Shareholding of Promoters

As at 31st March 2024

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

15 Other Equity

	As at 31 March 2024	As at 31 March 2023
General Reserve		
Opening balance	1.62	1.62
Add: Transfer from Profit/(loss)	-	-
Closing balance (A)	1.62	1.62
Capital Reserve		
Opening balance	19.46	19.46
Add : Sale of Subsidiary	91.84	-
Closing balance (B)	111.30	19.46
Securities premium		
Opening balance	1,398.72	1,398.72
Add: Addition during the year	-	-
Closing balance (C)	1,398.72	1,398.72
Profit/ (Deficit) in the statement of profit and loss		
Opening balance	3,528.64	3,397.89
Less: Issue of Bonus Shares	-	(609.04)
Less : Dividend	-	(121.81)
Add: Profit / (Loss) for the year	1,056.06	835.79
Add: Other comprehensive income for the year (net of tax impact)	10.26	25.80
Less: Transfer to general Reserve	(25.02)	-
Closing balance (D)	4,569.93	3,528.64
Total (A+B+C+D)	6,081.57	4,948.44

16A Non Controlling Interest

Non Controlling Interest

Opening Balance

Entity sold during the year

NCI share in current year Profit

Closing Balance

As at 31 March 2024	As at 31 March 2023
1,244.52	1,208.80
- 224.39	-
148.14	35.72
1,168.28	1,244.52

17A Long term borrowingSecured

Indian rupee term loan from Bank

Indian rupee term loan from financial institutions

Indian rupee vehicle loan from Bank

Unsecured

Indian rupee loan from related parties

From Directors & KMPs

From Corporate entities

As at 31 March 2024	As at 31 March 2023
1,431.03	2,295.55
-	202.46
12.60	56.13
-	1,316.37
-	790.00
1,443.63	4,660.51

17B Short term BorrowingsSecured

Cash credit facilities from Bank / financial institutions - Secured

Cash credit facilities from financial institutions - Unsecured

Current maturities of long term borrowings - Secured

As at 31 March 2024	As at 31 March 2023
7,537.34	6,284.64
2,479.00	2,060.00
635.40	712.52
10,651.75	9,057.16
12,095.37	13,717.66

Total**18A Other Non current financial liabilities**

Security deposit from customer

Trade payable Long outstanding

As at 31 March 2024	As at 31 March 2023
12.50	15.00
57.82	-
70.32	15.00

19A Provisions

Provision for employee benefits (a)

Gratuity

As at 31 March 2024	As at 31 March 2023
262.61	231.31
262.61	231.31

(a) Refer Note 36

20 Deferred tax liabilities (net)

Deferred tax assets/liabilities on account of :-

Property, plant and equipment

Unused business losses

Origination and reversal of temporary difference due to employee expenses

Effect of adoption of Ind AS

Others

As at 31 March 2024	As at 31 March 2023
116.60	131.53
-	-
(72.60)	(56.66)
-	(2.08)
(3.96)	(0.91)
40.04	71.88

Deferred tax Assets (net)

Deferred tax assets/liabilities on account of :-

Property, plant and equipment

Unused business losses

Origination and reversal of temporary difference

Effect of adoption of Ind AS

Others

As at 31 March 2024	As at 31 March 2023
-	-
(7.90)	(23.39)
(3.88)	(2.08)
41.41	39.10
2.16	3.35
4.00	3.76
35.80	20.75

18 Trade payables #

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

As at 31 March 2024	As at 31 March 2023
681.83	63.92
3,212.10	5,317.82
3,893.93	5,381.74

Trade payable aging schedule as at 31st March 2024

Outstanding for following periods from due date of payment	Micro and Small Enterprises ("MSME")	Others
Not due		-
Unbilled dues		-
Less than 1 year	681.84	2,984.91
1-2 Years		174.67
2-3 Years		19.28
above 3 years		33.23
Total	681.84	3,212.09

Trade payable aging schedule as at 31st March 2023

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

19 Other Financial liabilities

Interest accrued but not due on borrowings
Payable to employees

As at 31 March 2024	As at 31 March 2023
0.04	73.97
319.03	398.60
-	-
319.07	472.57

20 Other current liabilities

Advance received from customers
Statutory dues payable

As at 31 March 2024	As at 31 March 2023
34.20	105.47
231.54	125.38
265.74	230.85

21 Income tax liabilities

Income Tax Payable (Net of advance tax)

As at 31 March 2024	As at 31 March 2023
31.53	4.52
31.53	4.52

22 Short term provisions

Provision for employee benefits
Gratuity,

As at 31 March 2024	As at 31 March 2023
184.13	153.05
184.13	153.05

(This sapce has been intentionally left blank)

Pavna Industries Limited

Summary of significant accounting policies and other explanatory information for the year ended 31st March 2024

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

Furniture

	For the year ended 31 March 2024	For the year ended 31 March 2023
23 Revenue from operations		
Sale of products	31,687.49	36,170.62
Other operating revenue	-	51.58
	31,687.49	36,222.20

24 Other income

	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest income on:		
Bank deposits	0.86	2.33
Loan Given	-	4.73
Security deposits measured at amortised cost	35.24	32.53
Income tax refunds	-	5.78
Profit on sale of Property, Plant and Equipment	3.76	75.26
Income from export incentive	23.17	9.39
Rent received	0.60	36.60
Foreign Exchange fluctuation gain (Net)	(4.21)	8.66
Gain on investments carried at fair value through profit or loss	(1.74)	-
Excess liability/provision written back	0.02	8.29
Miscellaneous income	242.13	11.31
	299.83	194.88

25 Cost of raw material & components consumed

	For the year ended 31 March 2024	For the year ended 31 March 2023
Inventory at the beginning of the year	4,306.73	3,472.58
Add: Purchase during the year	16,899.86	20,757.08
	21,206.59	24,229.66
Less: Inventory at the end of the year	4,046.38	4,306.73
	17,160.21	19,922.94

26 Purchase of Stock-in-Trade

	For the year ended 31 March 2024	For the year ended 31 March 2023
Purchases of material	3,892.06	3,622.67
Packing expense	153.90	198.73
Freight & Cartage Inward	1.13	2.08
	4,047.09	3,823.49

27 Changes in inventories of finished goods and work-in-progress

Closing Inventories		
Trading Material	1,247.44	765.00
Work in Progress	5,566.54	5,088.74
Opening Inventories		
Trading Material	765.00	865.90
Work in Progress	5,088.74	4,428.34
	(960.24)	(559.51)

28 Employee benefits expense

	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries, wages and bonus	2,738.99	3,278.30
Contribution to provident and other funds	203.69	196.01
Gratuity expense	84.91	68.44
Staff welfare expenses	463.05	362.93
	3,490.64	3,905.68
Less : Personnel Cost capitalized during the year #	(339.51)	-
Net Employee benefits expense	3,151.13	3,905.68

Being portion of Employee Cost of Research & Development division engaged in dies and tools development.

	For the year ended 31 March 2024	For the year ended 31 March 2023
29 Finance costs		
Interest expense	96.88	991.89
Interest expense on Term loan	-	3.33
Interest expense on Security deposit	930.00	26.23
Other borrowing costs	62.67	44.48
Interest on lease obligation	18.17	21.35
	<u>1,107.73</u>	<u>1,087.28</u>
30 Depreciation and Amortisation		
Depreciation and amortization expense	1,036.49	1,135.40
Depreciation on right of use assets	33.77	45.94
	<u>1,070.25</u>	<u>1,181.34</u>
31 Other expenses		
Factory expenses	-	17.94
Consumption of stores and spares#	756.28	578.12
Diecasting/ Job work charges	1,344.44	1,973.83
Material Testing Exp	-	2.07
Packing material	4.87	-
Gas Expenses	-	259.95
Power & Fuel	684.98	943.66
Advertisement and publicity	30.67	55.34
Bank charges	22.49	28.87
Communication & Postage Expense	23.06	22.75
Donation	16.62	29.41
Electricity expenses	27.87	33.97
House keeping expenses	36.66	42.96
Insurance Expenses	96.29	36.30
Legal and professional fees	170.78	130.80
Loss on sale of Property, Plant and equipment	-	3.80
Payments to auditors##	3.20	4.61
Printing and stationery	10.86	22.64
Rates and taxes	54.56	27.23
Rent	87.01	6.68
Building Rent	4.25	58.40
Machine Rent	-	0.14
Repair and maintenance - Machinery	25.86	173.11
Repair and maintenance - office	40.82	117.66
Repair and maintenance - Computer	-	0.40
Vehicle running and maintainance expense	141.01	158.09
Research and development expense###	1.19	5.65
Sales promotion expenses	110.32	48.08
Security charges	9.89	131.65
Software expenses	11.91	7.18
Trade mark royalty	83.65	76.93
Travelling and conveyance-Foreign	1.61	-
Travelling and conveyance-Local	80.13	129.43
Bad debts	70.69	-
ISO TS certification expense	5.33	2.24
Warranty claim/ Line rejection expense	128.04	18.87
Office expense	33.05	39.03
Rebate & Discount	262.57	293.15
Prior Period expense	3.45	-
Freight & forwarding expense	454.56	364.52
Miscellaneous expenses	1.18	(0.16)
	<u>4,840.17</u>	<u>5,845.27</u>

Consumption of Stores, spares, packing and tools

	For the year ended	For the year ended
	31 March 2024	31 March 2023
Opening stock	474.94	530.32
Add:	-	-
Consumption of stores, tools and spares parts	348.26	355.00
Consumption of Packing materials	212.42	194.78
Consumption of polishing and plating material	0.23	75.65
Less: Closing stock	279.56	577.63
Net Consumption of stores ,spares, Packing & tools	756.28	578.12

Payment to auditors**As auditors**

	For the year ended	For the year ended
	31 March 2024	31 March 2023
-Audit fees	3.20	4.61
	3.20	4.61

32 Income tax**Tax expense comprises of:**

	For the year ended	For the year ended
	31 March 2024	31 March 2023
Current tax	383.69	310.31
Deferred tax credit	(14.10)	36.71
Earlier years tax adjustments (net)	-	-
Minimum Alternative Tax	-	-
Income tax expense reported in the statement of profit and loss	369.60	347.02

Deferred tax credit

	For the year ended	For the year ended
	31 March 2024	31 March 2023
Deferred tax credit	(0.98)	(9.08)
Income tax expense reported in the statement of Other comprehensive income	(0.98)	(9.08)

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company and the reported tax expense in profit or loss are as follows:

	25.168%	25.168%
Effective Income Tax Rate		

Accounting profit before income tax

	1,570.98	1,210.58
At India's statutory income tax rate	395.38	304.68

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

	-	-
Item on which deferred tax has not been created	-	-
Tax impact of expenses which will never be allowed	-	-
Effect of tax incentive	-	-
Earlier years tax adjustments (net)	-	-
Impact of change in tax rate	-	-
Others	-	-
Income tax expense	395.38	304.68

33 Earnings per share

	For the year ended	For the year ended
	31 March 2024	31 March 2023
Net Profit/(loss) attributable to equity shareholders	1,056.06	835.79
Nominal value of equity share in ₹	-	-
Total number of equity shares outstanding at the beginning of the year*	1,21,80,800	60,90,400
Total number of equity shares outstanding at the end of the year*	1,21,80,800	1,21,80,800
Weighted average number of equity shares*	1,21,80,800	91,35,600
Basic Earning per Share on actual outstanding at year end	8.67	6.86

* These are in absolute numbers

Pavna Industries Limited

Summary of significant accounting policies and other explanatory information for the year ended 31st March 2024

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

35 Related party transactions

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

a) Subsidiary Company	Swapnil Switches Pvt. Ltd. Pavna Auto Engineering Pvt. Ltd. Pavna Sun World Autotech Pvt Ltd Pavna Marketing Pvt Ltd
b) Entity having substantial interest in the Company	PJ Wealth Management & Consultants P. Ltd.
c) Key Managerial Personnel (KMP)	
Managing Director	Shri Swapnil Jain
Director	Smt. Asha Jain
Director	Smt. Priya Jain
Director	Shri Sanjay Kumar Jain
CEO	Shri. Ravindra J Pise
CFO	Smt. Palak Jain
CFO	Shri Makarand Haribhau Mahajan
CFO	Shri. Ravindra Madan Mohan Agrawal
CS	Ms. Charu Singh
CS	Ms. Kanchan Gupta
KMP	Mr. Ajay Maheshwari
KMP	Mr. Vijay Sharma
KMP	Mr. Ram Karan Malik
KMP	Mr. Arun Khanna
KMP	Mr. Pankaj Agarwal
KMP	Mr. Alok Sharma
KMP	Mr. Rachakonda Murthy
Independent Director	Shri Naozer Firoze Aibara
Independent Director	Shri Dhruv Jain
Independent Director	Shri Achyutanand Ramchandra Mishra
e) Relatives of Key Managerial Personnel (KMP)	
Where transactions have taken place during the year or previous year or balances are outstanding	
f) Enterprise over which KMP exercise control or significant influence	Pavna Sports Venture Private Limited Ascus Cricket Private Limited Pavna Electric Systems Private Limited Pavna International Schools Private Limited PJ Wealth Management & Consultants P. Ltd.

Pavna Industries Limited

Summary of significant accounting policies and other explanatory information for the year ended 31st March 2024

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

Note No.- Related Party Disclosure - Contd..

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

Nature of Transactions	Name of Related Party	Relationship	For the year ended 31 March 2024	For the year ended 31 March 2023
	Loan taken during the year			
Loan taken	Smt. Asha Jain	KMP	-	120.00
Loan taken	Smt. Priya Jain	KMP	-	180.00
Loan taken	Shri Swapnil Jain	KMP	-	859.00
Loan taken	PJ Wealth Management & Consultants P. Lt	Entity having substantial	414.50	150.00
	Loan Repaid during the year			
Repayment of Loan taken	Smt. Asha Jain	KMP	95.00	225.00
Repayment of Loan taken	Smt. Priya Jain	KMP	-	180.00
Repayment of Loan taken	Shri Swapnil Jain	KMP	269.00	590.00
Repayment of Loan taken	PJ Wealth Management & Consultants P. Lt	Entity having substantial	1,204.50	325.00
	Interest on Loans (Net of TDS)			
Interest(Net)	Smt. Asha Jain	KMP	0.70	10.52
Interest(Net)	Shri Swapnil Jain	KMP	1.99	9.26
Interest(Net)	Smt. Priya Jain	KMP	-	0.83
Interest(Net)	PJ Wealth Management & Consultants P. Lt	Entity having substantial	54.10	76.85
	Remuneration, Salary & Other Expense			
Remuneration	Smt. Asha Jain	KMP	96.00	96.00
Remuneration	Shri Swapnil Jain	KMP	216.00	216.00
Remuneration	Smt. Priya Jain	KMP	180.00	180.00
Remuneration	Mr. Ajay Maheshwari	KMP	10.80	11.90
Remuneration	Shri. Ravindra J Pise	CEO	28.00	
Remuneration	Shri. Makarand Mahajan	CFO	5.00	15.00
Remuneration	Shri. Ravindra Madan Mohan Agrawal	CFO	10.61	-
Remuneration	Ms. Palak Jain	CFO	3.24	
Remuneration	Ms. Charu Singh	CS	7.90	7.12
Remuneration	Kanchan Gupta	CS	6.23	-
Remuneration	Vijay Sharma	KMP	24.00	24.00
Remuneration	Ram Karan Malik	KMP	26.28	26.28
Remuneration	Arun Khanna	KMP	25.44	23.44
Remuneration	Pankaj Agarwal	KMP	25.16	22.16
Remuneration	Alok Sharma	KMP	18.60	15.58
Remuneration	Rachakonda Murthy	KMP	7.29	-
Building Rent	Smt. Asha Jain	KMP	31.08	28.08
Lease Rent	Smt. Asha Jain	KMP	0.10	0.10
Rent	Pavna Goyam Auto PvtLtd	Fellow Subsidiary	-	20.48
Trade Mark Royalty	Smt. Asha Jain	KMP	81.64	76.93
	Purchase & Sales			
	SSPL & PIL		317.68	368.59
	PAEPL & PIL		2,040.06	2,295.54
	PIL & SSPL		159.31	242.99
	PIL & PAEPL		66.27	239.19
	PIL & PSAPL		0.10	0.58
	PSAPL & PIL		5.43	11.46
	PIL & PMPL		303.64	100.81
	PMPL & PIL		3,044.69	2,695.60
	PGPL & PIL		-	238.71
	PIL & PGPL		-	967.81
	PAEPL & SSPL		-	
	PAEPL & PMPL		-	2.39
	SSPL & PMPL		0.18	13.5
	PSAPL & PMPL		0.03	0.02
	PMPL & PAEPL		35.36	0.83
	PMPL & SSPL		334.74	278.58
	PMPL VS PSPL		9.38	14.54
Sale / Purchase of Fixed A	SSPL & PIL		-	44.26
	Investment of Shares- Sales/ Purchase			
Advances	Pavna Goyam Auto Pvt. Ltd.	Subsidiary Company	250.00	
	Security Deposits			
Security Deposit	Pavna Goyam Auto Pvt. Ltd.	Subsidiary Company	-	
	Short Term Loans & Advances			
Advances	Pavna Goyam Auto Pvt. Ltd.	Subsidiary Company		100.00

Pavna Industries Limited

Summary of significant accounting policies and other explanatory information for the year ended 31st March 2024

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

Note No.- Related Party Disclosure - Contd..

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

Nature of Transactions	Name of Related Party	Relationship	As at 31 March 2024	As at 31 March 2023
Loan Taken	Smt. Asha Jain	Director		95.00
Loan Taken	Shri Swapnil Jain	Director		269.00
Loan Taken	PJ Wealth Management & Consultants P. Ltd.	Entity having		790.00
	Debtors & Creditors			
	PIL & SSPL		114.40	231.76
	PIL & PMPL		755.91	216.05
	PIL & PSAPL		107.95	64.34
	PIL & PAEPL		255.26	193.16
	PGAPL & PIL		-	37.83
	SSPL & PMPL		12.40	89.94
	PSAPL & PMPL		1.58	1.77
Investments	Smt. Asha Jain	Whole time director	-	2.86
Investments	Swapnil Switches Pvt. Ltd.	Subsidiary company	197.76	197.76
Investments	Pavna Marketing Pvt Ltd	Subsidiary company	10.00	10.00
Investments	Pavna Sun World Autotech Pvt Ltd	Subsidiary company	71.50	71.50
Investments	Pavna Auto Engineering Pvt. Ltd.	Subsidiary company	684.77	684.77
Investments	Pavna Goyam Auto Pvt. Ltd.	Subsidiary company		255.00
Security Deposit	Shri Pawan Jain & Smt. Asha Jain	Managing director	300.00	300.00
			-	
			-	
			-	