RAJEEV KUMAR & COMPANY
CHARTERED ACCOUNTANTS
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INDEPENDENTAUDITOR'SREPORT

To the Members of Pavna Industries Limited

Report on the Standalone Ind AS Financial Statements

Opinion

Basis for Opinion

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

Key Audit Matters

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

Other Information

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

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

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

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

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

Rajeev Kumar & Co. Aligarh Chartered Accountants

Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section143(3) of the Act, we report hat:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   b) In our opinion, proper books of account as required by law have been kept by the Company, in electronic mode on servers physically located in India so far as it appears from our examination of those books;
   c) The Balance Sheet, the Statement of Profit and Loss including Statement of Other Comprehensive income, the Cash Flow Statement and the Statement of Changes in equity dealt with by this Report are in agreement with the books of account;
   d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
   e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
   f) With respect to the adequacy of the Internal Financial Control with reference to these Standalone Ind AS Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C" to this report;
   g) In our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration paid for the year ended 31st March, 2023 by the Company to its directors is in accordance with the provisions of section 197 read with Schedule V of the Act.

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h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:

i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements. Note No. 43 of notes to accounts

ii) The Company did not have any long- term contracts including derivative contracts for which there were any material foreseeable losses;

iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv) a. The management has represented that, to the best of its knowledge and belief, other than as disclosed in Note- 34 of notes to accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, other than as disclosed in Note- 34 of notes to accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v) The interim dividend paid by the company during the year is in accordance with section 123 of the Companies Act, 2013.

vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For RAJEEV KUMAR & COMPANY
CHARTERED ACCOUNTANTS

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

Rajeev Kumar & Co. Aligarh Chartered Accountants

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

Annexure A

Responsibilities for Audit of Standalone Ind AS Financial Statement

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

- Identify and assess the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Standalone Ind AS Financial Statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Ind AS Financial Statements, including the disclosures, and whether the Standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

For RAJEEV KUMAR & COMPANY
CHARTERED ACCOUNTANTS

Rajeev Kumar & Co. Aligarh Chartered Accountants

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

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

ANNEXURE B

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

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

(i) (a) (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;

(B) The company has maintained proper records showing full particulars, of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Property, Plant and Equipment have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification;

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year ended 31st March, 2023.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) As explained to us & on the basis of the records examined by us, in our opinion, physical verification of inventory has been conducted at reasonable intervals by the management. In our opinion, the coverage and procedure of such verification by the management is appropriate. No discrepancy of 10% or more in the aggregate for each class of inventory were noticed on such physical verification.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks and/or financial institutions during the year on the basis of security of current assets of the company. The quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company except as disclosed in note no. 44 of the notes to accounts.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has made investments in, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year.

a. The Company has provided loans and advances in the nature of loan during the year:

A. (In Lakhs)

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

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

b. In our opinion, the investments made, guarantees given and terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided, during the year, prima facie, not prejudicial to the Company's interest. However the company is not charging interest on an advance of Rs. 2,50,00,000 given to its subsidiary company. However the loan stands repaid as on date.

c. There is no stipulation of schedule of repayment of principal and payment of interest and therefore we are unable to comment on regularity of repayment of principal & payment of interest. However, the loan stands repaid as on date.

d. In respect of loans and advances granted by the Company, since the term of arrangement do not stipulate any repayment schedule, we are unable to comment whether the amount is overdue or not. However, the loan stands repaid as on date.

e. No loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

f. The Company has granted loans or advances in nature of loan either repayable on demand or without specifying any terms or period of repayment:

- Aggregate amount of loans or advances of above nature given during the year is Rs. 2,50,00,000
- Percentage thereof to total loans granted is 100%
- Aggregate amount of loans granted to promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013 is Rs. 2,50,00,000.

However, the loan stands repaid as on date.

(iv) According to the information and explanations given to us and on the basis of our examination of the records, in respect of loans, investments, guarantees, and security, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with except not charging interest on the loan.

(v) The company has not accepted any deposits or amounts which are deemed to be deposits covered under sections 73 to 76 of the Companies Act, 2013. Accordingly, clause 3(v) of the Order is not applicable.

(vi) As per information & explanation given by the management, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company is generally regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. According to the information and explanation given to us there were no outstanding statutory dues as on 31st of March, 2023 for a period of more than six months from the date they became payable except as disclosed in note 43 of notes to accounts.

(b) According to the information and explanations given to, there is no statutory dues referred to in sub-clause (a) that have not been deposited on account of any dispute except as disclosed in note 43 of notes to accounts.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not been declared a willful defaulter by any bank or

Rajeev Kumar & Co. Aligarh Chartered Accountants

financial institution or other lender;

(c) According to the information and explanations given to us by the management, the company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term purposes by the company.

(e) On an overall examination of the Standalone Ind AS Financial Statements of the company, the Company has not taken any funds from any entity or person on account of or to meet obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised loans during the year on pledge of securities held in its subsidiaries, associates or joint ventures. Hence the requirement to report on clause ix (f) of the order is not applicable to the company.

(x) (a) The company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. However, the company has issued bonus shares during the year. The same is in compliance with section 63 of the Companies Act, 2013.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the company or any fraud on the company has been noticed or reported during the course of audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;

(c) According to the information and explanations given to us by the management, no whistle-blower complaints have been received by the company

(xii) The company is not a Nidhi Company. Accordingly, clause 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards;

(xiv) (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business;

(b) the reports of internal auditors for the period under audit were considered by us;

(xv) In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with them.

(xvi) (a) In our Opinion and based on our examination, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) In our Opinion and based on our examination, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) In our Opinion and based on our examination, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

Rajeev Kumar & Co. Aligarh Chartered Accountants

(d) According to the information and explanations given by the management, the Group does not have not more than one CIC as part of the Group.

(xvii) Based on our examination, the company has not incurred cash losses in the financial year and in the immediately preceding financial year.

(xviii) During the year, M/s Das Maheshwari & Company, Chartered Accountants, who were the statutory auditors resigned as auditors of the company before the expiry of their term. We have considered the reason cited by the outgoing auditors relating to the same being expiry of validity of peer review certificate of the firm.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) a. In respect of other ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 42 of the standalone Ind AS financial statements.

b. There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 42 of the standalone Ind AS financial statements.

For RAJEEV KUMAR & COMPANY
CHARTERED ACCOUNTANTS

Rajeev Kumar & Co. Aligarh Chartered Accountants

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

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

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 with reference to Standalone Ind AS Financial Statements of PAVNA INDUSTRIES LIMITED ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Ind AS Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Standalone Ind AS Financial Statements.

Rajeev Kumar & Co. Aligarh Chartered Accountants

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

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

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

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

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to Standalone Ind AS Financial Statements and such internal financial controls with reference to Standalone Ind AS Financial Statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For RAJEEV KUMAR & COMPANY
CHARTERED ACCOUNTANTS

Rajeev Kumar & Co. Aligarh Chartered Accountants

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

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

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

	Note	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
ASSETS				
Non-current assets				
Property, plant and equipment	3A	5,626.40	4,547.73	4,448.37
Intangible Work in Progress	3A	81.40	-	-
Right of Use assets	3B	38.71	56.42	75.24
Financial assets				
Investments	4	1,219.03	1,219.03	964.03
Others	5	254.81	245.92	238.54
Other Non Current assets	6	58.76	68.53	78.45
		7,279.11	**6,137.62**	**5,804.63**
Current assets				
Inventories	7	6,682.00	5,725.41	2,925.49
Financial assets				
Trade Receivable	8	4,375.22	4,081.98	2,794.61
Cash and cash equivalents	9	16.94	12.16	12.61
Other Bank Balances	10	4.50	16.49	15.88
Loans	11	250.00	150.00	-
Others	12	16.00	17.50	47.31
Income tax assets (net)	13	16.83	38.87	95.82
Other current assets	14	1,053.73	628.68	717.23
Total current assets		**12,415.23**	**10,671.09**	**6,608.94**
Total assets		**19,694.34**	**16,808.71**	**12,413.56**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	15	1,218.08	609.04	609.04
Other equity	16	4,515.05	4,499.75	3,857.50
Total equity		**5,733.13**	**5,108.79**	**4,466.54**
Non current liabilities				
Financial liabilities				
Long term Borrowing	17	2,272.33	1,678.88	1,807.28
Lease liabilities	3B	38.86	43.45	61.33
Other Non current financial liabilities	0	-	-	-
Provisions	18	154.99	133.85	98.88
Deferred tax liabilities (net)	19	35.91	13.99	27.96
		2,502.09	**1,870.17**	**1,995.45**
Current liabilities				
Financial liabilities				
Borrowings	17	6,553.18	5,772.80	2,718.54
Lease Liabilities	3B	4.96	16.87	15.44
Trade payables	18 A			
Total outstanding dues of micro enterprises and small enterprises		63.92	-	-
Total outstanding dues of creditors other than micro and small enterprises		4,293.23	3,653.40	2,859.80
Other financial liabilities	19 A	347.43	252.56	210.99
Other current liabilities	20	126.28	69.57	86.24
Income Tax liabilities	21	-	-	-
Short term provisions	22	70.13	64.55	60.55
Total current liabilities		**11,459.13**	**9,829.76**	**5,951.57**
Total equity and liabilities		**19,694.34**	**16,808.71**	**12,413.56**

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 & Co. Aligarh Chartered Accountants

Rajeev Kumar
Proprietor
Membership No.: 070103

Place: Aligarh
Date: 30/05/2023

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

Asha Jain

Swapnil Jain
Director
DIN: 01542555

Asha Jain
Director
DIN: 00035024

Makarand Mahajan
Chief Financial officer
PAN : ABUPM4863G

Charu Singh
Company Secretary
PAN : CVBPS6669B

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

	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue:			
Revenue from operations	23	26,323.09	24,954.28
Other income	24	39.35	88.91
Total income		**26,362.44**	**25,043.19**
Expenses:			
Cost of materials consumed	25	18,638.89	19,373.95
Change in Inventory of finished goods	27 26	(621.79)	(1,822.57)
Employee benefits expense	27	2,371.13	2,316.02
Finance costs	28	695.62	654.63
Depreciation and Amortisation Expenses	29	717.11	633.90
Other expenses	30	3,559.35	3,005.42
Total expenses		**25,360.32**	**24,161.36**
Profit/(Loss) before tax		**1,002.12**	**881.83**
Tax expense:	31		
Current tax		257.58	262.80
Deferred tax credit		16.00	(16.30)
Earlier years tax adjustments (net)		-	-
Mat Credit adjustments		-	-
Total tax expense		**273.58**	**246.50**
Profit/(Loss) for the year		**728.53**	**635.33**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurements of the defined benefit plans		23.53	9.25
Income tax relating to above item		(5.92)	(2.33)
Other comprehensive income / (loss)		**17.61**	**6.92**
Total comprehensive Profit /(loss) for the year		**746.14**	**642.25**
Earnings per equity share (₹ 10 per share)			
Basic EPS on actual outstanding	32	5.98	10.43
Basic & Diluted EPS weighted average	32	7.49	10.43

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 & Co. Aligarh Chartered Accountants

Rajeev Kumar
Proprietor
Membership No.: 070103

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

Swapnil Jain
Director
DIN: 01542555

Asha Jain
Director
DIN: 00035024

Makarand Mahajan
Chief Financial officer
PAN : ABUPM4863G

Charu Singh
Company Secretary
PAN : CVBPS6669B

Place: Aligarh
Date: 30/05/2023

Pavna Industries Limited

Cash flow statement for the year ended 31 March 2023

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

	For the year ended 31 March 2023	For the year ended 31 March 2022
A Cash flow from operating activities		
Profit/(Loss) before tax	**1,002.12**	**881.83**
Adjustments for:		
Depreciation and amortisation expense	717.11	633.90
Interest income on bank deposits	(0.56)	(0.78)
Interest expense on lease liability	4.96	6.59
Loss/(Profit) on sale of PPE	(6.94)	(58.45)
Interest expense on borrowings	695.62	654.63
Operating profit before working capital changes	**2,412.31**	**2,117.73**
Movement in working capital		
Inventories	(956.60)	(2,799.92)
Trade Receivables	(295.61)	(1,287.37)
Other financial assets	4.59	21.82
Other current & Non current assets	(415.28)	98.46
Other financial liabilities	94.87	41.57
Other current & non current liabilities	56.71	(16.67)
Provision	50.25	48.21
Trade payables	703.74	793.60
Cash used in operating activities post working capital changes	**1,655.00**	**(982.56)**
Income tax paid (net)	(235.54)	(205.86)
Net cash used in operating activities (A)	**1,419.46**	**(1,188.42)**
B Cash flows from investing activities		
Purchase of property, plant and equipment	(1,884.97)	(765.99)
Sale of property, plant and equipment	35.16	110.00
Loans	(100.00)	(150.00)
Investment made in subsidaries	-	(255.00)
Interest received	0.56	0.78
Net cash used in investing activities (B)	**(1,949.25)**	**(1,060.21)**
C Cash flows from financing activities		
Proceeds from issue of share capital	-	-
Payment of Lease liability	(21.83)	(23.04)
Finance cost paid	(695.62)	(654.63)
Bonus / Dividend Paid	(121.81)	-
Proceeds from borrowings	1,373.83	2,925.85
Net cash flows from financing activities (C)	**534.57**	**2,248.18**
Net increase in cash and cash equivalents (A+B+C)	4.79	(0.45)
Cash and cash equivalents at the beginning of the year	12.16	12.61
Cash and cash equivalents at the end of the year	**16.94**	**12.16**

Note:

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

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

	For the year ended 31 March 2023	For the year ended 31 March 2022
Long/Short term borrowings		
Balance at the beginning of the year	7,451.68	4,525.82
Cash flow	1,495.64	2,925.85
Non cash changes	-	-
Interest cost	-	-
Balance at the end of the year	**8,947.31**	**7,451.68**

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.: 070106

Place: Aligarh
Date: 30/05/2023

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

Swapnil Jain
Director
DIN: 01542555

Asha Jain
Director
DIN: 00035024

Makarand Mahajan
Chief Financial officer
PAN : ABUPM4863G

Charu Singh
Company Secretary
PAN : CVBPS6669B

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

Note 1: Corporate Information

1956/ is

Pavna Industries Limited ('PIL' or 'the company') is a Public Limited Company incorporated in India on 19 April 1994 under the Provision of Companies Act 2013. The Company engaged in business of manufacturing of Locks, Auto Locks and Auto Parts in India.

Note 2:

Statement of Compliance:

The financial statements are prepared on accrual basis of accounting and comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (The Act) [Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016] and other relevant provisions of the Act. The financial statements up to year ended 31st March 2022 were prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India, the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act.
These financial statements are the first financial statements of the company under Ind AS and Ind AS 101 "First Time Adoption of Indian Accounting Standards" has been applied. Refer Note 45 for an explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Basis of Preparation:

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013 and relevant presentation requirements of the Companies Act 2013. The financial statements have been prepared in accordance with the historical cost convention except for certain financial instruments that are measured at fair value as required under relevant Ind AS.
The financial statements are presented in ₹ and all values are rounded to the nearest Lacs upto two decimal places except otherwise stated.

Note 2.1: Significant accounting policies

a) Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements:

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

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.

Recoverability of deferred taxes

In assessing the recoverability of deferred tax assets, management considers whether it is probable that taxable profit will be available against which the losses can be utilised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment.

b) Current versus non-current classification

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

Assets:

An asset is treated as current when it is:

a) Expected to be realised or intended to be sold or consumed in normal operating cycle.
b) Held primarily for the purpose of trading
c) Expected to be realised 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.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle: The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

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c) **Property, Plant and 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 seperately. The identification of significant components is matter of technical judgement and is decided on case to case basis; wherever applicable.

The company has used following rates to Provide depreciation which coincides with the rates indicated with schedule II of the act on its property, plant and Equipment:

Asset Category	Useful Lives estimate by the management (Years)
Factory Buildings	30 Years
Pland and Machinery	8 Years
Computer	3 Years
Office Equipment	10 Years
Furniture and Fixtures	10 Years
Commercial Vehicles	8 Years

Subsequent costs: The cost of replacing a part of an item of property, plant and equipment is to be recognised in the carrying amount of the item of property, plant and equipment, if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably with the carrying amount of the replaced part getting derecognised. The cost for day-to-day servicing of property, plant and equipment to be recognised in statement of profit and loss as and when incurred.

Capital work in progress: Capital work in progress comprises the cost of fixed assets that are not ready for their intended use at the reporting date.

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.

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 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.

g) **Derivative (Forward contract)**

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

h) **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.

Rajeev Kumar & Co.
Aligarh
Chartered Accountants

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 judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

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

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

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

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

i) 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.

j) 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.

k) 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.

Rajeev Kumar & Co. Aligarh Chartered Accountants

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.

l) Provisions

General

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.

m) 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.

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Aligarh
Chartered Accountants

n) 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.

o) 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.

p) 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 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.

q) Taxes

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 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.

r) Cash and cash equivalents

Cash and cash equivalent in the 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.

Rajeev Kumar & Co.
Aligarh
Chartered Accountants

s) **Earnings per share (EPS)**

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.

t) **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 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.

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

Rajeev Kumar
Proprietor
Membership No.: 070103

Rajeev Kumar & Co. Aligarh Chartered Accountants

Place: Aligarh
Date: 30/05/2023

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

Swapnil Jain
Director
DIN: 01542555

Asha Jain
Director
DIN: 00035024

Makarand Mahajan
Chief Financial officer
PAN : ABUPM4863G

Charu Singh
Company Secretary
PAN : CVBPS6669B

Pavna Industries Limited

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

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

3A Property, plant and equipment

Particulars	Land	Building	Plant and Machinery	Office Equipment	Furniture and fixtures	Computer	Vehicle	Total	Intangible Work In Progress
Gross block									
Balance as at 1 April 2020	348.05	975.60	4,849.49	46.38	92.25	123.68	258.71	6,694.16	
Additions	-	88.37	654.07	4.69	11.90	19.76	2.82	781.61	
Disposals	-	-	(142.33)	-	-			(142.33)	
Balance as at 31 March 2021	348.05	1,063.97	5,361.24	51.07	104.15	143.44	261.53	7,333.44	
Additions	-	48.26	657.79	4.32	6.96	32.66	16.01	765.99	
Disposals	(51.55)	-	-	-	-	-	-	(51.55)	
Balance as at 31 March 2022	296.50	1,112.23	6,019.02	55.39	111.11	176.10	277.54	8,047.88	
Additions	-	37.55	1,687.00	20.12	24.28	34.61	-	1,803.57	81.40
Disposals	-	-	(28.23)	-	-	-	-	(28.23)	
Capital Work In Progress						-		-	
Balance as at 31 March 2023	296.50	1,149.78	7,677.80	75.51	135.39	210.71	277.54	9,823.22	81.40
Accumulated depreciation									
Balance as at 1 April 2020	-	226.50	1,876.28	23.38	36.82	110.87	62.64	2,336.49	
Charge for the year	-	27.06	479.34	3.10	7.11	4.26	27.99	548.86	
Disposals	-	-	(0.28)	-	-	-		(0.28)	
Balance as at 31 March 2021	-	253.56	2,355.34	26.48	43.93	115.13	90.63	2,885.07	
Charge for the year	-	28.59	531.75	3.37	7.69	13.61	30.08	615.09	
Disposals	-	-	-					-	
Balance as at 31 March 2022	-	282.15	2,887.10	29.84	51.62	128.74	120.71	3,500.16	
Charge for the year	-	30.62	602.20	4.26	9.20	23.49	29.64	699.40	
Disposals	-	-	(2.73)					(2.73)	
Balance as at 31 March 2023	-	312.77	3,486.56	34.10	60.82	152.23	150.35	4,196.83	

Particulars	Land	Building	Plant and Machinery	Office Equipment	Furniture and fixtures	Computer	Vehicle	Total
Net block as at 31 March 2021	348.05	810.41	3,005.89	24.60	60.22	28.31	170.89	4,448.37
Net block as at 31 March 2022	296.50	830.08	3,131.93	25.55	59.49	47.36	156.83	4,547.73
Net block as at 31 March 2023	296.50	837.01	4,191.24	41.41	74.57	58.48	127.19	5,626.40

Rajeev Kumar & Co.
Aligarh
Chartered Accountants

Pavna Industries Limited

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

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

3B Leases

(i) Right of Use Assets

Particulars	Buildings	Total
As at 1 April 2021	81.88	81.88
Additions	-	-
Deletions	-	-
As at 31 March 2022	81.88	81.88
Additions		
Deletions		
As at 31 March 2022	81.88	81.88
Accumulated Depreciation		
As at 1 April 2021	6.64	6.64
Charges during the year	18.82	18.82
Deletions	-	-
As at 31 March 2022	25.45	25.45
Charges during the year	17.71	17.71
Deletions		
As at 31 March 2022	43.16	43.16
Net Carrying Value		
As at 1 April 2021	75.24	75.24
As at 31 March 2022	56.42	56.42
As at 31 March 2023	38.71	38.71

(ii) Lease Liabilities

Particulars	Current	Non Current	Total
As at 1 April 2021	15.44	61.33	76.78
Additions	-	-	-
Accretions of interest	-	6.59	6.59
Payments of lease liabilities	(15.44)	(7.60)	(23.04)
Deletions	-	-	-
Re-classification from non current to current	16.87	(16.87)	-
As at 31 March 2022	**16.87**	**43.45**	**60.33**
Additions			-
Accretions of interest		4.96	4.96
Payments of lease liabilities	(16.87)	(4.96)	(21.83)
Deletions			-
Re-classification from non current to current	4.96	(4.59)	0.37
As at 31 March 2023	**4.96**	**38.86**	**43.82**

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Pavna Industries Limited

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

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

4 Non Current Investments	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Investment at cost in subsidaries			
Equity shares of Rs. 10/- each fully paid up in Swapnil Switches Private Limited	197.76	197.76	197.76
Equity shares of Rs. 10/- each fully paid up in Pavna Marketing Private Limited	10.00	10.00	10.00
Equity shares of Rs. 10/- each fully paid up in Pavna Sunworld Autotech Private Limited	71.50	71.50	71.50
Equity shares of Rs. 100/- each fully paid up in Pavna auto Engineairing Private Limited	684.77	684.77	684.77
Equity shares of Rs. 10/- each fully paid up in Pavna Goyam Auto Private Limited	255.00	255.00	-
	1,219.03	**1,219.03**	**964.03**

Details of number of shares held in Equity investments in subsidaries	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Swapnil Switches Private Limited	3.09	3.09	3.09
Pavna Marketing Private Limited	1.00	1.00	1.00
Pavna Sunworld Autotech Private Limited	7.15	7.15	7.15
Pavna Auto Engineairing Private Limited	0.31	0.31	0.31
Pavna Goyam Auto Private Limited	25.50	25.50	-

5 Other non current financial assets	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Security deposits			
- Unsecured considered good	254.81	245.92	238.54
- Unsecured considered doubtfull			
	254.81	**245.92**	**238.54**

6 Other non current assets	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Prepaid expense	58.76	68.53	78.45
	58.76	**68.53**	**78.45**

7 Inventories	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
(Valued at lower of cost or net realisable value, unless otherwise stated)			
Raw Materials	1,937.78	1,660.37	862.79
Work in Progress	4,343.30	3,721.51	1,898.94
Store and Spares	400.92	343.52	163.76
	6,682.00	5,725.41	2,925.49
	6,682.00	**5,725.41**	**2,925.49**

8 Trade Receivable	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Unsecured, considered good	4,375.22	4,081.98	2,794.61
Unsecured, considered doubtful	-	-	-
	4,375.22	**4,081.98**	**2,794.61**

Trade receivable aging schedule as at 31 March 2023

Outstanding for following periods from due date of payment	Undisputed Trade Receivables– considered good	Undisputed Trade Receivables– considered doubtful
Not due		
0-6 Months	4,252.93	-
6-12 Months	109.76	-
1-2 Years	12.41	-
2-3 Years	-	-
above 3 years	0.12	-
Total	4,375.22	-

Trade receivable aging schedule as at 31 March 2022

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

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Trade receivable aging schedule as at 31 March 2021

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

9 Cash and cash equivalents	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Cash on hand	8.95	5.20	5.90
Balances with banks	8.00	6.95	6.71
	16.94	**12.16**	**12.61**

10 Other Bank Balances	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
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)	4.50	16.49	15.88
	4.50	**16.49**	**15.88**

(a) Includes Margin Deposit with Government authorities

11 Loans	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
(Unsecured, considered good)			
Loans to related parties	250.00	150.00	-
	250.00	**150.00**	-

Loan & Advances Schedule	As at 31 March 2023		As at 31 March 2022		As at 1 April 2021	
Type of Borrower	Amount of loan or advances in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans	Amount of loan or advances in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans	Amount of loan or advances in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promotors	-	-	-	-	-	-
Directors	-	-	-	-	-	-
KMPs	-	-	-	-	-	-
Related Parties	250.00	100%	150.00	100%	-	-
	250.00	**100%**	**150.00**	**100%**	-	**0%**

12 Other Current assets	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Security deposit to others	16.00	17.50	47.31
	16.00	**17.50**	**47.31**

13 Current tax assets	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Income Tax paid (net of provision for taxation)	16.83	38.87	95.82
	16.83	**38.87**	**95.82**

14 Other current assets	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Prepaid expenses	31.75	26.21	25.14
Advances to contractors and material suppliers	-		
Unsecured, Consider Good	825.70	455.38	681.01
Unsecured, Considered Doubtful	-	-	-
Balances with government authorities	130.26	147.10	11.07
	987.71	628.68	717.23
Amount recoverable - Other	66.02	-	-
Less : Allowance for Impairment (net)	-	-	-
	1,053.73	**628.68**	**717.23**

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15 Equity Share capital	As at 31 March 2023		As at 31 March 2022		As at 1 April 2021	
Authorized shares	Number*	Amount	Number*	Amount	Number*	Amount
Equity shares of ₹ 10 each with voting rights	1,50,00,000	1,500	61,00,000	610.00	61,00,000	610.00
	1,50,00,000	**1,500.00**	**61,00,000**	**610.00**	**61,00,000**	**610.00**
Issued, subscribed and						
Equity share capital of face value of ₹ 10 each	1,21,80,800	1,218	60,90,400	609.04	60,90,400	609.04
	1,21,80,800	**1,218**	**60,90,400**	**609.04**	**60,90,400**	**609.04**

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

	As at 31 March 2023		As at 31 March 2022		As at 1 April 2021	
	Number	Amount	Number	Amount	Number	Amount
Balance at the beginning of the period	60,90,400	609	60,90,400	609.04	25,94,000	259.40
Shares Issued during the period	-	-	-	-	9,02,400	90.24
Bonus Issued during the period	60,90,400	609			25,94,000	259.40
Balance at the end of the	**1,21,80,800**	**1,218**	**60,90,400**	**609.04**	**60,90,400**	**609.04**

b. Rights, preferences and restrictions attached to equity shares

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

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

Name of the equity shareh	As at 31 March 2023		As at 31 March 2022		As at 1 April 2021	
	Number	%	Number	%	Number	%
Smt. Asha Jain	58,21,960	47.80%	29,10,980	47.80%	29,10,980	47.80%
Shri Swapnil Jain	13,56,160	11.13%	6,78,080	11.13%	6,78,080	11.13%
P.J. Wealth Management and Consultant Private Limited	9,97,040	8.19%	4,98,520	8.19%	4,98,520	8.19%
Smt. Palak Jain	9,23,200	7.58%	4,48,000	7.36%	4,29,600	7.05%
Smt. Sadhna Jain	6,70,400	5.50%	3,35,200	5.50%	-	-
	97,68,760	**80.20%**	**48,70,780**	**79.97%**	**45,17,180**	**74.17%**

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

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

e. Shareholding of Promoters

As at 31st March 2023

Shares held by Promoters at end of the year				% change during the yesr
S.no.		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%	

As at 31st March 2022

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

As at 31st March 2021

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

Rajeev Kumar & Co.
Aligarh
Chartered Accountants

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

A. Equity share capital*

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

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

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

B. Other equity**

Particulars	Reserves and Surplus			OCI	Total
	Security Premium	Retained Earnings	General Reserve	Remeasurement of defined benefit plans	
Balance as at 1 April 2020		**2,326.20**	**1.12**	**-**	**2,327.32**
Issue of Bonus Shares		(259.40)			(259.40)
Securities Premium due to issue of shares	1,398.72	-			1,398.72
Profit/ (Loss) for the year	-	382.89	-	-	382.89
Other comprehensive income for the year (net of tax impact)	-	-	-	7.98	7.98
Balance as at 31 March 2021	**1,398.72**	**2,449.68**	**1.12**	**7.98**	**3,857.50**
Profit/ (Loss) for the year	-	635.33	-	-	635.33
Other comprehensive income for the year (net of tax impact)	-	-	-	6.92	6.92
Balance as at 31 March 2022	**1,398.72**	**3,085.01**	**1.12**	**14.90**	**4,499.75**
Profit/ (Loss) for the year	-	728.53	-	-	728.53
Issue of Bonus Shares	-	(609.04)	-	-	(609.04)
Dividend		(121.81)			(121.81)
Other comprehensive income for the year (net of tax impact)	-	-	-	17.61	17.61
Balance as at 31 March 2023	**1,398.72**	**3,082.70**	**1.12**	**32.51**	**4,515.05**

**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 Kumar & Co. Aligarh Chartered Accountants

Rajeev Kumar
Proprietor
Membership No.: 070103

Place: Aligarh
Date: 30/05/2023

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

Asha Jain

Swapnil Jain
Director
DIN: 01542555

Asha Jain
Director
DIN: 00035024

Makarand Mahajan
Chief Financial officer
PAN : ABUPM4863G

Charu Singh
Company Secretary
PAN : CVBPS6669B

16 Other Equity	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
General Reserve			
Opening balance	1.12	1.12	1.12
Closing balance (A)	**1.12**	**1.12**	**1.12**
Securities premium			
Opening balance	1,398.72	1,398.72	-
Add: Addition during the year	-		1398.72
Closing balance (B)	**1,398.72**	**1,398.72**	**1,398.72**
Profit/ (Deficit) in the statement of profit and loss			
Opening balance	3,099.91	2,457.66	2,326.20
Less: Issue of Bonus Shares	(609.04)	-	(259.40)
Less : Dividend	(121.81)	-	-
Add: Profit / (Loss) for the year	728.53	635.33	382.89
Add: Other comprehensive income for the year (net of tax impact)	17.61	6.92	7.98
Closing balance (A)	**3,115.21**	**3,099.91**	**2,457.66**
Total (A)	4,515.05	4,499.75	3,857.50

Nature and purpose of other reserves

Securities premium

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

17A Long term borrowing	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Secured			
Indian rupee term loan from Bank	1,112.92	493.92	-
Indian rupee term loan from financial institutions	-	0.00	813.66
Indian rupee vehicle loan from Bank	5.41	10.02	-
Unsecured			
Indian rupee loan from related parties			
From Directors & KMPs	364.00	202.56	-
From Corporate entities	790.00	972.38	993.62
	2,272.33	**1,678.88**	**1,807.28**

17B Short term Borrowings	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Cash credit facilities from Bank / financial institutions - Secured	3,979.06	3,936.43	2,374.24
Cash credit facilities from financial institutions - Unsecured	2,000.00	1,500.00	-
Current maturities of long term borrowings - Secured	574.11	336.37	344.31
	6,553.18	**5,772.80**	**2,718.54**
Total	8,825.51	7,451.68	4,525.82

17C Borrowing securities

S.N	Facilities details	Security	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
1	Company had availed Term Loan facilities from Bajaj Finance Limited in August-2016 of Rs. 400 Lacs for a tenure of 61 Months having Interest rate of 10.40% as on 31 March 2021.Loan been fully repaid in Financial year 2021-22	The loan facility is secured by way of: (a) Exclusive charge over entire entire Plant and Machinery with Min assets cover of 1.25X.			39.57
2	Company had availed Term Loan facilities from Bajaj Finance Limited in May-2019 of Rs. 800 Lacs for a tenure of 61 Months having 12 months moratorium period having Interest rate of 8.66% as on 31 March 2021. This loan been converted to facility with HDFC Bank in August 2020.	The loan facility is secured by way of: (a) Exclusive charge over entire fixed assets of new unit located at Tehsil Coal, Aligarh with Min assets cover of 1.3X. (b) Cross Collateralized by security given on Existing loans (c) Additional security by Personal Guarantee of Mr. Swapnil Jain, Mrs Asha Jain	-	-	656.10
3	Company had availed ECLGS Covid Term Loan facilities from Bajaj Finance Limited in September-2020 of Rs. 429 Lacs for a tenure of 60 Months having 12 months moratorium period having Interest rate of 8.66% as on 31 March 2021. This loan been converted to facility with HDFC Bank in August 2020.	The loan facility is secured by way of 2nd charge on Existing Securities.	-	-	429.00

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4	Company have availed Working capital term loan facility from HDFC Bank in Previous Years of as follow: (a) Working capital Term Loan Main limit of 609.60 Lacs at Floating interest rate of 7.40% wth tenor of 35 Months (b) Working capital Term Loan Main limit of 429.00 Lacs at Floating interest rate of 7.90% wth tenor of 39 Months (c) Working capital Term Loan Main limit of 15.72 Lacs at Floating interest rate of 7.00% wth tenor of 2 Months (d) Term Loan against Plant & machinery of Rs 1236.96 Lakhs at floating interest rate of 8.54%	The loan facility is secured by way of: (a) Primary security through Books debts, Plant and Machiery and stock (b) Security collateral through certain commercial Properties situated and owned by Promotors/ Directors of the company. (c) Personal Guarantee by Shri Pawan Jain, Smt. Asha Jain, Shri Swapnil Jain, Smt. Priya Jain.	1,687.03	830.28	-
5	Auto Loans (Secured against vehicles) from HDFC bank related to finance of Vehicle which are secured against hypothecation of respective vehicles, repayable as per Term Loan Agreements with the respective banks/other parties. The duration of term loans are generally 3-5 years carrying interest @ 7 to 12%		5.41	10.02	47.69
6	Company have availed unsecured loan facility from related parties as mentioned in Related Party Schedule Note 34.		1,154.00	1,174.94	993.62
Total long term borrowings before adjustment of processing fees			**2,846.44**	**2,015.25**	**2,165.98**
Less: Unamortised processing fees			**6.00**	**(0.00)**	**14.40**
Less: Current maturities			**574.11**	**336.37**	**344.31**
Total long term borrowings ecluding unamortised processing fees			**2,266.33**	**1,678.88**	**1,807.28**

S.N	Facilities details	Security	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
1	Company had availed PO/STRL/WCDL facility from Bajaj Finance Limited in previous years of Rs. 1800 Lacs with yearly renewal having interest rate of 8.5%	Loan is unsecured from March 2022. The loan facility was secured during March 2021 by way of: (a) Extention of First Pari passu charge over all present & Future fixed assets and current assets of the company. (b) Exclusive charge over industrial land and building situated at 317/1 & 2 GT road, Village Bhankri, Aligarh. (c) Exclusive charge over Industrial land new unit located at Tehsil Coal, Aligarh. (d) Cross Collateralized by security given on Existing loans. (e) Both the Properties in aligarh are cross collateralized for Bal Po/ STRL limits.	2,000.00	1,500.00	1,800.00
2	Company had availed CC facility from Punjab National Bank in previous years of Rs. 600 Lacs with yearly renewal having interest rate of 8.64%	The loan facility is secured by way of: (a) Hypothecation of stock in Process & finished goods lying at 9 Km Delhi road, vill Bhankari, GT road, Aligarh and at X46, MIDC, Bajaj nagar, Waluj, Aurangabad, Maharashtra factory or elsewhere at other collection centers and goods in transit covering raw material and finish goods meant for processing and sale within india and finish goods and book debts not older then 90 days. THe stock in transit will be taken as security for calculation of DP only upto stages where bills have been issued. (b) Personal Guarantee by Shri Pawan Jain, Smt. Asha Jain, Shri Swapnil Jain, Smt. Priya Jain. (c) The facilities will be collaterally secured by EM Properties owned by Promotor of the company.	-	-	544.96
3	Company have availed CC/OD facility from HDFC Bank in Previous Years of as follow: (a) Cash credit Main limit of 3500 Lacs at Floating interest rate (Reference rate+Spread of 7% to 8% p.a) with annual renewal (b) Cash credit Invoicing discounting 500 lacs at Floating interest rate (Reference rate+Spread of 7% to 8% p.a) with annual renewal	The loan facility is secured by way of: (a) Primary security through Books debts, Plant and Machiery and stock (b) Security collateral through certain commercial Properties situated and owned by Promotors/ Directors of the company. (c) Personal Guarantee by Shri Pawan Jain, Smt. Asha Jain, Shri Swapnil Jain, Smt. Priya Jain..	3,979.06	3,936.43	-
Total short term borrowings			**5,979.06**	**5,436.43**	**2,344.96**
Add: Current maturities of long term borrowings			**574.11**	**336.37**	**344.31**
Total Short term borrowings			**6,553.18**	**5,772.80**	**2,689.27**

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18 Provisions	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Provision for employee benefits (a)			
Gratuity	154.99	133.85	98.88
	154.99	**133.85**	**98.88**

19 Deferred tax liabilities (net)	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Deferred tax			
Property, plant and equipment	94.65	65.54	69.06
Unused business losses	-	-	-
Origination and reversal of temporary difference	(56.66)	(49.93)	(44.35)
Others	(2.08)	(1.62)	3.25
	35.91	**13.99**	**27.96**

(i) Movement in deferred tax liabilities (net)

Particulars	31 March 2022	Recognised/ reversed through profit and loss	Recognised in other comprehensive income	31 March 2023
Assets/ (Liabilities)				
Property, plant and equipment	65.54	29.11	-	94.65
Unused business losses	-	-	-	-
Origination and reversal of temporary differenc	(49.93)	(12.65)	5.92	(56.66)
Effect of adoption of Ind AS 115	(1.62)	(0.47)	-	(2.08)
Others	-	-	-	-
Total	**13.99**	**16.00**	**5.92**	**35.91**

Particulars	31 March 2021	Recognised/ reversed through profit and loss	Recognised in other comprehensive income	31 March 2022
Assets/ (Liabilities)				
Property, plant and equipment	69.06	(3.53)	-	65.54
Unused business losses	-	-	-	-
Origination and reversal of temporary differenc	(44.35)	(7.91)	2.33	(49.93)
Effect of adoption of Ind AS 115	3.25	(4.87)	-	(1.62)
Others	-	-	-	-
Total	**27.96**	**(16.30)**	**2.33**	**13.99**

Particulars	1 April 2020	Recognised/ reversed through profit and loss	Recognised in other comprehensive income	31 March 2021
Assets/ (Liabilities)				
Property, plant and equipment	42.39	26.67	-	69.06
Unused business losses	-	-	-	-
Origination and reversal of temporary differenc	(37.58)	(9.84)	3.07	(44.35)
Effect of adoption of Ind AS 115	5.67	(2.41)	-	3.25
Others	-	-	-	-
Total	**10.47**	**14.42**	**3.07**	**27.96**

18 Trade payables #	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Due to micro and small enterprises	63.92	-	-
Due to others (a)	4,293.23	3,653.40	2,859.80
	4,357.15	**3,653.40**	**2,859.80**

On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Company, the following are the details:

Particulars	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each	-	-	-
ii) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-	-
iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-	-
iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-	-
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	-	-	-
	-	-	-

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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 then 1 year	63.92	3,909.42
1-2 Years		360.81
2-3 Years		1.93
above 3 years		21.08
Total	63.92	4,293.23

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

Trade payable aging schedule as at 31st March 2022

Outstanding for following periods from due date of payment	Micro and Small Enterprises ("MSME")	Others
Not due		-
Unbilled dues	-	151.38
Less then 1 year	-	3,476.66
1-2 Years	-	4.42
2-3 Years	-	2.52
above 3 years	-	18.42
Total	-	3,653.40

Trade payable aging schedule as at 31st March 2021

Outstanding for following periods from due date of payment	Micro and Small Enterprises ("MSME")	Others
Not due	-	-
Unbilled dues	-	367.00
Less then 1 year	-	2,464.25
1-2 Years	-	9.94
2-3 Years	-	18.45
above 3 years	-	0.16
Total	-	2,859.80

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19 Other Financial liabilities	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Interest accrued but not due on borrowings	73.82	-	-
Payable to employees	273.61	252.56	210.99
	-	-	-
	347.43	252.56	210.99

20 Other current liabilities	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Advance received from customers	68.95	19.72	10.51
Statutory dues payable	57.34	49.85	75.73
	126.28	69.57	86.24

(a) (i) Reconciliation of income received in advance:			
Balance at the beginning of the year	**19.72**	**10.51**	369.78
Add: Advances received during the year	46.15	2.07	(365.30)
Less: Revenue recognised during the year	3.08	7.15	6.03
Balance at the end of the year	**68.95**	**19.72**	**10.51**

21 Income tax liabilities	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Income Tax Payable (Net of advance tax)	-	-	-
	-	-	-

22 Short term provisions	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Provision for employee benefits			
Gratuity	70.13	64.55	60.55
Compensated absences	-	-	-
	70.13	64.55	60.55

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Pavna Industries Limited

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

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

23 Revenue from operations	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of products	26,271.51	24,954.28
Other operating revenue	51.58	-
	26,323.09	**24,954.28**

24 Other income	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest income on:		
Bank deposits	0.56	0.78
Security deposits mearsured at amortised cost	8.89	8.56
Income tax refunds	4.30	5.81
Profit on sale of Property, Plant and Equipment	6.94	58.45
Income from export incentive	9.39	14.70
Rent received	0.60	0.60
Foreign Exchange fluctuation gain (Net)	8.66	-
	39.35	**88.91**

25 Cost of raw material & components consumed	For the year ended 31 March 2023	For the year ended 31 March 2022
Inventory at the beginning of the year	1,660.37	862.79
Add: Purchase during the year	18,916.31	20,171.53
	20,576.67	21,034.31
Less: Inventory at the end of the year	1,937.78	1,660.37
	18,638.89	19,373.95

26 Changes in inventories of finished goods and work-in-progress		
Closing Inventories		
Finished goods	-	
Work in Progress	4,343.30	3,721.51
Opening Inventories		
Finished goods	-	-
Work in Progress	3,721.51	1,898.94
	(621.79)	**(1,822.57)**

27 Employee benefits expense	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries, wages and bonus	1,905.10	1,923.44
Contribution to provident and other funds	139.98	115.89
Gratuity expense	50.25	48.46
Staff welfare expenses	275.80	228.23
	2,371.13	**2,316.02**

28 Finance costs	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest expense	678.36	569.86
Other borrowing costs	12.30	78.18
Interest on lease obligation	4.96	6.59
	695.62	**654.63**

29 Depreciation and Amortisation	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation and amortization expense	699.40	615.09
Depreciation on right of use assets	17.71	18.82
	717.11	**633.90**

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30 Other expenses	For the year ended 31 March 2023	For the year ended 31 March 2022
Consumption of stores and spares#	561.64	326.82
Diecasting/ Job work charges	1,037.32	960.24
Power & Fuel	760.16	712.77
Advertisement and publicity	22.75	5.54
Bank charges	28.87	-
Communication & Postage Expense	19.39	10.55
Donation	29.35	7.52
Electricity expenses	18.27	18.13
House keeping expenses	38.40	-
Insurance Expenses	19.61	19.34
Legal and professional fees	63.69	47.78
Non competitive fees	-	125.00
Payments to auditors##	1.00	0.50
Printing and stationery	16.00	13.47
Rates and taxes	16.89	2.94
Rent	55.40	43.83
Repair and maintenance - Machinery	100.46	83.51
Repair and maintenance - office	108.02	111.34
Vehicle running and maintainance expense	116.33	74.22
Research and development expense###	5.63	1.20
Sales promotion expenses	20.03	18.72
Security charges	101.81	64.33
Software expenses	3.65	13.95
Trade mark royalty	65.68	62.39
Travelling and conveyance-Local	62.98	24.02
Bad debts	-	3.80
ISO TS certification expense	2.24	3.21
Warranty claim/ Line rejection expense	14.02	0.64
Office expense	17.36	19.24
Rebate & Discount	-	1.70
IPO Exp	-	1.55
Foreign Currency Fluctuation	-	2.69
Freight & forwarding expense	252.72	222.42
Miscellaneous expenses	(0.32)	2.06
	3,559.35	**3,005.42**

	For the year ended 31 March 2023	For the year ended 31 March 2022
# Consumption of Stores, spares, packing and tools		
Opening stock	343.52	163.76
Add:		
Consumption of stores and spares parts	98.90	65.66
Consumption of loose tools	265.16	255.53
Consumption of Packing materials	179.36	131.37
Consumption of polishing and plating material	75.62	54.02
Less: Closing stock	400.92	343.52
Net Consumption of stores ,spares, Packing & tools	561.64	326.82

	For the year ended 31 March 2023	For the year ended 31 March 2022
## Payment to auditors		
As auditors		
-Audit fees	1.00	0.50
	1.00	0.50

	For the year ended 31 March 2023	For the year ended 31 March 2022
### Research and Development		
The Company has incurred following expenditure on its Research and Development:		
Revenue expenditure		
Material/ consumables/ spares	-	2.69
	-	2.69

31 Income tax	For the year ended 31 March 2023	For the year ended 31 March 2022
Tax expense comprises of:		
Current tax	257.58	262.80
Deferred tax credit	16.00	(16.30)
Income tax expense reported in the statement of profit and loss	**273.58**	**246.50**
Deferred tax credit	(5.92)	(2.33)
Income tax expense reported in the statement of Other comprehensive income	**(5.92)**	**(2.33)**

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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		
Effective Income Tax Rate	25.168%	25.168%
Accounting profit before income tax	**1,002.12**	**881.83**
At India's statutory income tax rate	252.21	221.94
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Item on which deferred tax has not been created	7.32	1.33
Impact of change in tax rate	-	(2.67)
Others	14.05	25.89
Income tax expense	**273.58**	**246.50**

32 Earnings per share	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**
Net Profit/(loss) attributable to equity shareholders	728.53	635.33
Nominal value of equity share in ₹	10.00	10.00
Total number of equity shares outstanding at the beginning of the year*	60,90,400	60,90,400
Total number of equity shares outstanding at the end of the year*	1,21,80,800	60,90,400
Weighted average number of equity shares*	97,27,954	60,90,400
Basic Earning per Share on actual outstanding at year end	5.98	10.43
Basic Earning per Share on Weighted Average Nos of Shares	7.49	10.43
Diluted Earnings per Share	7.49	10.43

* These are in absolute numbers.

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

33 Financial instruments

i) Financial assets and liabilities

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

Particulars	As at 31 March 2023			As at 31 March 2022		
	Amortised cost	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI
Financial assets*						
Investments	1,219.03	-	-	1,219.03	-	-
Trade Receivables	4,375.22	-	-	4,081.98	-	-
Loans	250.00	-	-	150.00	-	-
Cash and cash equivalents	16.94	-	-	12.16	-	-
Other Bank Balances	4.50	-	-	16.49	-	-
Other financial assets	270.81	-	-	263.42	-	-
Total financial assets	**6,136.51**	-	-	**5,743.07**	-	
Financial liabilities*						
Borrowings	8,825.51			7,451.68	-	-
Lease liabilities	43.82			60.33	-	-
Trade payables	4,357.15			3,653.40	-	-
Other financial liabilities	347.43			252.56	-	-
Total financial liabilities	**13,573.90**	-	-	**11,417.97**	-	-

Particulars	As at 31 March 2021		
	Amortised cost	FVTPL	FVTOCI
Financial assets*			
Investments	964.03	-	-
Trade Receivables	2,794.61	-	-
Loans	-	-	-
Cash and cash equivalents	12.61	-	-
Other Bank Balances	15.88	-	-
Other financial assets	285.85	-	-
Total financial assets	**4,072.97**	-	
Financial liabilities*			
Borrowings	4,525.82	-	-
Lease liabilities	76.78	-	-
Trade payables	2,859.80	-	-
Other financial liabilities	210.99	-	-
Total financial liabilities	**7,673.39**	-	

ii) Fair Value Hierarchy

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

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

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

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

Fair value of instruments measured at amortised cost

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

Particulars	As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
	Carrying value	Fair value*	Carrying value	Fair value*	Carrying value	Fair value*
Financial assets						
Investments	1,219.03	1,219.03	1,219.03	1,219.03	964.03	964.03
Trade Receivables	4,375.22	4,375.22	4,081.98	4,081.98	2,794.61	2,794.61
Loans	250.00	250.00	150.00	150.00	-	-
Cash and cash equivalents	16.94	16.94	12.16	12.16	12.61	12.61
Other Bank Balances	4.50	4.50	16.49	16.49	15.88	15.88
Other financial assets	270.81	270.81	263.42	263.42	285.85	285.85
Total financial assets	**6,136.51**	**6,136.51**	**5,743.07**	**5,743.07**	**4,072.97**	**4,072.97**
Financial liabilities						
Borrowings	8,825.51	8,825.51	7,451.68	7,451.68	4,525.82	4,525.82
Lease liabilities	43.82	43.82	60.33	60.33	76.78	76.78
Trade payables	4,357.15	4,357.15	3,653.40	3,653.40	2,859.80	2,859.80
Other financial liabilities	347.43	347.43	252.56	252.56	210.99	210.99
Total financial liabilities	**13,573.90**	**13,573.90**	**11,417.97**	**11,417.97**	**7,673.39**	**7,673.39**

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

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Financial risk management

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

Risk Management Framwork

'The Company's activities make it susceptible to various risks. The company has taken adequate measures to address such concerns by developing adequate systems and practices. The Company's overall risk management program focuses on the unpredictability of markets and seeks to manage the impact of these risks on the Company's financial performance. The Company's senior management oversee the management of these risks and advises on financial risks and the appropriate financial risk

governance framework for the Company. The board provides assurance to the shareholders that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and company's activities. The Company's audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

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

A) Credit risk

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

a) Credit risk management

i) Credit risk rating

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

A: Low credit risk

B: Moderate credit risk

C: High credit risk

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.

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

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

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

Credit rating	Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Low credit risk	Cash and cash equivalents, loans and other financial assets	4,917.48	4,524.04	3,108.95

Cash and cash equivalents and other bank balances

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

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

Trade Receivables

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

b) Credit risk exposure

i) Provision for expected credit losses

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

As at 31 March 2023

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	16.94	-	16.94
Other bank balances	4.50	-	4.50
Trade receivables	4,375.22	-	4,375.22
Loans	250.00	-	250.00
Other financial assets	270.81	-	270.81

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As at 31 March 2022

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	12.16	-	12.16
Other bank balances	16.49	-	16.49
Trade receivables	4,081.98	-	4,081.98
Loans	150.00	-	150.00
Other financial assets	263.42	-	263.42

As at 31 March 2021

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	12.61	-	12.61
Other bank balances	15.88	-	15.88
Trade receivables	2,794.61	-	2,794.61
Loans	-	-	-
Other financial assets	285.85	-	285.85

B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Maturities of financial liabilities

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

As at 31 March 2023	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Non-derivatives					
Borrowings	5,979.07	574.11	373.72	1,898.61	8,825.51
Trade payable	4,293.23	-	-	-	4,293.23
Lease liabilities	4.96	8.52	8.52	34.08	56.08
Other financial liabilities	347.43	-	-	-	347.43
Total	**10,624.68**	**582.63**	**382.24**	**1,932.69**	**13,522**

As at 31 March 2022	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Non-derivatives					
Borrowings	6,957.94	351.62	142.12		7,451.68
Trade payable	3,653.40	-	-	-	3,653.40
Lease liabilities	21.83	8.52	8.52	42.60	81.47
Other financial liabilities	252.56	-	-	-	252.56
Total	**10,885.73**	**360.14**	**150.64**	**42.60**	**11,439**

As at 31 March 2021	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Non-derivatives					
Borrowings	3,712.16	329.52	356.41	142.12	4,540.22
Trade payable	2,859.80	-	-	-	2,859.80
Lease liabilities	23.04	21.83	8.52	51.12	104.51
Other financial liabilities	210.99	-	-	-	210.99
Total	**6,805.99**	**351.35**	**364.93**	**193.24**	**7,716**

C) Market risk

Interest rate risk

i) Liabilities

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

Interest rate risk exposure

Particulars	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Secured Variable rate borrowings	5,671.51	4,776.73	3,532.21
UnSecured Variable rate borrowings	2,000.00	1,500.00	-
Total borrowings	7,671.51	6,276.73	3,532.21

*The above amount doesnot include borrowings from related party

Sensitivity

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

Particulars	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Increase in borrowing rate by 1%	76.72	62.77	35.32
Decrease in borrowing rate by 1%	(76.72)	(62.77)	(35.32)

ii) Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

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Currency Risk

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

Earnings in Foreign currency

Description of Transactions	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Export of Material and services	581.69	842.99	620.81

Expenditure in Foreign currency

Description of Transactions	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Import of Material and services	14.88	33.22	62.62

Foreign Currency risk Exposures

Financial Assets		As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
		USD $	EUR	USD $	EUR	USD $	EUR
Trade Receivables	In Foreign currency	-	1,61,714.28	827.00	1,74,183.34	10,221.12	1,55,752.08
Trade Receivables	In INR		1,38,43,444.00	62,777.57	1,46,41,851.56	7,69,956.96	1,29,24,307.60

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

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

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023
(All amounts are in lacs(₹), unless otherwise specified)

34 Related party transactions

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

a) Subsidiary Company	Swapnil Switches Pvt. Ltd.
	Pavna Auto Engineering Pvt. Ltd.
	Pavna Sun World Autotech Pvt Ltd
	Pavna Marketing Pvt Ltd
	Pavna Goyam Auto Pvt Ltd
b) Entity having substantial interest in the Company	PJ Wealth Management & Consultants P. Ltd.

c) Key Managerial Personnel (KMP)

Managing Director	Shri Swapnil Jain
Director	Smt. Asha Jain
Director	Smt. Priya Jain
Director	Shri Sanjay Kumar Jain
CFO	Shri Makarand Haribhau Mahajan
CS	Ms. Charu Singh
Independent Director	Shri Naozer Firoze Aibara
Independent Director	Shri Dhruv Jain
Independent Director	Shri Achyutanand Ramchandra Mishra

d) Relatives of Key Managerial Personnel (KMP)

Where transactions have taken place during the year or previous year or balances are outstanding - NIL

e) Enterprise over which KMP exercise control or significant influence

Pavna Sports Venture Private Limited
PJ Wealth Management & Consultants P. Ltd.
Ascus Cricket Private Limited
Pavna Electric Systems Private Limited
Pavna International Schools Private Limited

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

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

Note No.- Related Party Disclosure - Contd..

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

Nature of Transactions	Name of Related Party	Relationship	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 1 April 2021
	Loan taken during the year				
Loan taken	Smt. Asha Jain	Director	95.00	711.00	231.09
Loan taken	Smt. Priya Jain	Director	180.00	-	112.86
Loan taken	Shri Swapnil Jain	Managing Director	859.00	100.00	24.00
Loan taken	PJ Wealth Management & Consultants P. Ltd.	Entity having substantial interest in the Company	150.00	442.28	1,095.23
	Loan Repaid during the year				
Repayment of Loan taken	Smt. Asha Jain	Director	200.00	511.00	485.59
Repayment of Loan taken	Shri Pawan Jain	Director		-	408.57
Repayment of Loan taken	Smt. Priya Jain	Director	180.00	-	115.67
Repayment of Loan taken	Shri Swapnil Jain	Managing Director	590.00	100.00	229.46
Repayment of Loan taken	PJ Wealth Management & Consultants P. Ltd.	Entity having substantial interest in the Company	325.00	470.89	715.48
	Interest on Loans (Net of TDS)				
Interest(Net)	Smt. Asha Jain	Director	9.70	26.91	19.72
Interest(Net)	Shri Pawan Jain	Director			33.46
Interest(Net)	Shri Swapnil Jain	Managing Director	9.26	4.32	14.97
Interest(Net)	Smt. Priya Jain	Director	0.83	-	-
Interest(Net)	PJ Wealth Management & Consultants P. Ltd.	Entity having substantial interest in the Company	76.85	115.95	79.88
	Remuneration, Salary & Other Expense				
Remuneration	Smt. Asha Jain	Director			6.83
Remuneration	Shri Swapnil Jain	Managing Director	216.00	144.00	114.83
Remuneration	Smt. Priya Jain	Director			6.30
Remuneration	Shri. Makarand Mahajan	CFO	15.00	12.77	9.57
Remuneration	Ms. Charu Singh	CS	7.12	1.83	-
Remuneration	Vijay Sharma	KMP	24.00	20.00	13.68
Remuneration	Geetika Varshney	CS	-	1.86	3.24
Remuneration	Divyani Kostha	CS		5.67	4.15
PROFESSIONAL CHARGES	Shri Pawan Jain	Director			3.00
Building Rent	Smt. Asha Jain	Director	8.52	5.64	4.20
Building Rent	Shri Pawan Jain	Director		2.88	4.32
Lease Rent	Shri Pawan Jain	Director			0.10
Lease Rent	Smt. Asha Jain	Director	0.10	0.10	
Trade Mark Royalty	Shri Pawan Jain	Director			42.80
Trade Mark Royalty	Smt. Asha Jain	Director	65.68	62.39	42.80
	Sales & Purchase				
Purchase	Swapnil Switches Pvt. Ltd.	Subsidary Company	242.99	178.92	73.53
Purchase - Fixed Assets	Swapnil Switches Pvt. Ltd.	Subsidary Company	44.26		
Purchase	Pavna Auto Engineering Pvt. Ltd.	Subsidary Company	239.19	101.61	58.83
Sale	Swapnil Switches Pvt. Ltd.	Subsidary Company	368.59	659.36	518.42
Sale	Pavna Auto Engineering Pvt. Ltd.	Subsidary Company	2,295.54	830.25	266.34
Sale	Pavna Sun World Autotech Pvt Ltd	Subsidary Company	11.46	5.69	0.96
Tool Sale	Pavna Sun World Autotech Pvt Ltd	Subsidary Company			42.41
Tool Sale	Pavna Auto Engineering Pvt. Ltd.	Subsidary Company			133.55
Purchase	Pavna Sun World Autotech Pvt Ltd	Subsidary Company	0.58	1.13	
Sale	Pavna Marketing Pvt Ltd	Subsidary Company	2,695.60	1,308.36	2,176.04
Purchase	Pavna Marketing Pvt Ltd	Subsidary Company	100.81	134.45	150.64
Purchase	Pavna Goyam Auto Pvt Ltd	Subsidary Company	967.81	3,842.45	
Sale	Pavna Goyam Auto Pvt Ltd	Subsidary Company	238.71	0.78	
DG SET RENT	Pavna Goyam Auto Pvt Ltd	Subsidary Company	0.80		
Building Rent	Pavna Goyam Auto Pvt Ltd	Subsidary Company	13.78		
	Investment of Shares- Sales/ Purchase				
Share Purchase	Pavna Auto Engineering Pvt. Ltd.	Subsidary Company			184.74
Share Purchase	Pavna Goyam Auto Pvt. Ltd.	Subsidary Company		255.00	
	Security Deposits				
Security Deposit	Shri Pawan Jain	Director			300.00
Security Deposit	Pavna Goyam Auto Pvt Ltd	Subsidary Company	100.00		
	Short Term Loans & Advances				
Advances	Pavna Goyam Auto Pvt. Ltd.	Subsidary Company		150.00	

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

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

Note No.- Related Party Disclosure - Contd..

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

Nature of Transactions	Name of Related Party	Relationship	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Loan Taken	Smt. Asha Jain	Whole time director	95.00	202.56	-
Loan Taken	Shri Swapnil Jain	KMP	269.00		
Loan Taken	PJ Wealth Management & Consultants P. Ltd.	Entity having substantial interest in the Company	790.00	972.38	993.62
Trade Receivables	Swapnil Switches Pvt. Ltd.	Subsidary company	231.76	303.79	-
Trade Receivables	Pavna Marketing Pvt Ltd	Subsidary company	216.05	121.67	77.04
Trade Receivables	Pavna Sun World Autotech Pvt Ltd	Subsidary company	64.34	3.93	-
Trade Receivables	Pavna Auto Engineering Pvt. Ltd.	Subsidary company	193.16	30.43	65.67
Trade Payables	Pavna Auto Engineering Pvt. Ltd.	Subsidary company		3.07	20.08
Trade Payables	Pavna Goyam Auto Pvt. Ltd.	Subsidary company	37.83	1,287.72	-
Trade Payables	Swapnil Switches Pvt. Ltd.	Subsidary company		-	89.84
Trade Payables	Shri Pawan Jain	Managing director		-	0.40
Trade Payables	Smt. Asha Jain	Whole time director	2.86	2.30	0.69
Investments	Swapnil Switches Pvt. Ltd.	Subsidary company	197.76	197.76	197.76
Investments	Pavna Marketing Pvt Ltd	Subsidary company	10.00	10.00	10.00
Investments	Pavna Sun World Autotech Pvt Ltd	Subsidary company	71.50	71.50	71.50
Investments	Pavna Auto Engineering Pvt. Ltd.	Subsidary company	684.77	684.77	684.77
Investments	Pavna Goyam Auto Pvt. Ltd.	Subsidary company	255.00	255.00	-
Security Deposit given*	Shri Pawan Jain & Smt. Asha Jain	Managing director	300.00	300.00	300.00

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

35 Capital management
The Company's capital includes issued share capital and all other distributable reserves. The primary objective of the Company's capital management is to maximise shareholder value and to maintain an optimal capital structure to reduce the cost of capital. The Company have short term borrowings.
Companies Debt equity ratio is:

Particulars	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Debt*	8,808.56	7,439.52	4,513.21
Equity	5,733.13	5,108.79	4,466.54
Debt to equity ratio	**1.54**	**1.46**	**1.01**

* Debt includes short term borrowings + interest accrued - cash and cash equivalents

36 Employee benefits
The Company has adopted Indian Accounting Standard (Ind AS) - 19 on Employee Benefit as under :

Defined contribution plans	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 1 April 2021
The company makes contribution towards employee's provident fund and employee's state insurance. The company has recognised following as contribution towards these schemes.	139.98	115.89	92.09

Defined benefit plans
Gratuity
The Company has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provisions of the Payment of Gratuity Act, 1972. The liability of Gratuity is recognized on the basis of actuarial valuation.

Salary increases	Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase
Discount rate	Reduction in discount rate in subsequent valuations can increase the
Mortality & disability	Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact

Amounts recognised in the balance sheet:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 1 April 2021
Present value of the obligation	225.12	198.40	159.43
Current liability (amount due within one year)	70.13	64.55	60.55
Non-current liability (amount due over one year)	154.99	133.85	98.88

Loss recognised in other comprehensive income:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 1 April 2021
Actuarial loss recognised during the year	(23.53)	(9.25)	(11.05)

Expenses recognised in statement of profit and loss

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 1 April 2021
Current service cost	37.34	38.43	32.00
Interest cost	13.29	10.04	8.38
Cost recognised during the year	**50.63**	**48.47**	**40.38**

Movement in the liability recognised in the balance sheet is as under:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 1 April 2021
Present value of defined benefit obligation at the beginning of the year	198.40	159.43	135.10
Current service cost	37.34	38.43	32.00
Interest cost	13.29	10.04	8.38
Actuarial (gain)/loss net	-	-	-
Actuarial loss on arising from change in demographic assumption	-	-	-
Actuarial loss on arising from change in financial assumption	(5.88)	(4.34)	(0.84)
Actuarial loss on arising from experience adjustment	(17.65)	(4.91)	(10.21)
Benefits paid	(0.38)	(0.25)	(5.00)
Present value of defined benefit obligation at the end of the year	**225.12**	**198.40**	**159.43**

For determination of the liability of the Company the following actuarial assumptions were used:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 1 April 2021
Discount rate	7.20%	6.70%	6.30%
Salary escalation rate	5.00%	5.00%	5.00%
Retirement age (Years)	58 Years	58 Years	58 Years
Withdrawal rate	10.00%	10.00%	10.00%
Weighted average duration of PBO	7 Years	7 Years	7 Years

Mortality rates inclusive of provision for disability -100% of IALM (2012 – 14)

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Sensitivity analysis for gratuity liability:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 1 April 2021
a) Impact of the change in discount rate			
Present value of obligation at the end of the year			
Impact due to increase of 1 %	11.40	10.54	8.03
Impact due to decrease of 1 %	10.10	9.28	7.04
b) Impact of the change in salary increase			
Present value of obligation at the end of the year			
Impact due to increase of 1 %	11.54	10.62	8.06
Impact due to decrease of 1 %	10.39	9.50	7.18

Sensitivities due to mortality and withdrawals are not material .Hence impact of change is not calculated

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement

37 Segment information

The company operates in a single reportable segment , for the purpose of Ind AS 108 "Operating Segment", is considered to be the only reportable business segment. The Company derives its major revenues from the activities related to manufacturing of Locks, Auto Locks and Auto Parts in India.

38 Contingent Liabilities and Commitments (As represented & certified by the management)

	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 1 April 2021
(a) Contingent Liabilities			
Service Tax/Indirect Tax Matters (Note A)			
Income Tax Matters (Note B)			
Corporate Guarantees Given on behalf of related parties**			
	-	-	-
(b) Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for			
	-	-	-

39 Disclosure under Ind AS 115 - Revenue from Contracts with Customer

I. Disagreegation of revenue

Description	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 1 April 2021
Sale of products	**26,271.51**	24,954.28	17,121.70
Sale of services	-	-	-
Scrap sales	-	-	-

(II) Contract Assets and Contract Liabilities

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 1 April 2021
Trade receivable	4,375.22	4,081.98	2,794.61
Contract Assets - Accrued revenue	-	-	-
Contract Liabilities - Advance from customer	68.95	19.72	10.51

(III) Movement of Contract liabilities

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 1 April 2021
Amounts included in contract liabilities at the beginning of the year	19.72	10.51	369.78
Amount received during the year	52.30	16.36	(365.30)
Performance obligations satisfied in current year	3.08	7.15	6.03
Amounts included in contract liabilities at the end of the year	68.95	19.72	10.51

40 Leases

a) Company as a lessee

The company has leases for office space and buildings. With the exception of short term leases and leases of low value underlying assets , each lease is reflected on the balance sheet as a right of use assets and a lease liability. The company has presented its right of use assets in the balance sheet separately from other assets.

Each lease geneally imposes a restriction that unless there is contractual right for the company to sublease the assets to another party, the right of use assets can only be used by the company. The company is Prohibited from selling or pledging the underlying assets as security.

i. Lease Liabilities

Particulars	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Current	4.96	16.87	15.44
Non-Current	38.86	43.45	61.33

Additions to the right of use assets during the year were Nil

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(ii) Amount recognised in Profit or loss

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 1 April 2021
Depreciation on right of use assets	17.71	18.82	6.64
Interest on lease liabilities (included in interest expense)	4.96	6.59	4.63
Expense relating to short term leases	55.40	43.83	85.25
Net Impact on Statement of Profit or loss	78.06	69.23	96.52

(iii) Amount recognised in the cash flow statement

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 1 April 2021
Payment of lease liabilities- interest and principal	21.83	23.04	9.73

(iv) Maturity of lease liabilities

The lease liabilities are secured by the underlying assets. Further minimum lease payments were as follows:

Lease Payments	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Less then 1 year	4.96	21.83	23.04
1-2 Years	8.52	8.52	21.83
2-3 Years	8.52	8.52	8.52
More then 3 Years	34.08	42.60	51.12
Total	**56.08**	**81.47**	**104.51**

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

41 Financial Ratios

Ratio	Measurnment Unit	Numerator	Denominator	As at 31 March 2023	As at 31 March 2022	% Change March 2023	% Change March 2022
Current Ratio	Times	Current assets	Current liabilities	1.08	1.09	-0.20%	-2.24%
Debt Equity Ratio	Times	Total debt (Non-current borrowings + Current borrowings)	Total equity	1.54	1.46	5.54%	43.95%
Debt Service coverage Ratio	Times	Earnings before depreciation and amortisation and interest (Profit & loss after tax + depreciation & amortisation expense+ Finance costs (excluding interest on lease liabilities))	Interest expenses (Including capitalised)+ Principal repayments (including prepayments)	1.94	2.16	-10.07%	-27.99%
Return on equity ratio	%	Profit after tax	Average of total equity	13%	13%	1.27%	14.30%
Inventory Turnover Ratio	Times	Cost of material consumed	Average Inventories	3.00	4.48	-32.92%	117.11%
Trade Receivables turnover Ratio	Times	Revenue from Operations	Average trade receivables	6.23	7.26	-14.23%	-0.03%
Trade Payables turnover Ratio	Times	Purchase + other expenses	Average trade payables	5.66	7.12	-20.52%	173.15%
Net Capital turnover ratio	Times	Revenue from Operations	Working capital (Current assets- current liabilities)	27.53	29.66	-7.18%	13.86%
Net Profit ratio	%	Profit after tax	Revenue from operatic	3%	3%	8.71%	13.66%
Return on Capital Employed	%	Earnings before depreciation and amortisation and interest (Profit & loss before tax + depreciation & amortisation expense+ Finance costs)	Capital employed (Total assets - current liabilities + current borrowings)	16%	17%	-3.96%	-1.17%
Return on Investment	%	Profit after tax	Equity share capital + securities premium	28%	32%	-12.02%	65.94%

Reasons for Changes in ratio above 25%:

Ratio	Reason
Current Ratio	Not Applicable
Debt Equity Ratio	Not Applicable
Debt Service coverage Ratio	Not Applicable
Return on equity ratio	Not Applicable
Inventory Turnover Ratio	The variation is due to increase in inventory holding by the company
Trade Receivables turnover Ratio	Not Applicable
Trade Payables turnover Ratio	Not Applicable
Net Capital turnover ratio	Not Applicable
Net Profit ratio	Not Applicable
Return on Capital Employed	Not Applicable
Return on Investment	Not Applicable

42 Corporate Social Responsibility

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

43 Information relating to Litigations

Company has received following GST orders and Notices-Order for Aligarh Unit is Rs. 1489753 and for Aurangabad Unit Rs 131123

Notice for Input Tax - Reconciliation has been received and we are in process of its disposal and necessary step has been taken.

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

44 Other information

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

(ii) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(iii) The Company did not have any transactions with Companies struck off.

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(iv)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

(v) The Company has not traded or invested in Crypto currency or Virtual Currency during the respective financial years / period.

(vi) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the
Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(viii) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(ix) The Company has not been declared willful defaulter by any bank or financial Institution or other lender.

(x) The Company does not have any Scheme of Arrangements which have been approved by the Competent Authority in terms of sections 230 to 237 of the Act.

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

(xii) There are some differences between stock statement submitted to bank and books of accounts. These difference are due to clerical mistake while compiling the data.

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Notes to the financial statements for the year ended 31 March 2023
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A 45 Explanation of transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ending 31 March 2023, the comparative information presented in these financial statements for the year ended 31 March 2022, 1 April 2021. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

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

Particulars	Note	Previous GAAP*	Effect of transition to Ind AS	Ind AS
Non-current assets				
Property, plant and equipment		4,819.06	(271.33)	4,547.73
Right of Use assets			56.42	56.42
Financial assets			-	-
Investments		1,219.03	-	1,219.03
Others		344.39	(98.47)	245.92
Deferred tax assets (net)			-	
Other Non Current assets			68.53	68.53
Total non-current assets		**6,382.47**	**(244.85)**	**6,137.62**
Current assets				
Inventories		5,725.41	-	5,725.41
Financial assets			-	-
Trade Receivable		4,081.98	-	4,081.98
Cash and cash equivalents		12.16	-	12.16
Other Bank Balances		16.49	-	16.49
Loans		150.00	-	150.00
Others			17.50	17.50
Income tax assets (net)		38.87	-	38.87
Other current assets		618.76	9.92	628.68
Total current assets		**10,643.67**	**27.42**	**10,671.09**
Total assets		**17,026.14**	**(217.43)**	**16,808.71**
Equity				
Equity share capital		609.04	-	609.04
Other equity		4,592.90	-93.14	4,499.75
Total equity		**5,201.94**	**(93.14)**	**5,108.79**
Non-current liabilities				
Financial liabilities				
Long term borrowings		1,678.88	(0.00)	1,678.88
Lease liabilities			43.45	43.45
Other Non current financial liabilities		-	-	
Provisions		133.85	-	133.85
Deferred tax liabilities (net)		198.57	(184.59)	13.99
Total non-current liabilities		**2,011.30**	**(141.13)**	**1,870.17**
Current liabilities				
Financial liabilities				
Borrowings		5,772.80	-	5,772.80
Lease Liabilities			16.87	16.87
Trade payables		-	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		3,653.40	-	3,653.40
Other financial liabilities		252.56	-	252.56
Other current liabilities		69.57	-	69.57
Income tax liabilities		-	-	-
Short Term Provision		64.55	-	64.55
Total current liabilities		**9,812.88**	**16.87**	**9,829.76**
Total equity and liabilities		**17,026.12**	**(217.40)**	**16,808.71**

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

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

Particulars	Note	Previous GAAP*	Effect of transition to Ind AS	Ind AS
Non-current assets				
Property, plant and equipment		4,641.21	(192.83)	4,448.37
Right of Use assets			75.24	75.24
Financial assets			-	-
Investments		964.03	-	964.03
Others		375.38	(136.84)	238.54
Deferred tax assets (net)			-	
Other Non Current assets			78.45	78.45
Total non-current assets		**5,980.61**	**(175.99)**	**5,804.63**
Current assets				
Inventories		2,925.49	-	2,925.49
Financial assets				-
Trade Receivable		2,794.61	-	2,794.61
Cash and cash equivalents		12.61	-	12.61
Other Bank Balances		15.88	-	15.88
Loans			-	-
Others			47.31	47.31
Income tax assets (net)		95.82	-	95.82
Other current assets		707.31	9.92	717.23
Total current assets		**6,551.70**	**57.23**	**6,608.94**
Total assets		**12,532.32**	**(118.76)**	**12,413.56**
Equity				
Equity share capital		609.04	-	609.04
Other equity		3,952.04	-94.55	3,857.50
Total equity		**4,561.08**	**(94.55)**	**4,466.54**
Non-current liabilities				
Financial liabilities				
Long term borrowings		1,821.68	(14.40)	1,807.28
Lease liabilities		-	61.33	61.33
Other Non current financial liabilities		-	-	-
Provisions		98.88	-	98.88
Deferred tax liabilities (net)		114.55	(86.59)	27.96
Total non-current liabilities		**2,035.10**	**(39.65)**	**1,995.45**
Current liabilities				
Financial liabilities				
Borrowings		2,718.54	(0.00)	2,718.54
Lease Liabilities		-	15.44	15.44
Trade payables		-	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,859.80	-	2,859.80
Other financial liabilities		210.99	-	210.99
Other current liabilities		86.24	-	86.24
Income tax liabilities		-	-	-
Short Term Provision		60.55	-	60.55
Total current liabilities		**5,936.13**	**15.44**	**5,951.57**
Total equity and liabilities		**12,532.32**	**(118.76)**	**12,413.56**

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

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Aligarh
Chartered Accountants

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

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

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

B Ind AS optional exemptions

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

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

B Ind AS mandatory exceptions

1 Estimates

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

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

2 Classification and measurement of financial assets and liabilities

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

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C Reconciliations between Previous GAAP and Ind AS

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

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

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

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

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

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

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

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Aligarh
Chartered Accountants

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

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

D Notes to first time adoption

1 Lease Accounting

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

2 Security Deposit

Under previous GAAP, security deposits were initially recognized at transaction price. Subsequently, finance income was recognized based on contractual terms, if any. Under Ind AS, such security deposits are initially recognized at fair value and subsequently carried at amortised cost determined using the effective interest rate. Any difference between transaction price and fair value is recognised in statement of profit and loss unless it quantifies for recognition as some other type of asset.

3 Property, Plant and Equipment

During the year, Company have corrected Depreicaiton calculation and corrposponding impact shown in Profit and loss account in recpective year.

4 Tax impact on adjustments

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

5 Other comprehensive income

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

6 Borrowing

Ind As 109 required transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the statement of Profit and loss over the tenure of borrowings as part of finance cost by applying Effective interest rate method. Under Previous GAAP, these transactions were charged to statement of Profit and loss.

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

Rajeev Kumar Kumar & Co.
Aligarh
Chartered Accountants

Rajeev Kumar
Proprietor
Membership No.: 070103

Place: Aligarh
Date: 30/05/2023

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

Asha Jain
Director
DIN: 00035024

Swapnil Jain
Director
DIN: 01542555

Makarand Mahajan
Chief Financial officer
PAN : ABUPM4863G

Charu Singh
Company Secretary
PAN : CVBPS6669B