



ARUN VARSHNEY & ASSOCIATES
CHARTERED ACCOUNTANTS

Off. No. 12-13, 1st Floor, Vikram Arcade, Railway Road, Aligarh-202 001

9412175533, 7017611301, 8909208415

ca.arun@gmail.com, ca.ankurvarshney07@gmail.com

Independent Auditor's Report

To the Members of **PAVNA INDUSTRIES LIMITED**

Report on the Audit of the Standalone IND AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS Financial statements of **PAVNA INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2025, and the statement of Profit and Loss (Including the statement of Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended on 31st March 2025, and notes to Standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013 as amended, ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2025, its profit including Other Comprehensive Income, its cash flows and changes in Equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Ind AS Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on 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'2025. These matters were addressed in the context of our audit of the standalone IND AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.



Branches at :

● Navi Mumbai

● Greater Noida

● Hathras

Other Information

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the company's annual Report 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 during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 the accounting principles generally accepted in India, including the Indian accounting Standards (IND AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone 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.

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

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

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.

Other Matter

The financial information of the company for the year ended 31 March, 2024 included in these Standalone Ind AS Financial Statements have been audited by predecessor auditor M/s Rajeev Kumar & Company who have expressed an unmodified opinion on the same, vide report dated 30 May, 2024.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Statement of other comprehensive income) and the Standalone Cash Flow Statement and the Standalone 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, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) With respect to the adequacy of the internal financial controls with reference to 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) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 read with Schedule V of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 Financial Statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There 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, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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.

(c) Based on the 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 (i) and (ii) of Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014, as provided under (a) and (b) above, contain any material misstatement.
- v. No dividend have been declared or paid during the year by the company.
- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account for the year ended 31st March, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.
Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with.

For ARUN VARSHNEY AND ASSOCIATES

Chartered Accountants

ERN: 0005560C



**CA. ARUN KUMAR
(PARTNER)**

Mem. No. 073299

Place:-ALIGARH

Date: 26/05/2025

UDIN: 25073299BMNXAG3144

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

Responsibilities for Audit of Standalone Ind AS Financial Statements

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

1. 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.
2. 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.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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.
5. 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 where applicable, related safeguards.

For ARUN VARSHNEY AND ASSOCIATES

Chartered Accountants

FRN: 0005560C



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

**CA. ARUN KUMAR
(PARTNER)**

Mem. No. 073299

Place:-ALIGARH

Date: 26/05/2025

UDIN: 25073299BMNXAG3144

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1, under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date

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 all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company.
- (d) 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'2025.
- (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 during the year or are pending against the Company as at 31st March, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 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 physical verification of stocks by the management as compared to book records.



- (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 or financial institutions on the basis of security of current assets during any point of time of the year. 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 read with note no. 43(xii) 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 not made investments in, nor provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, provisions of clause 3(iii)(a), 3(iii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order are not applicable to the Company.
- (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.
- (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. Accordingly, clause 3(vi) of the Order is not applicable.
- (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, 2025 for a period of more than six months from the date they became payable read with as disclosed in note no. 43 of notes to accounts.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the company, 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 no. 43 of notes to accounts.



- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix)(a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not been declared a willful defaulter by any bank or financial institution or other lender;
- (c) According to the information and explanations given to us by the management, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term purposes by the company.
- (e) In our opinion and according to the information and explanations given by the management, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Accordingly, clause 3(ix)(e) is not applicable.
- (f) In our opinion and according to the information and explanations given by the management, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, clause 3(ix)(f) is not applicable.
- (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) The Company has complied with provisions of sections 42 and 62 of the Companies Act, 2013 in respect of the preferential allotment of shares during the year. The funds raised, have been used for the purposes for which the funds were raised. According to the information and explanation given to us, the Company has not made any private placement of shares / fully or partially or optionally convertible debentures during the year under audit
- (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 had 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) Based on information and explanations provided to us and our audit procedures, the company has an internal audit system commensurate with the size and nature of its business;
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (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 him and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) In our Opinion and based on our examination, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) In our Opinion and based on our examination, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) In our Opinion and based on our examination, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.



- (d) According to the information and explanations given by the management, the Group does not have any CIC as part of the Group.
- (xvii) Based on our examination, the company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been resignation of the statutory auditors M/s Rajeev Kumar & Company during the year and we have taken into consideration the issues, objections or concerns raised by the outgoing auditors.
- (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 than 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 is no unspent amount 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.
- (xxi) The requirement of clause 3(xxi) is not applicable in respect of Standalone Ind AS Financial Statements.

Place:-ALIGARH
Date: 26/05/2025
UDIN:25073299BMNXAG3144



For ARUN VARSHNEY AND
ASSOCIATES
Chartered Accountants
FRN: 0005560C

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

ANNEXURE C TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 2(f) of the Independent Auditor's Report of even date to the members of PAVNA INDUSTRIES LIMITED on the standalone financial statements as of and for the year ended March 31, 2025

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

We have audited the internal financial controls over financial reporting of PAVNA INDUSTRIES LIMITED ("the Company") as of March 31, 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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



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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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



Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place:-ALIGARH
Date: 26/05/2025
UDIN:25073299BMNXAG3144



**For ARUN VARSHNEY AND
ASSOCIATES**
Chartered Accountants
FRN: 0005560C


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

Pavna Industries Limited
Balance Sheet as at 31 March 2025
(All amounts are in lacs(₹), unless otherwise specified)

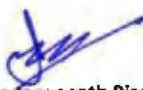
	Note	As at 31 March 2025	As at 31 March 2024
ASSETS			
Non-current assets			
Property, plant and equipment	3A	8,263.95	6,641.34
Intangible Work in Progress	3A	-	-
Right of Use assets	3B	27.65	33.18
Financial assets			
Investments	4	964.03	964.03
Others	5	672.15	313.17
Other Non Current assets	6	51.57	102.66
		<u>9,979.35</u>	<u>8,054.38</u>
Current assets			
Inventories	7	8,477.60	7,082.85
Financial assets			
Trade Receivable	8	5,317.92	5,290.06
Cash and cash equivalents	9	84.33	13.37
Other Bank Balances	10	5.79	4.44
Others	11	-	(1.50)
Income tax assets (net)	12	59.60	20.67
Other current assets	13	982.14	1,438.99
Total current assets		<u>14,927.39</u>	<u>13,848.88</u>
Total assets		<u>24,906.72</u>	<u>21,903.26</u>
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	1,395.30	1,218.08
Other equity	15	17,869.98	5,298.89
Total equity		<u>19,265.28</u>	<u>6,516.97</u>
Non current liabilities			
Financial liabilities			
Long term Borrowing	16A	710.85	1,431.25
Lease liabilities	38	32.94	35.39
Other Non current financial liabilities		-	-
Provisions	17	207.95	242.44
Deferred tax liabilities (net)	18	44.35	43.50
		<u>996.08</u>	<u>1,752.58</u>
Current liabilities			
Financial liabilities			
Borrowings	16B	2,210.64	9,616.77
Lease Liabilities	38	0.87	3.47
Trade payables	19		
Total outstanding dues of micro enterprises and small enterprises		836.24	506.53
Total outstanding dues of creditors other than micro and small enterprises		1,203.39	2,967.29
Other financial liabilities	20	277.57	278.64
Other current liabilities	21	13.32	173.91
Short term provisions	22	103.34	87.09
Total current liabilities		<u>4,645.36</u>	<u>13,633.69</u>
Total equity and liabilities		<u>24,906.72</u>	<u>21,903.26</u>

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

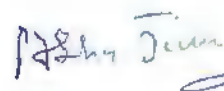
For Arun Varshney & Associates
Chartered Accountants
Firm's Registration No.: 005560C


Arun Kumar
Partner
Membership No.: 073299



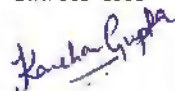

Ravindra Jagannath Pise
Chief Executive officer

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


Asha Jain
Director
DIN: 00035024


Swapnil Jain
Director
DIN: 01542555


Palak Jain
Chief Financial officer


Kanchan Gupta
Company Secretary

Place: Aligarh
Date: 26/05/2025

Pavna Industries Limited

Statement of Profit and Loss for the year ended 31 March 2025

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

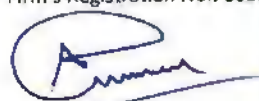
	Note	For the year ended 31 March 2025	For the year ended 31 March 2024
Revenue:			
Revenue from operations	23	29,779.60	28,273.49
Other income	24	149.57	33.99
Total income		29,929.16	28,307.48
Expenses:			
Cost of materials consumed	25	21,508.59	19,939.45
Change in Inventory of finished goods	26	(931.11)	(703.73)
Employee benefits expense	27	2,489.93	2,281.61
Finance costs	28	935.20	931.08
Depreciation and Amortisation Expenses	29	1,151.35	897.34
Other expenses	30	3,689.33	3,914.33
Total expenses		28,843.29	27,260.09
Profit/(Loss) before tax		1,085.87	1,047.38
Tax expense:	31		
Current tax		278.84	264.43
Deferred tax credit		0.85	5.46
Total tax expense		279.69	269.89
Profit/(Loss) for the year		806.18	777.49
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurements of the defined benefit plans		0.92	8.49
Income tax relating to above item		(0.23)	(2.14)
Other comprehensive income / (loss)		0.69	6.35
Total comprehensive Profit / (loss) for the year		806.87	783.84
Earnings per equity share (₹ 10 per share)			
Basic EPS on actual outstanding	32	6.46	6.38
Diluted EPS		6.41	6.38

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 Arun Varshney & Associates

Chartered Accountants

Firm's Registration No.: 0055600



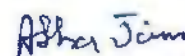
Arun Kumar

Partner

Membership No.: 073299



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



Asha Jain

Director

DIN: 00035024

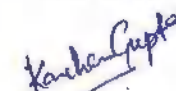

Swapnil Jain

Director

DIN: 01542555


Ravindra Jagannath Pise
Chief Executive officer


Palak Jain
Chief Financial officer


Kanchan Gupta
Company Secretary

Place: Aligarh

Date: 26/05/2025

Pavna Industries Limited

Cash flow statement for the year ended 31 March 2025

(All amounts are in ₹, unless otherwise specified)

	For the year ended 31 March 2025	For the year ended 31 March 2024
A Cash flow from operating activities		
Profit/(Loss) before tax	1,085.87	1,047.38
Adjustments for:		
Depreciation and amortisation expense	1,151.36	897.35
Interest income on bank deposits	(40.31)	(0.08)
Re-measurements of the defined benefit plans	0.92	8.49
Interest expense on lease liability	3.47	3.93
Loss/(Profit) on sale of PPE	(73.06)	(3.76)
Interest expense on borrowings	931.73	927.15
Operating profit before working capital changes	3,059.98	2,880.46
Movement in working capital		
Inventories	(1,394.75)	(400.85)
Trade Receivables	(27.86)	(914.84)
Other non current financial assets	(358.98)	(58.36)
Other current financial assets	(2.84)	17.56
Other current assets	456.01	(385.25)
Other Non current assets	51.09	(43.89)
Other current financial liabilities	(1.07)	(68.79)
Other current liabilities	(160.59)	47.62
Provision Short term	16.25	16.96
Provision Long term	(34.49)	87.45
Trade payables	(1,434.18)	(883.33)
Cash used in operating activities post working capital changes	169.13	294.75
Income tax paid (net)	(317.76)	(268.27)
Net cash used in operating activities (A)	(148.63)	26.48
B Cash flows from investing activities		
Purchase of property, plant and equipment	(3,023.67)	(1,888.62)
Sale of property, plant and equipment	328.29	66.65
Loans	-	250.00
Investment made in subsidiaries	-	255.00
Interest received	40.31	0.08
Net cash used in investing activities (B)	(2,655.06)	(1,316.89)
C Cash flows from financing activities		
Proceeds from issue of share capital	11,941.44	-
Payment of Lease liability	(8.52)	(8.52)
Finance cost paid	(931.73)	(927.15)
Repayment of borrowings	(8,126.55)	-
Proceeds from borrowings	-	2,222.50
Net cash flows from financing activities (C)	2,874.65	1,286.83
Net increase in cash and cash equivalents (A+B+C)	70.96	(3.58)
Cash and cash equivalents at the beginning of the year	13.37	16.94
Cash and cash equivalents at the end of the year	84.33	13.36

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

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 Arun Varshney & Associates

Chartered Accountants

Firm's Registration No.: 005560C

Arun Kumar

Partner

Membership No.: 073299



Place: Aligarh

Date: 26/05/2025

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

Asha Jain Swapnil Jain

Director
DIN: 00035024

Director
DIN: 01542555

Palak Jain

Chief Financial officer

Kanchan Gupta

Company Secretary

Ravindra Jagannath Pise
Chief Executive officer

Pavna industries Limited

Notes to financial statements for the year ended 31st March 2025

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

Note 1: Corporate Information

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 1956. The Company is engaged in business of manufacturing of Locks, Auto Locks and Auto Parts in India.

Note 2:

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: Material accounting policies

a) Material 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.



Pavna industries Limited

Notes to financial statements for the year ended 31st March 2025

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 separately. 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
Plant 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.



Pavna industries Limited

Notes to financial statements for the year ended 31st March 2025

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.



Pavna Industries Limited

Notes to financial statements for the year ended 31st March 2025

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

Defined contribution plan

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

Retirement benefits in the form of Provident Fund is a defined contribution scheme and contributions paid/payable towards Provident Fund and Employee state Insurance scheme (ESI) are recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service.

Defined benefit plan

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

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

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

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

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:

- The contractual rights to receive cash flows from the asset has expired, or
- 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.



Pavna Industries Limited

Notes to financial statements for the year ended 31st March 2025

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 recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized 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.



Pavna Industries Limited

Notes to financial statements for the year ended 31st March 2025

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 expense are recognised in the period in which the change occurs.

For Arun Varshney & Associates
Chartered Accountants
Firm's Registration No.: 005560C

Arun Kumar
Partner
Membership No.: 073299

Place: Aligarh
Date: 26/05/2025



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

Swapnil Jain
Director
DIN: 01542555

Kanchan Gupta
Company Secretary

Asha Jain
Director
DIN: 00035024

Pratik Jain
Chief Financial officer

Kavindra Jagannath Pise
Chief Executive officer

Swapnil Jain

Kanchan Gupta

Pratik Jain

Kavindra Jagannath Pise

Pavna Industries Limited

Summary of material accounting policies and other explanatory information for the year ended 31 March 2025

(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 31 March 2023	296.50	1,149.78	7,677.80	75.51	135.39	210.71	277.54	9,823.22	81.40
Additions	-	11.59	1,767.38	5.61	8.44	121.88	8.82	1,923.73	(81.40)
Disposals	-	-	(25.45)	-	-	(0.40)	(4.80)	(30.65)	-
Balance as at 31 March 2024	296.50	1,161.37	9,419.73	81.12	143.83	332.18	281.56	11,716.31	-
Additions	1,051.49	-	790.30	7.99	0.14	80.52	1,093.22	3,023.67	-
Disposals	-	-	(253.67)	-	-	(1.56)	-	(255.23)	-
Balance as at 31 March 2025	1,347.99	1,161.37	9,956.36	89.11	143.98	411.14	1,374.78	14,484.74	-
Accumulated depreciation									
Balance as at 31 March 2025	-	312.77	3,486.56	34.10	60.82	152.23	150.35	4,196.83	-
Charge for the year	-	31.50	766.07	5.19	9.56	49.74	29.76	891.81	-
Disposals	-	-	(10.21)	-	-	(0.83)	(2.64)	(13.68)	-
Balance as at 31 March 2024	-	344.27	4,242.42	39.29	70.39	201.14	177.47	5,074.96	-
Charge for the year	-	31.53	907.82	5.95	10.16	61.81	128.56	1,145.82	-
Disposals	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2025	-	375.79	5,150.24	45.24	80.54	262.95	306.02	6,220.79	-
Net block as at 31 March 2024	296.50	817.11	5,177.31	41.84	73.45	131.05	104.09	6,641.34	-
Net block as at 31 March 2025	1,347.99	785.58	4,806.12	43.88	63.43	148.19	1,068.76	8,263.95	-



Pavna Industries Limited**Summary of material accounting policies and other explanatory information for the year ended 31 March 2025***(All amounts are in lacs(₹), unless otherwise specified)***3B Leases****(i) Right of Use Assets**

Particulars	Buildings	Total
As at 31 December 2023	81.88	81.88
Additions		
Deletions		
As at 31 March 2024	81.88	81.88
Additions		
Deletions		
As at 31 March 2025	81.88	81.88
Accumulated Depreciation		
As at 31 March 2024	48.69	48.69
Charges during the year	5.53	5.53
Deletions		
As at 31 March 2025	54.22	54.22
Net Carrying Value		
As at 31 March 2024	33.18	33.18
As at 31 March 2025	27.65	27.65

(ii) Lease Liabilities

Particulars	Current	Non Current	Total
As at 31 March 2023	4.96	38.86	43.82
Additions			-
Accretions of interest		3.93	3.93
Payments of lease liabilities	(4.59)	(3.93)	(8.52)
Deletions			-
Re-classification from non current to current	3.10	(3.47)	(0.37)
As at 31 March 2024	3.47	35.39	38.86
Additions			-
Accretions of interest		3.47	3.47
Payments of lease liabilities	(2.60)	(5.92)	(8.52)
Deletions			-
Re-classification from non current to current		(0.01)	(0.01)
As at 31 March 2025	0.87	32.94	33.81



Pavna Industries Limited
Statement of Changes in Equity for the year ended 31 March 2025
(All amounts are in lacs(₹), unless otherwise specified)
A. Equity share capital*

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

Particulars	Opening balance as at 31 March 2024	Changes in equity share capital during the year	Balance as at 31 March 2025
Equity share capital	1,218.08	177.22	1,395.30

B. Other equity**

Particulars	Reserves and Surplus				OCI	Total
	Security Premium	Retained Earnings	General Reserve	Share Warrant	Remeasurement of defined benefit	
Balance as at 31 March 2023	1,398.72	3,082.70	1.12	-	32.51	4,515.05
Profit/ (Loss) for the period	-	777.49	-	-	-	777.49
Other comprehensive income for the year (net of tax impact)	-	-	-	-	6.35	6.35
Balance as at 31 March 2024	1,398.72	3,860.19	1.12	-	38.86	5,298.89
Profit/ (Loss) for the period	8,772.39	806.18	-	-	-	9,578.57
Expense on issue of Preferential Shares (38.17)						(38.17)
Money received against Share Warrant				3,030.00		3,030.00
Other comprehensive income for the year (net of tax impact)	-	-	-	-	0.69	0.69
Balance as at 31 March 2025	10,132.94	4,666.37	1.12	3,030.00	39.55	17,869.98

*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 Arun Varshney & Associates
Chartered Accountants
Firm's Registration No.: 005560C



Arun Kumar
Partner
Membership No.: 073299



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

Swapnil Jain Asha Jain
Director Director
DIN: 01542555 DIN: 00035024


Ravindra Jagannath Pise
Chief Executive officer


Parik Jain
Chief Financial officer


Kanchan Gupta
Company Secretary

Place: Aligarh
Date: 26/05/2025

Pavna Industries Limited**Summary of material accounting policies and other explanatory information for the year ended 31 March 2025***(All amounts are in lacs(₹), unless otherwise specified)***4 Non Current Investments****Investment at cost in subsidiaries**

	As at 31 March 2025	As at 31 March 2024
Equity shares of Rs. 10/- each fully paid up in Swapnil Switches Private Limited	197.76	197.76
Equity shares of Rs. 10/- each fully paid up in Pavna Marketing Private Limited	10.00	10.00
Equity shares of Rs. 10/- each fully paid up in Pavna Sunworld Autotech Private Limited	71.50	71.50
Equity shares of Rs. 100/- each fully paid up in Pavna auto Engineering Private Limited	684.77	684.77
	<u>964.03</u>	<u>964.03</u>

Details of number of shares held in Equity investments in subsidiaries

	As at 31 March 2025	As at 31 March 2024
Swapnil Switches Private Limited	3.09	3.09
Pavna Marketing Private Limited	1.00	1.00
Pavna Sunworld Autotech Private Limited	7.15	7.15
Pavna Auto Engineering Private Limited	0.31	0.31

5 Other non current financial assets

	As at 31 March 2025	As at 31 March 2024
a) Security deposits	73.61	
b) Interest accrued on fixed deposits - held as margin money		
- Unsecured considered good	598.54	283.83
Trade Receivable considered	-	29.34
	<u>672.15</u>	<u>313.17</u>

a) The Company has deposited a security amount with SIPCOT in accordance with the terms of the land allotment/lease agreement. The deposit is refundable upon completion or termination of the lease/licensing terms. This deposit is non-interest bearing and is not held for any financial return. Accordingly, it does not meet the definition of a financial asset under Ind AS 109 and has not been fair valued.

(b) Includes Margin Deposit with Government authorities

6 Other non current assets

	As at 31 March 2025	As at 31 March 2024
Prepaid expense	41.57	58.76
Capital advances-Unsecured, considered good	10.00	43.90
	<u>51.57</u>	<u>102.66</u>

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

	As at 31 March 2025	As at 31 March 2024
Raw Materials	2,101.61	1,791.68
Work in Progress	5,978.14	5,047.03
Store and Spares	397.85	218.41
Stock-in Transit	-	25.74
	<u>8,477.60</u>	<u>7,082.85</u>

8 Trade Receivable

	As at 31 March 2025	As at 31 March 2024
Unsecured, considered good	5,317.92	5,290.06
Unsecured, considered doubtful	-	-
	<u>5,317.92</u>	<u>5,290.06</u>



Trade receivable aging schedule as at 31st March 2025

Outstanding for the following periods from due date of payments							
Particulars	Unbilled Receivables	Less than 6 months	6 months - 1 year	1-2 year	2-3 Years	More than 3 years	Total
i) Undisputed Trade receivables-considered good	0	5,154.00	31.37	87.49	41.91	3.16	5,317.92
ii) Undisputed Trade receivables-which have significant increase in credit risk	0	0	0	0	0	0	0
iii) Undisputed Trade Receivables-credit Impaired	0	0	0	0	0	0	0
iv) Disputed Trade Receivables-considered good	0	0	0	0	0	0	0
vi) Disputed Trade receivables-which have significant increase in credit risk	0	0	0	0	0	0	0
vii) Disputed Trade Receivables-credit Impaired	0	0	0	0	0	0	0

Trade receivable aging schedule as at 31st March 2024

Outstanding for the following periods from due date of payments							
Particulars	Unbilled Receivables	Less than 6 months	6 months - 1 year	1-2 year	2-3 Years	More than 3 years	Total
i) Undisputed Trade receivables-considered good	0	4,705.17	394.78	143.91	20.29	25.90	5,290.06
ii) Undisputed Trade receivables-which have significant increase in credit risk	0	0	0	0	0	0	0
iii) Undisputed Trade Receivables-credit Impaired	0	0	0	0	0	0	0
iv) Disputed Trade Receivables-considered good	0	0	0	0	0	0	0
vi) Disputed Trade receivables-which have significant increase in credit risk	0	0	0	0	0	0	0
vii) Disputed Trade Receivables-credit Impaired	0	0	0	0	0	0	0

9 Cash and cash equivalents

Cash on hand
Balances with banks

As at 31 March 2025	As at 31 March 2024
7.78	6.97
76.56	6.40
84.33	13.37

10 Other Bank Balances

Balance with bank in deposit account having maturity of more than three months but are due for maturity within twelve months from balance sheet date (a)

As at 31 March 2025	As at 31 March 2024
5.79	4.44
5.79	4.44

11 Other Financial Current assets

Security deposit to others

As at 31 March 2025	As at 31 March 2024
-	(1.50)
-	(1.50)

12 Current tax assets

Income Tax paid (net of provision for taxation)

As at 31 March 2025	As at 31 March 2024
59.60	20.67
59.60	20.67

13 Other current assets

Prepaid expenses
Advances to contractors and material suppliers
 Unsecured, Consider Good
 Unsecured, Considered Doubtful
Balances with government authorities

Amount recoverable - Other
Less : Allowance for Impairment (net)



As at 31 March 2025	As at 31 March 2024
223.24	128.34
698.41	932.76
49.70	352.28
971.35	1,413.37
10.79	25.61
982.14	1,438.99

14 Equity Share capital**Authorized shares**

Equity shares of ₹ 10 each with voting rights

	As at 31 March 2025		As at 31 March 2024	
	Number*	Amount	Number*	Amount
	30,000,000	3,000.00	18,000,000	1,800.00
	30,000,000	3,000.00	18,000,000	1,800
Issued, subscribed and fully paid up				
Equity share capital of face value of ₹ 10 each	13,953,000	1,395.30	12,180,800	1,218.08
	13,953,000	1,395.30	12,180,800	1,218

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

	As at 31 March 2025		As at 31 March 2024	
	Number	Amount	Number	Amount
Balance at the beginning of the period	121.81	1,218.08	121.80	1,218
Shares Issued during the period	17.72	177.22	-	-
Bonus Issued during the period				
Balance at the end of the year	139.53	1,395.30	121.80	1,218.08

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.

The Shareholders of the Company at their Extra-ordinary General Meeting held on October 23, 2024 passed Special Resolutions for the preferential issue of 23,77,000 Equity shares and 40,00,000 Fully Convertible Warrants ("Warrants") at an issue price of Rs. \$05/- per security, for an aggregate amount of up to Rs. 322,03,85,000/-, in accordance with Sections 23, 42, 62(1)(c) and other applicable provisions of the Companies Act, 2013, Chapter V of the SEBI (issue of Capital and Disclosure Requirements) Regulations, 2018.

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

Name of the equity shareholder (Promotor)	As at 31 March 2025		As at 31 March 2024	
	Number	%	Number	%
Smt. Asha Jain	5,821,960	41.73%	5,821,960	47.80%
Shri Swapnil Jain	1,356,560	9.72%	1,356,560	11.14%
P.J. Wealth Management and Consultant Private Limited	997,040	7.15%	997,040	8.19%
	8,580,400	58.88%	9,517,129	75.10%

e. Shareholding of Promoters**As at 31st March 2025**

Shares held by Promoters and Promoter Group at end of the year			
S.no.		No. of shares	% of total shares
1	Smt. Asha Jain	5,821,960	41.73%
2	Shri Swapnil Jain	1,356,560	9.72%
3	Smt. Priya Jain	404,000	2.90%
4	P.J. Wealth Management and Consultant Private Limited	997,040	7.15%
5	Pawan Jain HUF	840	0.01%

As at 31st March 2024

Shares held by Promoters and Promoter Group at end of the year			
S.no.		No. of shares	% of total shares
1	Asha Jain	5,821,960	47.80%
2	Swapnil Jain	1,356,560	11.14%
3	Pj Wealth Management And Consultant Pvt Ltd	997,040	8.19%
4	Priya Jain	404,000	3.32%
5	Pawan Jain Huf	840	0.01%



15 Other Equity**General Reserve and Share Warrant**

Opening balance
Money received against Share Warrant
Closing balance (A)

**As at
31 March 2025** **As at
31 March 2024**

1.12
3,030.00
3,031.12

1.12

1.12

Securities premium

Opening balance
Add: Addition during the year
Expense on issue of Preferential Shares
Closing balance (B)

1,398.72
8,772.39
(38.17)
10,132.94

1,398.72

1,398.72

Profit/ (Deficit) in the statement of profit and loss

Opening balance
Less: Issue of Bonus Shares
Add: Profit / (Loss) for the year
Add: Other comprehensive income for the year (net of tax impact)
Closing balance (A)

3,899.05
-
806.18
0.69
4,705.91

3,082.70
-
777.49
38.86
3,899.05

Total (A)

17,869.97 **5,298.89**

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.

16A Long term borrowing**Secured**

Indian rupee term loan from Bank
Indian rupee vehicle loan from Bank

**As at
31 March 2025** **As at
31 March 2024**

-
710.85
710.85

1,431.03
0.22
1,431.25

16B Short term Borrowings

**As at
31 March 2025** **As at
31 March 2024**

Cash credit facilities from Bank / financial institutions - Secured
Cash credit facilities from financial institutions - Unsecured
Current maturities of long term borrowings - Secured

34.06
2,000.00
176.57
2,210.64

7,003.19
2,000.00
613.59
9,616.77

Total

2,921.48 **11,048.02**

16A. Long-Term Borrowings

The Company has availed vehicle loans of ₹997 lakhs from HDFC Bank, which are repayable over a period of 5 years in monthly installments commencing from August 2024 to July 2029. Term loans amounting to ₹2,044.61 lakhs, which were outstanding, have been fully repaid by the Company during the financial year 2024-25.

As on the Balance Sheet date, total secured borrowings amount to ₹921.48 lakhs (Previous Year: ₹9,048.02 lakhs).

16B. Short-Term Borrowings

Unsecured loans include borrowings from directors, related parties, and other financial institutions, which are repayable on demand or as per agreed terms.

The total amount of unsecured loans is ₹2,000 lakhs.

17 Provisions**Provision for employee benefits**

Gratuity
Trade payable Long outstanding

**As at
31 March 2025** **As at
31 March 2024**

207.95
-
207.95

184.63
57.82
242.44

18 Deferred tax liabilities (net)**Deferred tax assets/liabilities on account of :-**

Property, plant and equipment
Origination and reversal of temporary difference
Others

**As at
31 March 2025** **As at
31 March 2024**

125.31
(78.35)
(2.61)
44.35

118.59
(72.60)
(2.48)
43.50



Movement in deferred tax liabilities (net)

Particulars	31 March 2024	Recognised/ reversed through profit and loss	Recognised in other comprehensive income	31 March 2025
Assets/ (Liabilities)				
Property, plant and equipment	118.59	6.72	-	125.31
Origination and reversal of temporary difference	(72.60)	(5.97)	0.23	(78.35)
Others	(2.48)	(0.13)	-	(2.61)
Total	43.50	0.62	0.23	44.35

Particulars	31 March 2023	Recognised/ reversed through profit and loss	Recognised in other comprehensive income	31 March 2024
Assets/ (Liabilities)				
Property, plant and equipment	94.65	23.94	-	118.59
Origination and reversal of temporary difference	(56.66)	(18.08)	2.14	(72.60)
Effect of adoption of Ind AS 115	(2.08)	2.08	-	-
Others	-	(2.48)	-	(2.48)
Total	35.91	5.45	2.14	43.50

	As at 31 March 2025	As at 31 March 2024
19 Trade payables		
Due to micro and small enterprises	836.24	506.55
Due to others (a)	1,203.39	2,967.29
	2,039.63	3,473.83

Trade Payables ageing schedule as on Mar 31, 2025							
Particulars	Not due	Unbilled dues	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
(i) MSME	-	-	836.24	-	-	-	836.24
(ii) Others	-	-	1,188.24	-	-	-	1,188.24
(iii) Disputed dues — MSME	-	-	-	-	-	-	-
(iv) Disputed dues — Others	-	-	-	0.21	3.80	11.17	15.18
Total	-	-	2,024.48	0.21	3.80	11.17	2,039.66

Trade Payables ageing schedule as on Mar 31, 2024							
Particulars	Not due	Unbilled dues	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
(i) MSME	-	-	506.55	-	-	-	506.55
(ii) Others	-	-	2,873.09	88.93	5.27	-	2,967.29
(iii) Disputed dues — MSME	-	-	-	-	-	-	-
(iv) Disputed dues — Others	-	-	-	-	-	-	-
Total	-	-	3,379.64	88.93	5.27	-	3,473.84

	As at 31 March 2025	As at 31 March 2024
20 Other Financial liabilities		
Interest accrued but not due on borrowings	-	-
Payable to employees	277.57	278.64
	277.57	278.64

	As at 31 March 2025	As at 31 March 2024
21 Other current liabilities		
Advance received from customers	6.39	21.16
Statutory dues payable	6.94	152.75
	13.32	173.91

	As at 31 March 2025	As at 31 March 2024
22 Short term provisions		
Provision for employee benefits	-	-
Gratuity	103.34	87.09
	103.34	87.09



(This space has been intentionally left blank)

Pavna Industries Limited**Summary of material accounting policies and other explanatory information for the year ended 31 March 2025***(All amounts are in lacs(₹), unless otherwise specified)***23 Revenue from operations**

Sale of products

For the year ended 31 March 2025	For the year ended 31 March 2024
29,779.60	28,273.49
29,779.60	28,273.49

24 Other Income

Interest income on:

Bank deposits
Security deposits measured at amortised cost
Profit on sale of Property, Plant and Equipment
Income from export incentive
Rent received
Foreign Exchange fluctuation gain (Net)
Miscellaneous income

For the year ended 31 March 2025	For the year ended 31 March 2024
40.31	0.08
9.48	10.58
73.06	3.76
13.87	23.17
0.60	0.60
(0.68)	(4.21)
12.91	-
149.57	33.99

25 Cost of raw material & components consumed

Inventory at the beginning of the year
Add: Purchase during the year

Less: Inventory at the end of the year

For the year ended 31 March 2025	For the year ended 31 March 2024
1,791.68	1,937.78
21,818.52	19,793.34
23,610.19	21,731.12
2,101.61	1,791.68
21,508.59	19,939.45

26 Changes in inventories of finished goods and work-in-progress**Closing Inventories**

Finished goods
Work in Progress

5,978.14 5,047.03

Opening Inventories

Finished goods
Work in Progress

5,047.03 4,343.30

(931.11) **(703.73)**

27 Employee benefits expense

Salaries, wages and bonus
Contribution to provident and other funds
Gratuity expense
Staff welfare expenses

For the year ended 31 March 2025	For the year ended 31 March 2024
2,311.25	2,014.14
171.75	158.36
59.63	55.64
408.54	392.98
2,951.17	2,621.12
(461.24)	(339.51)
2,489.93	2,281.61

Less : Personnel Cost capitalized during the year #

Net Employee benefits expense

28 Finance costs

Interest expense
Other borrowing costs
Interest on lease obligation

For the year ended 31 March 2025	For the year ended 31 March 2024
905.39	903.69
26.34	23.46
3.47	3.93
935.20	931.08

29 Depreciation and Amortisation

Depreciation and amortization expense
Depreciation on right of use assets

For the year ended 31 March 2025	For the year ended 31 March 2024
1,145.82	891.81
5.53	5.53
1,151.35	897.34

30 Other expenses

Consumption of stores and spares#
Diecasting/ Job work charges
Power & Fuel
Advertisement and publicity
Bank charges
Communication & Postage Expense
Donation
Electricity expenses
House keeping expenses
Insurance Expenses
Legal and professional fees
Payments to auditors##
Printing and stationery
Rates and taxes
Rent
Repair and maintenance - Machinery
Repair and maintenance - office
Vehicle running and maintainance expense
Research and deveiopment expense###
Sales promotion expenses
Software expenses
Trade mark royalty
Travelling and conveyance-Local
Bad debts
iSO TS certification expense
Warranty claim/ Line rejection expense
Office expense
Prior Period expense
Freight & forwarding expense
Miscellaneous expenses

For the year ended 31 March 2025	For the year ended 31 March 2024
768.03	440.06
784.88	1,377.20
555.03	729.54
5.22	11.72
32.69	22.34
26.49	21.94
19.49	16.62
24.56	0.21
30.48	34.35
37.65	24.03
129.43	125.78
2.00	2.00
11.64	7.71
5.99	39.79
101.89	69.16
37.57	14.94
50.86	36.81
122.40	109.64
0.93	0.92
92.80	71.96
16.75	9.23
74.45	70.77
132.62	65.95
-	70.69
-	5.00
67.01	129.66
22.56	27.27
3.63	3.45
519.90	375.06
12.38	0.56
3,689.33	3,914.33

Consumption of Stores, spares, packing and tools

Opening stock
Add:
Consumption of stores, tools and spares parts
Consumption of Packing materials
Less: Closing stock
Net Consumption of stores ,spares, Packing & tools

For the year ended 31 March 2025	For the year ended 31 March 2024
218.41	400.92
564.81	59.06
382.66	198.49
397.85	218.41
768.03	440.06



Payment to auditors**As auditors**

-Audit fees

**For the year ended
31 March 2025****For the year ended
31 March 2024**

2.00

2.00

2.00

2.00

31 Income tax

Tax expense comprises of:

Current tax

278.84

264.44

Deferred tax credit

0.85

5.46

Income tax expense reported in the statement of profit and loss**279.69****269.89**

Deferred tax credit

(0.23)

(2.14)

Income tax expense reported in the statement of Other comprehensive income**(0.23)****(2.14)**

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 Effective Income Tax Rate

25.168% 25.168%

Accounting profit before income tax

1,085.87 1,047.38

At India's statutory income tax rate

273.29 263.61

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

Item on which deferred tax has not been created

Impact of change in tax rate

0.85 -

Others

5.55 -

income tax expense

279.69 264.43

32 Earnings per share

For the year ended
31 March 2025

For the year ended
31 March 2024

Net Profit/(loss) attributable to equity shareholders

806.18 777.50

Nominal value of equity share in ₹

10.00 10.00

Total number of equity shares outstanding at the beginning of the year*

12,180,800 12,180,800

Total number of equity shares outstanding at the end of the year*

13,953,000 12,180,800

Weighted average number of equity shares*

12,481,831 12,180,800

Basic Earning per Share on actual outstanding at year end

6.46 6.38

Diluted Earnings per Share

6.41 6.38

* These are in absolute numbers.



Pavna Industries Limited

Notes to the financial statements for the year ended 31 March 2025

(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 2025			As at 31 March 2024		
	Amortised cost	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI
Financial assets*						
Investments	964.03	-	-	964.03	-	-
Trade Receivables	5,317.92	-	-	5,290.06	-	-
Cash and cash equivalents	84.33	-	-	13.37	-	-
Other Bank Balances	5.79	-	-	4.44	-	-
Other financial assets	672.15	-	-	311.67	-	-
Total financial assets	7,044.23	-	-	6,583.57	-	-
Financial liabilities*						
Borrowings	2,921.48	-	-	11,048.02	-	-
Lease liabilities	33.81	-	-	38.86	-	-
Trade payables	2,039.63	-	-	3,473.81	-	-
Other financial liabilities	277.57	-	-	278.64	-	-
Total financial liabilities	5,272.48	-	-	14,839.33	-	-

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 2025		As at 31 March 2024	
	Carrying value	Fair value*	Carrying value	Fair value*
Financial assets				
Investments	964.03	964.03	964.03	964.03
Trade Receivables	5,317.92	5,317.92	5,290.06	5,290.06
Cash and cash equivalents	84.33	84.33	13.37	13.37
Other Bank Balances	5.79	5.79	4.44	4.44
Other financial assets	672.15	672.15	311.67	311.67
Total financial assets	7,044.22	7,044.22	6,583.57	6,583.57
Financial liabilities				
Borrowings	2,921.48	2,921.48	11,048.02	11,048.02
Lease liabilities	33.81	33.81	38.86	38.86
Trade payables	2,039.63	2,039.63	3,473.81	3,473.81
Other financial liabilities	277.57	277.57	278.64	278.64
Total financial liabilities	5,272.48	5,272.48	14,839.33	14,839.33



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 Framework

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	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

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

Credit rating	Particulars	As at 31 March 2025	As at 31 March 2024
Low credit risk	Cash and cash equivalents, loans and other financial assets	6,080.20	5,619.54

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 2025

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash	84.33	-	84.33
Other bank balances	5.79	-	5.79
Trade receivables	5,317.92	-	5,317.92
Other financial assets	672.15	-	672.15

As at 31 March 2024

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash	13.37	-	13.37
Other bank balances	4.44	-	4.44
Trade receivables	5,290.06	-	5,290.06
Other financial assets	311.67	-	311.67

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 2025	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Non-derivatives					
Borrowings	2,210.64	192.38	209.57	308.89	2,921.48
Trade payable	2,039.63	-	-	-	2,039.63
Lease liabilities	33.81	8.52	8.52	7.01	57.86
Other financial liabilities	277.57	-	-	-	277.57
Total	4,561.64	200.90	218.09	315.90	5,296.53

As at 31 March 2024	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Non-derivatives					
Borrowings	9,105.16	1,066.92	851.16	24.78	11,048.02
Trade payable	2,967.29	-	-	-	2,967.29
Lease liabilities	3.47	8.52	8.52	15.53	36.04
Other financial liabilities	278.64	-	-	-	278.64
Total	12,354.56	1,075.44	859.68	40.31	14,329.99

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 2025	As at 31 March 2024
Secured Variable rate borrowings	921.48	9,048.02
UnSecured Variable rate borrowings	2,000.00	2,000.00
Total borrowings	2,921.48	11,048.02

*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 2025	As at 31 March 2024
Increase in borrowing rate by 1%	29.21	110.48
Decrease in borrowing rate by 1%	(29.21)	(110.48)

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.

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

Value of Exports calculated on FOB Basis

Description of Transactions	As at 31 March 2025	As at 31 March 2024
Export of Material and services	835.28	789.03

Value of Imports calculated on FOB Basis

Description of Transactions	As at 31 March 2025	As at 31 March 2024
Import of Material and services	25.95	34.64

Foreign Currency risk Exposures

Financial Assets	As at 31 March 2025		As at 31 March 2024	
	USD \$	EUR	USD \$	EUR
Trade Receivable in Foreign currency	16,228.80	134,955.15	12,700	228,178.63
Trade Receivable In INR	1,386,912.81	12,472,689.92	1,057,005	20,546,197.31

Sensitivity Analysis of 1% change in exchange rate at the end of reporting period

Financial Assets	As at 31 March 2024		As at 31 March 2024	
	USD \$	EUR	USD \$	EUR
1% Depreciation in INR				
Impact on Profit and Loss Account - Income/ (Expense)	(13,869)	(124,727)	(10,570)	(205,462)
1% Appreciation in INR				
Impact on Profit and Loss Account - Income/ (Expense)	13,869	124,727	10,570	205,462



Pavna Industries Limited

Summary of material accounting policies and other explanatory information for the year ended 31 March 2025

(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
b) Entity having substantial interest in the Company	PJ Wealth Management & Consultants P. Ltd.
c) Key Managerial Personnel (KMP)	
Managing Director	Shri Swapnil Jain
Director	Smt. Asha Jain
Director	Smt. Priya Jain
Director	Shri Sanjay Kumar Jain
CEO	Shri. Ravindra J Pise (DOJ -01/09/23)
CFO	Ms. Palak Jain (DOJ -20/01/24)
CFO	Markand hari babu Mahajan (Cessation wef 31/07/23)
CFO	Shri. Ravindra Madan Mohan Agrawal (Cessation wef 28/12/24)
CS	Ms. Charu Singh (Cessation wef 28/08/24)
CS	Ms. Kanchan Gupta
KMP	Mr. Vijay Sharma (Cessation wef 31/01/25)
KMP	Mr. Ram Karan Malik (Cessation wef 12/12/24)
KMP	Mr. Arun Khanna
KMP	Mr. Alok Sharma
KMP	Mr. Rachakonda Murthy (Cessation wef 12/08/24)
independent Director	Shri Naozer Firoze Aibara
independent Director	Ms. Priyanka Moondra Rathi
independent Director	Ms.Himani Bhootra
Independent Director	Shri. Paras Shrikant Parekh
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



Pavna Industries Limited

Summary of material accounting policies and other explanatory information for the year ended 31 March 2025

(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 2025	For the year ended 31 March 2024
	Loan taken during the year			
Loan taken	Smt. Asha Jain	Director	150.00	-
Loan taken	Shri Swapnil Jain	Managing Director	300.00	-
Loan taken	PJ Wealth Management & Consultants P. Ltd.	Entity having substantial interest in the Company	250.00	414.50
	Loan Repaid during the year			
Repayment of Loan taken	Smt. Asha Jain	Director	150.00	95.00
Repayment of Loan taken	Shri Swapnil Jain	Managing Director	300.00	269.00
Repayment of Loan taken	PJ Wealth Management & Consultants P. Ltd.	Entity having substantial interest in the Company	250.00	1,204.50
	Interest on Loans (Net of TDS)			
Interest(Net)	Smt. Asha Jain	Director	9.56	0.70
Interest(Net)	Shri Swapnil Jain	Managing Director	10.18	1.99
Interest(Net)	PJ Wealth Management & Consultants P. Ltd.	Entity having substantial interest in the Company	11.39	54.10
	Remuneration, Salary & Other Expense			
Remuneration	Shri Swapnil Jain	Managing Director	330.00	216.00
Remuneration	Shri. Ravindra J Pise	CEO	48.00	28.00
Remuneration	Shri. Makarand Mahajan	CFO	-	5.00
Remuneration	Shri. Ravindra Madan Mohan Agrawal	CFO	-	10.61
Remuneration	Ms. Paik Jain	CFO	12.97	3.24
Remuneration	Ms. Charu Singh	CS	3.68	7.90
Remuneration	Kanchan Gupta	CS	9.26	6.23
Remuneration	Vijay Sharma	KMP	22.40	24.00
Remuneration	Ram Karan Malik	KMP	12.89	26.28
Remuneration	Arun Khanna	KMP	22.54	25.44
Remuneration	Pankaj Agarwal	KMP	8.18	25.16
Remuneration	Alok Sharma	KMP	18.60	18.60
Remuneration	Rachakonda Murthy	KMP	-	7.29
Building Rent	Smt. Asha Jain	Director	6.00	8.52
Lease Rent	Smt. Asha Jain	Director	12.00	0.10
Trade Mark Royalty	Smt. Asha Jain	Director	74.45	70.77
	Sales & Purchase			
Purchase	Swapnil Switches Pvt. Ltd.	Subsidiary Company	0.43	159.31
Purchase	Pavna Auto Engineering Pvt. Ltd.	Subsidiary Company	45.04	66.27
Sale	Swapnil Switches Pvt. Ltd.	Subsidiary Company	146.76	317.68
Sale	Pavna Auto Engineering Pvt. Ltd.	Subsidiary Company	1,253.18	2,040.06
Sale	Pavna Sun World Autotech Pvt Ltd	Subsidiary Company	10.26	5.43
Purchase	Pavna Sun World Autotech Pvt Ltd	Subsidiary Company	116.73	0.10
Sale	Pavna Marketing Pvt Ltd	Subsidiary Company	3,033.40	3,044.69
Purchase	Pavna Marketing Pvt Ltd	Subsidiary Company	338.23	303.64
Building Rent	Swapnil Switches Pvt. Ltd.	Subsidiary Company	19.44	
	Investment of Shares- Sales/ Purchase			
Advances	Pavna Goyam Auto Pvt. Ltd.	Subsidiary Company		250.00



Pavna Industries Limited**Summary of material accounting policies and other explanatory information for the year ended 31 March 2025***(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 2025	As at 31 March 2024
Loan Taken	Smt. Asha Jain	Whole time director	21.01	-
Trade Receivables	Swapnil Switches Pvt. Ltd.	Subsidiary company	235.82	114.40
Trade Receivables	Pavna Marketing Pvt Ltd	Subsidiary company	732.88	755.91
Trade Receivables	Pavna Sun World Autotech Pvt Ltd	Subsidiary company	298.95	107.95
Trade Receivables	Pavna Auto Engineering Pvt. Ltd.	Subsidiary company	628.25	255.26
Investments	Swapnil Switches Pvt. Ltd.	Subsidiary company	197.76	197.76
Investments	Pavna Marketing Pvt Ltd	Subsidiary company	10.00	10.00
investments	Pavna Sun World Autotech Pvt Ltd	Subsidiary company	71.50	71.50
Investments	Pavna Auto Engineering Pvt. Ltd.	Subsidiary company	684.77	684.77
Security Deposit given*	Smt. Asha Jain	Managing director	300.00	300.00



Pavna Industries Limited**Notes to the financial statements for the year ended 31 March 2025***(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 2025	As at 31 March 2024
Debt*	2,837.15	11,034.65
Equity	19,265.28	6,516.97
Debt to equity ratio	0.15	1.69

* 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 2025	For the year ended 31 March 2024
The company makes contribution towards employee's provident fund and employee's state insurance. The company has recognised following as contribution towards these schemes.	171.75	158.36

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
Discount rate	Reduction in discount rate in subsequent valuations can
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

Amounts recognised in the balance sheet:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Present value of the obligation	311.29	272.27
Current liability (amount due within one year)	103.34	87.09
Non-current liability (amount due over one year)	207.96	185.18

Loss recognised in other comprehensive income:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Actuarial loss recognised during the year	0.92	8.49

Expenses recognised in statement of profit and loss

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Current service cost	42.38	39.98
Interest cost	14.37	16.21
Cost recognised during the year	56.75	56.19



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

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Present value of defined benefit obligation at the beginning of the year	272.27	225.12
Current service cost	42.38	39.98
Interest cost	14.37	16.21
Actuarial (gain)/loss net	-	-
Actuarial loss on arising from change in demographic assumption	-	-
Actuarial loss on arising from change in financial assumption	9.09	2.66
Actuarial loss on arising from experience adjustment	(8.17)	(11.15)
Benefits paid	(18.65)	(0.55)
Present value of defined benefit obligation at the end of the year	311.29	272.27

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

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Discount rate	6.40%	7.00%
Salary escalation rate	5.00%	5.00%
Retirement age (Years)	58 Years	58 Years
Withdrawal rate	10.00%	10.00%
Weighted average duration of PBO	6.5 Years	7 Years

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

Sensitivity analysis for gratuity liability:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
a) Impact of the change in discount rate		
Present value of obligation at the end of the year		
Impact due to increase of 1 %	15.91	13.57
Impact due to decrease of 1 %	14.08	12.04
b) Impact of the change in salary increase		
Present value of obligation at the end of the year		
Impact due to increase of 1 %	15.97	13.71
Impact due to decrease of 1 %	14.38	12.37

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 2025	For the year ended 31 March 2024
(a) Contingent Liabilities		
Service Tax/indirect Tax Matters (Note A)	-	-
Income Tax Matters (Note B)	-	-
Corporate Guarantees Given on behalf of related parties**	-	-
Disputed Legal cases - Accidental Claim - WCC	17.00	17.00
	17.00	17.00
(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. Disaggregation of revenue

Description	For the year ended 31 March 2025	For the year ended 31 March 2024
Sale of products	29,779.60	28,273.49
Sale of services	-	-
Scrap sales	-	-



(II) Contract Assets and Contract Liabilities

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Trade receivable	5,317.92	5,290.06
Contract Assets - Accrued revenue	-	-
Contract Liabilities - Advance from customer	6.39	21.16



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 generally 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 2025	As at 31 March 2024
Current	0.87	3.47
Non-Current	32.94	35.39

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

(ii) Amount recognised in Profit or loss

Particulars	As at 31 March 2025	For the year ended 31 March 2024
Depreciation on right of use assets	5.53	5.53
Interest on lease liabilities (included in interest expense)	3.47	3.93
Expense relating to short term leases	101.89	69.16
Net Impact on Statement of Profit or loss	110.90	78.62

(iii) Amount recognised in the cash flow statement

Particulars	As at 31 March 2025	For the year ended 31 March 2024
Payment of lease liabilities- interest and principal	3.93	8.52

(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 2025	As at 31 March 2024
Less than 1 year	-	-
1-2 Years	8.52	8.52
2-3 Years	8.52	8.52
More than 3 Years	25.56	34.08
Total	42.60	51.12



Pavna Industries Limited

Notes to the financial statements for the year ended 31 March 2025

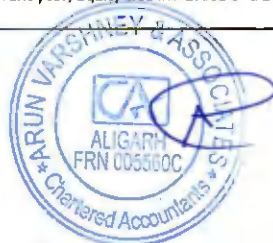
(All amounts are in lacs(₹), unless otherwise specified)

41 Financial Ratios

Ratio	Measurement Unit	Numerator	Denominator	As at 31 March 2025	As at 31 March 2024	% Change March 2025	% Change March 2024
Current Ratio	Times	Current assets	Current liabilities	3.21	1.02	216.35%	-5.85%
Debt Equity Ratio	Times	Total debt (Non-current borrowings + Current borrowings)	Total equity	0.15	1.70	-91.05%	10.13%
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)	0.75	1.53	-51.03%	-21.00%
Return on equity ratio	%	Profit after tax	Average of total equity	6.25%	11.82%	-47.08%	-5.55%
Inventory Turnover Ratio	Times	Cost of material consumed	Average Inventories	2.76	2.80	-1.12%	-3.43%
Trade Receivables turnover Ratio	Times	Revenue from Operations	Average trade receivables	5.61	5.53	1.60%	-6.02%
Trade Payables turnover Ratio	Times	Purchase + other expenses	Average trade payables	9.25	6.78	36.45%	8.26%
Net Capital turnover ratio	Times	Revenue from Operations	Working capital (Current assets-current liabilities)	2.90	131.39	-97.80%	274.88%
Net Profit ratio	%	Profit after tax	Revenue from operation	3%	3%	-1.55%	-0.64%
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)	14.10%	16.06%	-12.17%	-10.73%
Return on investment	%	Profit after tax	Equity share capital + securities premium	6.99%	29.71%	-76.46%	6.72%

Reasons for Changes in ratio above 25%:

Ratio	Reason
Current Ratio	Due to issuance of Preferential shares in current year, equity was increased and outstanding debt and payables was repaid.
Debt Equity Ratio	Due to issuance of Preferential shares in current year, equity was increased and outstanding debt and payables was repaid.
Debt Service coverage Ratio	Due to issuance of Preferential shares in current year, equity was increased and outstanding debt and payables was repaid.
Return on equity ratio	Due to issuance of Preferential shares in current year, equity was increased and outstanding debt and payables was repaid.
Inventory Turnover Ratio	Not Applicable
Trade Receivables turnover Ratio	Not Applicable
Trade Payables turnover Ratio	Due to issuance of Preferential shares in current year, equity was increased and outstanding debt and payables was repaid.
Net Capital turnover ratio	Due to issuance of Preferential shares in current year, equity was increased and outstanding debt and payables was repaid.
Net Profit ratio	Not Applicable
Return on Capital Employed	Not Applicable
Return on investment	Due to issuance of Preferential shares in current year, equity was increased and outstanding debt and payables was repaid.



42 Corporate Social Responsibility

Particulars	As at 31 March 2025	As at 31 March 2024
Nature of CSR activities		
Promotion of education	974.25	850.00
Eradicating extreme hunger and poverty		
Combating other diseases		
Others		
Contribution to a trust controlled by the company in relation to CSR expenditure		
Average net profit for last 3 years		
CSR liability (2% of average) for the year	19.49	17.00
Amount spent during the year	19.49	17.00
Balance amount unspent		-

43 Other information

(i) Pursuant to the Taxation Laws (Amendment) Act, 2019, with effect from 01-April-19 domestic companies have the option to pay corporate income tax at a rate of 22% plus applicable surcharge and cess ('New Tax Rate') subject to certain conditions. The Company 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.

(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 dues certificate from respective institution and charge satisfaction form filing with MCA is under process

(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. However revised stock statement are submitted to Bank.

