

September 02, 2023

To,

BSE Limited, New Trading Ring, Rotunda Building, P.J. Towers, Dalal Street, MUMBAI-400001 Scrip Code: 543915	The National Stock Exchange of India Ltd, Exchange Plaza, Bandra-Kurla Complex, Bandra (East), MUMBAI-400 051 Scrip Code: PAVNAIND
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Reference:- Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Subject:- Annual Report along with Notice convening 29th Annual General Meeting for F/Y 2022-23

Dear Sir,

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Please find enclosed herewith the Annual Report of the Company for the F/Y 2022-23 along with the Notice convening 29th Annual General Meeting to be held on **Friday 29th September, 2023 at Pavna International School, Agra-Aligarh Highway, near Mangalayatan Mandir, Aligarh-202001, UP at 11:00 A.M.**

The Annual Report containing the Notice is also uploaded on the Company's Website : www.pavna.in.

Kindly take the same on records.

Thanking you.

Yours faithfully

For Pavna Industries Limited

Charu Singh
Company Secretary & Compliance Officer
M.No. A48257



ANNUAL REPORT

2022-2023

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ABOUT PAVNA GROUP



About Us



Amongst leading manufacturers of Automotive Components for two & three wheeler industry

- Incorporated in 1971 by **Mr. Pawan Jain**
- About five decades of experience in Auto Components manufacturing for well-known OEMs

Diversified Portfolio

- Switches, Fuel Tank Caps, Latches, Auto Locks, Handles, Bar Switches, Oil Pump, Chain Tensioners, Carburettor, Throttle Body, Fuel Cocks, Injection System, Casting Components, etc.



Ultra-Modern Manufacturing Facilities

- Nine facilities at three locations Aligarh (Uttar Pradesh), Aurangabad (Maharashtra), & Pantnagar (Uttarakhand)

Technical Alliance & Collaborations

- Indo-Taiwan Joint Venture between Pavna Industries and Sunworld Moto Industrial Co. Ltd.
- Technical Alliance with Farma SRL

Domestic and Export presence

- Strong demand for products across key markets in India
- Exports to Italy, Sri Lanka, Indonesia, Sudan, Taiwan, Nepal and Bangladesh

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Your Company was incorporated as **Pavna Locks Private Limited** on April 19, 1994 under the Companies Act, 1956 with the Registrar of Companies, Kanpur bearing Registration number 016359. The status of the Company was changed to public limited and the name of our Company was changed to Pavna Locks Limited on dated October 30, 2000. Further name of the company was changed to Pavna Zadi Security Systems Limited on dated October 30, 2000 and subsequent name of the company was changed to Pavna Industries Limited on dated April 30, 2019.

PAVNA is engaged in manufacturing of wide range of automotive components for reputed Original Equipment Manufacturers (OEMs) as per their requirements primarily catering to various vehicle segments, including, passenger vehicles, two-wheelers, three-wheelers, heavy and light commercial vehicles and off-road vehicles. Our Company has a varied client base and PAVNA is committed to continuing to diversify our product offerings, customer base and geographical footprint, thereby minimizing our exposure to individual geographies and industry sectors. The Company along with its subsidiaries has a diversified product portfolio, which consists of

high-quality reliable parts such as Ignition Switches, Fuel Tank Caps, Latches, Auto Locks, Handles, Switches, Oil Pump, Carburettor, Throttle Body, Fuel Cocks, Injection System, Casting Components etc. PAVNA also provide aftermarket sales and services. Aftermarket products include products manufactured by us such as filters, clutch plates, bearings, wiper blades and brake shoes.

PAVNA has ultra-modern manufacturing plants in India, located in Aligarh (Uttar Pradesh), Aurangabad (Maharashtra), & Pantnagar (Uttarakhand). Facilities are located in key auto-clusters and some of the facilities are in close proximity to the plants of our OEM customers. The proximity of facilities to the plants of OEM customers also facilitates greater interaction with customers, thereby enabling to respond to their requirements in a timely manner. The facilities have been laid out to match best plant engineering standards as plants are busy producing automotive products in large quantities as per our customer's exacting standards. Our units are ISO 9001:2015, ISO 14001:2015, OHSAS 18001:2007 and IATF 16949:2016 certified.

PAVNA undertake research and development with a focus on technologically advanced products, innovation, enhancing our products portfolio, improving the quality of our products and our manufacturing processes both independently and through cooperation with our customers. Research and development capabilities are a result of a combination of the technological knowledge of joint venture partners and technical collaborators, and those that internally developed. The Company has entered into joint ventures and technical collaboration with Sunworld Moto Industrial Co.

At PAVNA, we focus on Quality & Customer centric components, catering to Automotive Market. With a unique motto to make users 'Secure, Fast & Better' we are committed to empower the lives of our employees to live better, increase their efficiency, and promote manufacturing of innovative products and solutions. Over the years, we have experienced a steady growth in our business in terms of product portfolio, manufacturing plants, clients we serve, and various other aspects that set us apart in the industry.

As the most experienced automotive part solutions company in South Asia, PAVNA GROUP, enjoys a history of around 50 years of innovation, technology, manufacturing and market leadership. Today, PAVNA GROUP is a full-capability provider of high-quality reliable parts such as Ignition Switches, Fuel Tank Caps, Latches, Auto Locks, Handles, Switches, Oil Pump, Carburettor, Throttle Body, Fuel Cocks, Injection System, Casting Components and other automotive parts solutions for automobile applications, serving automobile, agricultural and other application. We are a large-scale, multi-product and advanced auto component manufacturer, driven by new products and technology.

VISION AND MISSION OF PAVNA



Factors Driving Company's Growth



OUR VISION

Build entrepreneurial organizations, making difference to society through creation of value



OUR MISSION

To retain and reinforce our position as leading Indian manufacturer of automotive genuine spare parts, to meet aspirations of customers in domestic and export markets

CORE VALUES & BELIEFS



Non Violence



Learning & Inner Excellence



Humanity



Social Responsibility



Respect for Individual



Entrepreneurship



Teamwork & Relationship



Delivering Promise

CORE PRODUCT PORTFOLIO



Diverse Product Offerings...



Steering cum Ignition Switches










For 2 Wheeler

For 3 Wheeler

For 4 Wheeler


Steering cum Ignition Switch assembly with Bracket


Penta Lock

Fuel Tank Caps







For 2 Wheeler

For 3 Wheeler

For LCV

For Tractor




...Diverse Product Offerings...



Fuel Cocks & Pumps


Manual Fuel Cock


Fuel Pump for 4 stroke


Fuel Pump for 2 stroke


Auto/ Vacuum fuel cock

Engine Components


Carburetor


Throttle Body


Water Pump

Casting Components


Cover Megneto


Grab Handle


Coupling with Sprocket


Grab Handle (LH/RH)


Step Holder (LH/RH)


Clutch & Brake Lever with Bracket


Cover Rear



...Diverse Product Offerings...



Switches


12V Power Socket


Reverse Break for 3 Wheeler


Hazard Warning Switch for 4 Wheeler


Head Lamp Leveling Switch for 4 Wheeler


12V Power Socket


Handle Bar Switch for 3 Wheeler


USB Mobile Charger for 3 Wheeler


LH/RH Handle Bar Switch for 2 Wheeler

Handle and Latches


Outer Handle for LCV 4 Wheeler


Window Regulator Handle


For 2 Wheeler


Molded Handle



For 2 Wheeler


Front Rear Flap Latch



Back Door Latch


Iron Door Latch










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...Diverse Product Offerings...



Automotive Electrical Products

								
Steering cum Ignition Lock Assembly	Ignition Switch	Handle Bar Switch LH & RH	Lever Assembly LH & RH	Side Stand Sensor	LCM Light Control	Magnet Holder	Termination Unit	Regulator Rectifier Unit

Accessories

				
Wheel Lock	Helmet Lock	Disc Brake Lock	Foot Rest	Cable Lock

NEW ARRIVALS

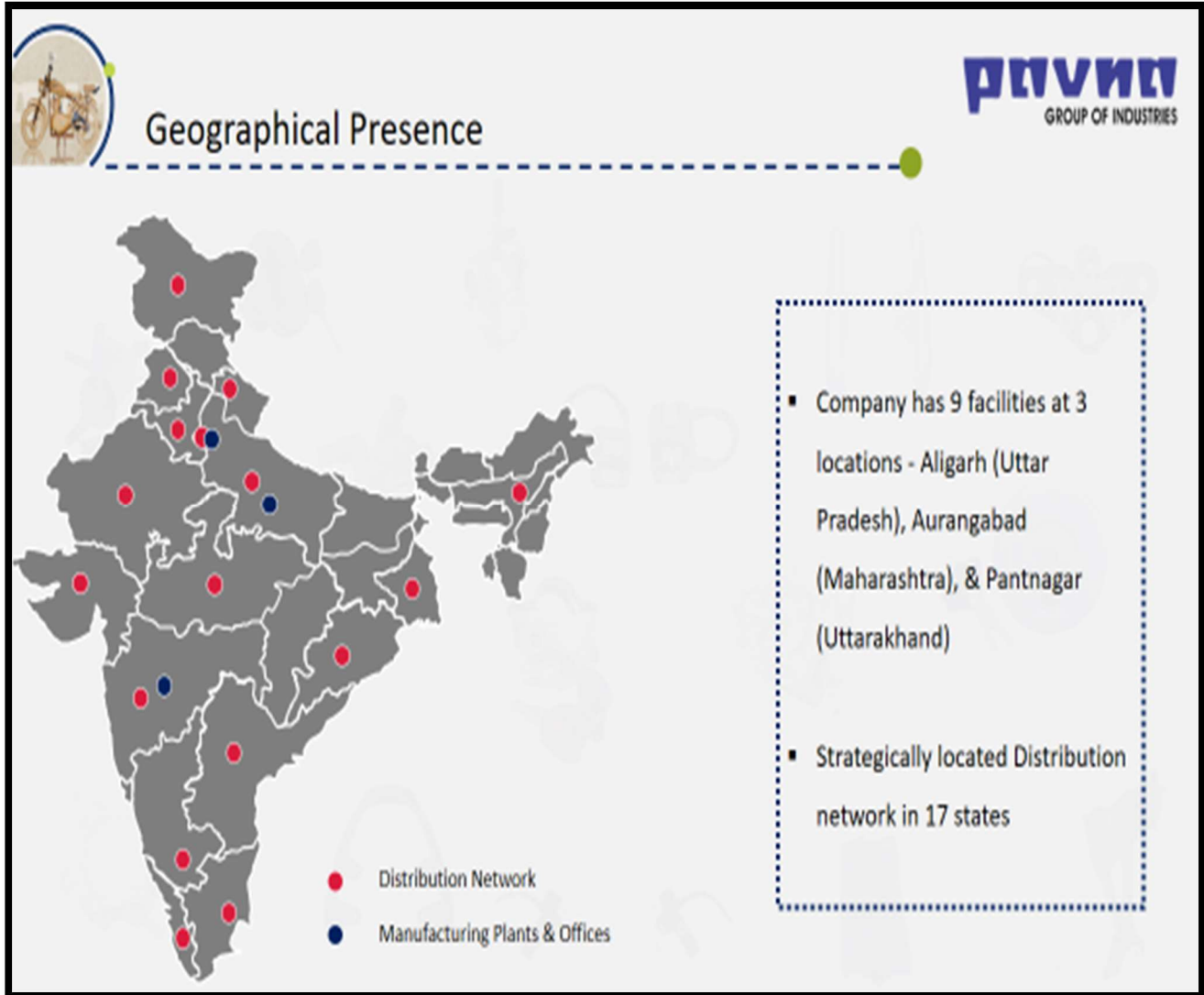
PAVVA
GROUP OF INDUSTRIES

...Diverse Product Offerings

New Arrivals

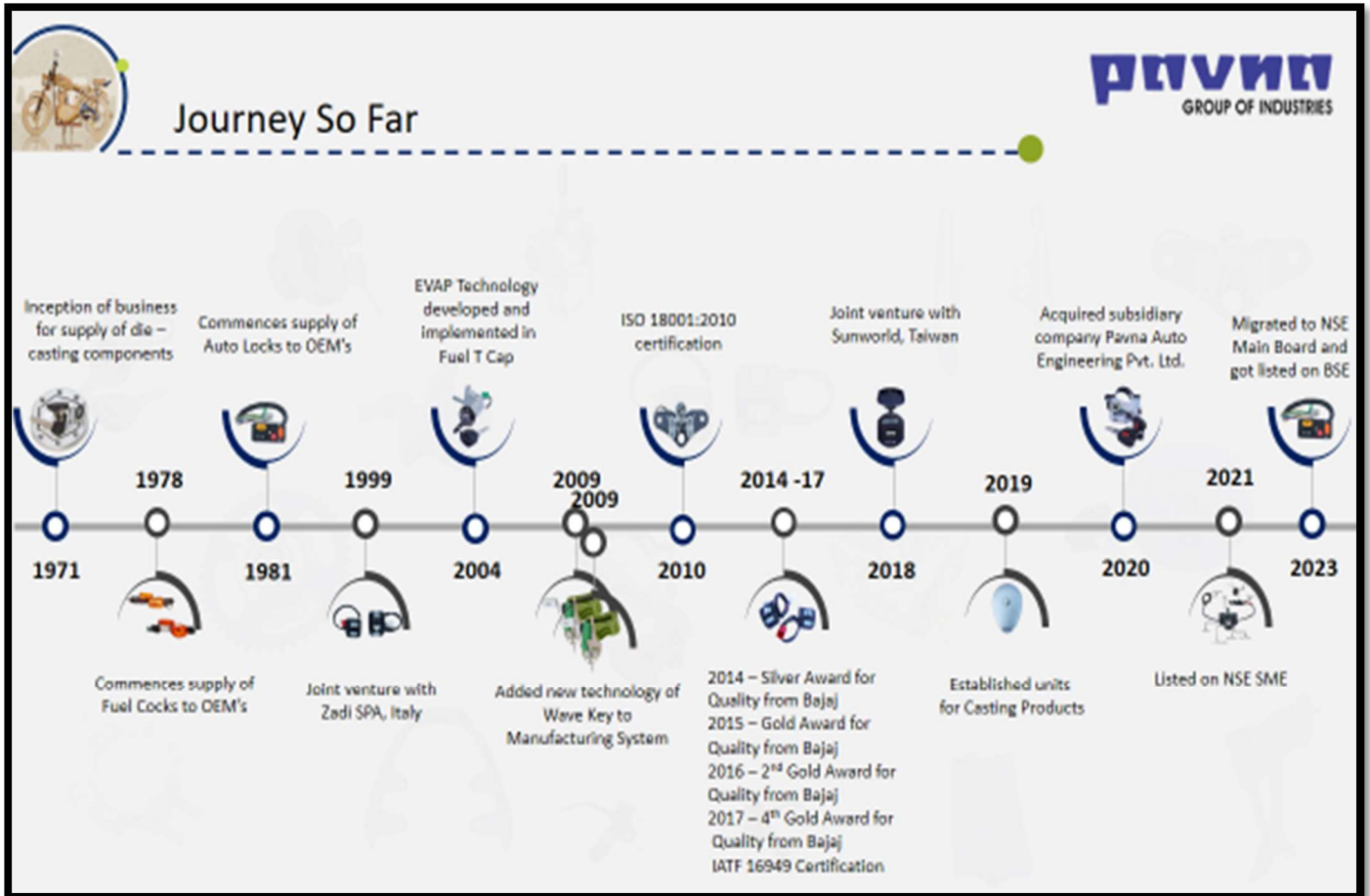
- Headlights
- Helmets
- Mirrors
- Horns
- Clutch Plate
- Control Cable
- Brake Shoe
- Blinkers
- Wire Harness
- Air Filters

GEOGRAPHICAL PRESENCE



CLIENTS OF PAVNA





Our Inspiration Mr.Pawan Jain- The Founder



“Change, Hardest At Beginning, Best At The End.” - Pawan Jain

A visionary, who thinks about the future in a creative and imaginative way, a person who is avant-garde, whose vision came true in the process for autonomous venture resulting in Pavna Group of Industries. Mr. Pawan Jain, our patron, moulded and shaped bricks & walls and laid the foundation of Pavna Group of Industries with his dedication, devotion and hard work. He planted a sapling “Pavna Group” on 13th April, 1971 with titular resources available. He designed, developed & engineered die-casting machine by himself. Management Guru, Mr. Pawan Jain, an exemplary personality, epitome of courage and honesty, man of relations and a visionary, who tended the sapling with his blood and sweat. In order to save a meagre amount, he used to stride for miles bare foot to receive and deliver orders, to organize everything logically and comprehensively. He got his first break by Bajaj, first OEM buyer of Pavna. He

designed Fuel cock for BAJAJ at the best quality to seal the deal & then it became USP of Pavna Group to give best quality product. Being a successful industrialist was not all, his deep-rooted love for his city, ALIGARH, and lack of quality education in the city prompted him to do something in the field of education. Thus, he entrenched in the city, four Educational institutions - Delhi Public School, Aligarh | Civil Lines | Hathras and PAVNA International, with world class education system and international curriculum respectively. Despite of flourishing in the course of industries and education, he was inspired by the path & preachings of his father - Pt. Kailash Chandra Ji. He inculcated spiritual beliefs in him . To disseminate the same, he built Teerthdham Mangalayatan, with Aadinath Vidyaniketan to give Moral & Spiritual knowledge to young students . In spite of the ailment, he stood strong throughout. The man with iron & golden heart lived his whole life full of energy and enthusiasm. His devotion blazing his trails towards spiritual & inner peace, Sh. Pawan Jain was a legend who instills in each one’s heart and mind to **DREAM AND ACHIEVE BIG, COME WHAT MAY !**

MESSAGE FROM MANAGING DIRECTOR

We are glad to inform you that Pavna Industries has envisioned five point plan in the upcoming months and highlights are as follows:

- Migrated to NSE (Main Board) and Listed on BSE
- To become a Zero Debt Company.
- Set-up an Ultra Modern Plant at Hosur.
- Technological advancement through R&D Centre.
- To become stakeholder-centric organization.



Dear Shareholders,

It is my privilege to write to you and present the Annual Report for FY23.

We at Pavna have a deep root thought to serve our society and stakeholders at its best. **Pavna Industries Limited**, among leading manufacturers of wide range of automotive parts for reputed OEMs serving different vehicle segments including passenger vehicles, two-wheelers, three-wheelers, heavy and light commercial vehicles and off-road vehicles, has migrated from NSE SME Emerge platform to the NSE Main Board, as well as listed on the BSE Board.

On Thursday, June 1, 2023 the Company successfully completed its migration from the NSE SME board to the main board after fulfilling all necessary requirements. Pavna Industries also got listed on the BSE main board on the same day itself. This development will expand the Company's visibility in the capital markets and would provide a wider platform for future expansion and growth strategies.

Pavna Industries Limited (PIL) is the first manufacturing Company from Aligarh to get listed on NSE and BSE. Over the last decades, PAVNA has emerged as most valuable, stakeholder-centric organization. It has built important values, assets for the society. The one unifying thread that runs through everything we have accomplished at PAVNA is the spirit of Care and Empathy.

Our goal is to become Debt free company by end of the year.

We are planning to develop R& D department in different locations to capture the latest technology which will enhance the quality of the product.

Company is planning to invest in Hosur to establish a plant for the manufacturing of automotive parts for our premium client TVS parts.

Further, Company is pleased to announce that during the year we have declare an interim dividend of Rs.1 per share, at the rate of 10%, on each fully paid-up equity shares, Rs. 1,21,80,800 be paid out of the

profits of the Company in this financial year 2022-23 to those Members whose names appear in the Register of Members as on 21-11-2022, being the Record Date for the payment of interim dividend.

Company reported revenue of **Rs.26323.09 lakh** and delivered positive net profit of **Rs.746.14 lakh**.

Further, in line with our Recreate theme, we have gained adequate expertise in developing the technology to serve our customers. We have been an extremely cost-conscious organization and, over the years, this has helped us build a strong balance sheet.

We are now preparing for future in which private vehicles could play a far greater role than previously imagined. We have planned a path towards long-term sustainable growth, with a lean cost base, disciplined capital allocation, a highly skilled workforce and world-class R&D.

Throughout all of this, our purpose will remain constant; to create experiences people love for life.

I would like to thank and acknowledge the contribution of all shareholders, our employees, network and business partners and customers for reposing faith in Pavana Group and actively working for our combined success. As we continue to confidently face the challenges in this year and beyond, we remain committed and sincere in our efforts in creating and delivering value for all stakeholders.



MRS PRIYA JAIN- EXECUTIVE DIRECTOR



Priya Jain – Executive Director

Our Executive Director is an inspiration in managing Work-Life balance. Few points that outlines her image are :

- Woman Empowerment
- Enriching Educational aspects
- Accelerating growth and expansion plans
- Managing Operational / Administrative activities
- Solution oriented approach

Mrs. Priya Jain, is a management genius with amiable nature, currently the Director in Pavana Industries Limited. She is a perfectionist with great organizing skills as well. She is also an active contributor in the industry with integrity. Not only she supports her better half in reaching for his goals but also pursues of her own. She has positive and optimistic attitude inspite of difficulties she plays a prominent role in Pavana Group.

Priya Jain wants to re-define gender roles or other such roles, which allow women more freedom to pursue desired goals. She envisions to create an equal platform for women in upcoming future. She strongly believes that Women's empowerment equips and allows women to make life-determining decisions through the different societal problems.

As Priya Jain gives an emphasis on educational well being of an individual. She manages not just the industrial aspect of Pavana Group, but also educational wing of the organisation. Thus, ensuring that a person associated with Pavana Industries is developed from all aspects of life.

She supports in aggressive expansions undertaken by the Company. Her long-term vision adds value to the expansion plans drafted by the Management. By executing the operational activities, she helps in accelerating the growth of the company. She acts as a catalyst in empowering Pavana Industries to achieve higher goals.

Priya Jain has positive approach towards decision making of the company. She ensures that work environment is conducive for personal growth of the employees. As envisioned by Priya Jain, a solution oriented approach is adopted to provide harmony amongst the employees to achieve better results.

CORPORATE INFORMATION	
<p>BOARD OF DIRECTOR</p> <p>Mrs. Asha Jain Chairperson Mr. Swapnil Jain Managing Director Mrs. Priya Jain Executive Director Mr. Sanjay Kr Jain Non-Executive Director Mr. Naozer Aibara Independent Director Mr. Dhruv Jain Independent Director Mrs. Himani Bhootra Independent Director Mrs. Priyanka Moondra Independent Director</p>	<p>REGISTERED OFFICE</p> <p>“Vimlanchal”, Hari Nagar, Aligarh 202001 UP CIN- L34109UP1994PLC016359 Website- www.pavna.in</p>
<p>KMP</p> <p>Mr. Ravindra J. Pise Chief Executive Officer(CEO) Mr. Ravindra M Agrawal Chief Financial Officer Mr. Vijay Sharma Vice President Mrs. Charu Singh Company Secretary & CO Ms. Kanchan Gupta Additional-Company Secretary</p>	<p>SUBSIDIARIES</p> <p>Pavna Auto Engineering Private Limited Swapnil Switches Private Limited Pavna Marketing Private Limited Pavna Sunworld Autotech Private Limited Pavna Goyam Auto Private Limited (upto 11.05.2023)</p>
<p>STATUTORY AUDITOR</p> <p>Rajeev Kumar & Company Chartered Accountants, Aligarh UP Firm Registration No.: 000633C Peer Review No: 013843</p> <p>SECRETARIAL AUDITOR</p> <p>D.SAGAR & ASSOCIATES Practicing Company Secretary Aurangabad, MH</p> <p>INTERNAL AUDITOR</p> <p>Serva Associates Chartered Accountants Netaji Subhash Place, Pitam Pura, Delhi</p>	<p>GROUP PLANTS</p> <p><u>ALIGARH UP</u></p> <p>-Plant at 19/17, Gopal Puri, Hari Nagar, Aligarh-202001 -Plant at 9 KM G.T. Road, Bhankari, Aligarh-202001 -Plant at Khasra No. 29, Chauwali, Bhankari, Aligarh-202001 -Plant at Nauhati Village, Agra Road, Madrak, Aligarh-202150 -Pavna Sunworld Autotech Private Limited at Nauhati Village, Agra Road, Madrak, Aligarh-202150 - Pavna Marketing Private Limited at at Nauhati Village, Agra Road, Madrak, Aligarh-202150</p>

<p>BANKER/NBFC</p> <p>HDFC Bank Bajaj Finance Limited</p>	<p><u>AURANGABAD MH</u> -C-11 (Part-A)- Five Star MIDC Shendra Village, Kumbhepal Taluka, Aurangabad- 431001</p> <p><u>PANTNAGAR, UTTARAKHAND</u> - Plot No. 16, Sector-4, IIE SIIDCUL, Pant nagar, Udham Singh Nagar, Pantnagar- 263153</p>
<p>REGISTRAR & SHARE TRANSFER AGENT</p> <p>LINK INTIME INDIA PRIVATE LIMITED C-101, 1 Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai, Maharashtra, India, 400083 SEBI Registration No.: INR000004058 Email- pavna.ipo@linkintime.co.in Website- www.linkintime.co.in</p>	<p>INVESTOR GRIEVANCE</p> <p>Email- pavna.ipo@linkintime.co.in Tel: +91 22 4918 6200</p>
<p>LISTED STOCK EXCHANGE</p> <p>National Stock Exchange of India Limited Bombay Stock Exchange</p>	<p>ISIN- INE07S101020</p> <p>Symbol- PAVNAIND Scrip Code- 543915</p>

- * Mr. Achyutanand R.Mishra resigned from the post Independent Director w.e.f 20.04.2023.
- Mr. Keshav Rathi was appointed on 20.04.2023 and resigned from the post of Independent Director w.e.f 14.08.2023.
- Mr. Dhruv Jain was appointed as Independent Director on 14.02.2023.
- Mrs.Himani Bhootra was appointed as Independent Director on 17.04.2023.
- Mr. Makarand Mahajan resigned from the post of Chief Financial Officer w.e.f 31.07.2023.
- Mr. Ravindra M Agrawal was appointed as Chief Financial Officer w.e.f 11.09.2023.
- Ms. Kanchan Gupta has been appointed as additional Company Secretary and Key Managerial Personnel w.e.f 01.09.2023.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS:

Pavna Industries Limited is a manufacturer and supplier of high-quality reliable auto mobile parts such as Ignition Switches, Fuel Tank Caps, Latches, Auto Locks, Handles Bar Switches, Oil Pump, Chain Tensioner, Decomp Assembly, Pressure relieve Valve, Fuel Pump, Water Pump, Fuel Cocks, Casting Components & Different Components for Electric Vehicle, serving automobile, agricultural and other applications worldwide. All PAVNA units have been certified with IATF & OHSAS.

Production

The industry produced a total of 2,59,31,867 vehicles including Passenger Vehicles, Commercial Vehicles, Three Wheelers, Two Wheelers, and Quadricycles in April 2022 to March 2023, as against 2,30,40,066 units in April 2021 to March 2022.

Domestic Sales

Total Passenger Vehicle Sales increased from 30,69,523 to 38,90,114 units. Sales of Passenger Cars also increased from 14,67,039 to 17,47,376, Utility Vehicles from 14,89,219 to 20,03,718 and Vans 1,13,265 to 1,39,020 units, in FY-2022-23, compared to the previous year.

The overall Commercial Vehicles sales increased from 7,16,566 to 9,62,468 units. Sales of Medium and Heavy Commercial Vehicles increased from 2,40,577 to 3,59,003 units and Light Commercial Vehicles increased from 4,75,989 to 6,03,465 units, in FY-2022-23, compared to the previous year.

Sales of Three Wheelers increased from 2,61,385 to 4,88,768 units, in FY-2022-23, compared to the previous year.

Two Wheelers sales increased from 1,35,70,008 to 1,58,62,087 units, in FY-2022-23, compared to the previous year.

Exports

In April 2022 to March 2023, Passenger Vehicle Exports increased from 5,77,875 to 6,62,891 units while Commercial Vehicle Exports decreased from 92,297 to 78,645, Three-Wheeler Exports decreased from 4,99,730 to 3,65,549 and Two Wheelers Exports decreased from 44,43,131 to 36,52,122 units over the same period last year.

Automobile Production Trends

(In Numbers)

Category	2018-19	2019-20	2020-21	2021-22	2022-23

Passenger Vehicles	4,028,471	3,424,564	30,62,280	36,50,698	45,78,639
Commercial Vehicles	1,112,405	756,725	6,24,939	8,05,527	10,35,626
Three Wheelers	1,268,833	1,132,982	6,14,613	7,58,669	8,55,696
Two Wheelers	24,499,777	21,032,927	18,349,941	1,78,21,111	1,94,59,009
Quadricycles	5,388	6,095	3,836	4,061	2,897
Grand Total	3,09,14,874	2,63,53,293	2,26,55,609	2,30,40,066	2,59,31,867

Automobile Domestic Sales Trends

(In Numbers)

Category	2018-19	2019-20	2020-21	2021-22	2022-23
Passenger Vehicles	33,77,389	27,73,519	27,11,457	30,69,523	38,90,114
Commercial Vehicles	10,07,311	7,17,593	5,68,559	7,16,566	9,62,468
Three Wheelers	7,01,005	6,37,065	2,19,446	2,61,385	4,88,768

Two Wheelers	2,11,79,847	1,74,16,432	1,51,20,783	1,35,70,008	1,58,62,087
Quadricycles	627	942	-12	124	725
Grand Total	2,62,66,179	2,15,45,551	1,86,20,233	1,76,17,606	2,12,04,162

Automobile Exports Trends

(In Numbers)

Category	2018-19	2019-20	2020-21	2021-22	2022-23
Passenger Vehicles	6,76,192	6,62,118	4,04,397	5,77,875	6,62,891
Commercial Vehicles	99,933	60,379	50,334	92,297	78,645
Three Wheelers	5,67,683	5,01,651	3,93,001	4,99,730	3,65,549
Two Wheelers	32,80,841	35,19,405	32,82,786	44,43,131	36,52,122
Quadricycles	4,400	5,185	3,529	4,326	2,280
Grand Total	46,29,049	47,48,738	41,34,047	56,17,359	47,61,487

OPPORTUNITIES AND THREATS

Opportunities

1) Opportunities for creating sizeable market segments through innovations

Mahindra & Mahindra (M&M) is planning to implement innovative digital technology in the automobile business.

- Hyundai is planning to enter the hybrid vehicles segment to explore alternative fuel technology and to avail government incentives.
- In 2022, Tata Motors filed for 125 patents in India, the highest in its history.

2) Small car manufacturing hub

- Nissan and Toyota announced plans to make India their global hub for small cars.
- With Maruti Suzuki and Hyundai leading, the Indian passenger vehicle market is dominated by small cars.
- Strong export potential in ultra-low-cost cars segment (to developing & emerging markets).

3) India is fast emerging as a global R&D hub

- Strong support from the Government; setting up of NATRIP centres.
- Private players such as Hyundai and Maruti Suzuki are keen to set up an R&D base in India.
- In January 2021, EV manufacturer Tesla set up an R&D centre in Bengaluru and registered its subsidiary as Tesla India Motors and Energy Private Limited.
- India accounts for 40% of global engineering and R&D spending of US\$ 31 billion. The automobile sector accounts for 8% of the country's R&D spending.

Growth drivers

Policy support

- Initiatives like Make in India, the Automotive Mission Plan 2026, and NEMMP 2020 will give a huge boost to the sector.
- The government introduced a batteryswapping policy, which will allow drained batteries to be swapped with charged ones at designated charging stations, thus making EVs more viable for potential customers.
- To install electric vehicle supply equipment (EVSE) infrastructure for EVs, various public sector firms, ministries, and railways have come together to create infrastructure, and manufacture components.

Growing demand

- Rising income and a growing young population.
- Greater availability of credit and financing options.
- Demand for commercial vehicles increasing due to the high level of activity in the infrastructure sector

Support infrastructure and high investment

- In November 2022, Mahindra & Mahindra announced that they had tied up with three electric vehicle infrastructure partners - Jiobp, Statiq, and Charge+Zone - to offer charging solutions for their range of passenger electric vehicles.
- In July 2021, India inaugurated the national automotive test tracks (NATRAX), which is Asia's longest high-speed track to facilitate automotive testing.
- From April 2000-December 2022, the automobile sector received around 5.45% (US\$ 34.11 billion) of the total equity FDI inflows to India.
- As of July 15, 2022, under the FAME India Scheme I & II, a total of 532 EV charging stations have been installed by oil companies under the Ministry of Petroleum and Natural Gas (MoPNG).
- In September 2021, eBikeGo announced that they would install 1 lakh IoT-enabled charging stations in India. According to the company, the charging station named 'eBikeGo Charge' will be providing the most economical IoT-enabled smart charging solution.

Growing demand

Rise in middle-class income and young population may result in strong growth.

- Indian automotive industry is targeting to increase the export of vehicles by five times during 2016-26.
- In March 2023, the total production of passenger vehicles*, three wheelers, two wheelers, and quadricycles was
- 20,04,592 units.
- In FY23, total automobile exports from India stood at 47,61,487.
- The global EV market was estimated at approximately US\$ 250 billion in 2021 and by 2028, it is projected to grow by
- 5 times to US\$ 1,318 billion.

Threats

- The automotive industry is witnessing a significant technological disruption which can make many products obsolete. To grow in this highly competitive business scenario, we must develop and produce new innovative products or enhanced versions of existing products to meet our customers' demands in a timely manner.
- An inability to meet competitive pressure could adversely impact Company's business.
- An inability to pass on any cost increase to customers could adversely impact Company's business.

OUTLOOK

Business Strategy

We have set our mission to become one of the world's best and technologically advanced component suppliers to global OEMs. To achieve this objective, we have formulated an exhaustive strategy spread across various key factors of the Company's operations.

Increase customer penetration and diversification

We have been continuously strengthening our existing relationships with OEM customers, while

simultaneously pursuing opportunities to develop new OEM relationships. With respect to our existing customers, we aim to continue to maintain our track record of continuous and new orders as well as expand and strengthen our relationships with our customers as part of our organic growth efforts.

Increase exports and expand international operations

Our products have been exported to customers across 10 countries. We believe that there are significant growth opportunities in the international markets for die casting components and wire harnessing solutions. Accordingly, we will continue to focus on developing and increasing our product portfolio for die casting components and wire harnessing solutions.

Enhanced Focus on developing technologically advanced products

The entire automotive value chain across OEMs, Tier-1 manufacturers and component suppliers are undergoing significant re-alignment due to technological advancement, stricter emission norms, rapid development around electrification, deeper penetration of information technology, vendor consolidation and safety norms.

Continue to focus on cost efficiencies and improve operational efficiency

As an integral part of our continuing efforts targeted at ensuring cost efficiencies, we have undertaken a number of SMIT Visit initiatives aimed at improving operational efficiencies and optimizing our manufacturing operations including reduction in lead-time in manufacturing processes, leveraging our sourcing networks to control raw material costs through bulk purchases, improving inventory management to optimize transportation costs and expedite raw materials procurement and product delivery, and controlling consumption and wastage through effective supervision of manufacturing processes. We intend to continue to improve the efficiency of our operations and reduce our cost base by taking advantage of our international presence and economies of scale as well as by targeting savings in our administrative, procurement and production processes.

RISK AND CONCERNS

The Board of Directors of the Company has implemented a Risk Management policy to monitor the Risk Management plan for the Company. The Head of Departments is responsible for assessing the risk management strategies and safeguarding their effectiveness and report the same to the Board of Directors. All Strategic Risks, Compliance Risks, Operational Risks, Financial Risks & Reputational Risks are systematically addressed through mitigating actions on a continuous basis.

Some of business operational risk are as follows- Geo-Economic Risks

The Company has a presence across various countries. Any unexpected regulatory changes in the region or volatility in economic development could impact the business of the Company. Mitigation: Though the Company has no control over systemic risks such as fluctuations in economic growth of the regions where the Company operates, it has diversified its presence by venturing into newer geographies.

Exchange Rate Risk

The Company has operations across international locations and is actively engaged in sale of products to customers globally. Therefore, Company revenues and profitability is to fluctuations in foreign currency exchange rates Mitigation: The Company keeps track of currency risk and takes appropriate position.

Technology Innovation Factor

The automobile industry is currently going through a sea change in terms of introduction of newer technologies where many existing products can become redundant. Mitigation: The Company has always been focused towards innovation and also has been a pioneer in introducing many new technologies. We have been investing heavily in R&D and to further strengthen our R&D team.

Raw Material and Supply Risk

The Company procures raw materials and components from external sources globally. Any non-availability of raw material or significant price fluctuation can have an adverse impact on the Company's business operations and profitability. Mitigation: The Company tracks the changes in the prices of raw materials and maintains an inventory for the operating cycle to avoid purchasing them at high prices. The Company also has back to back arrangements with most of its customers for change in the commodity price

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a well-established framework of internal controls in place across all areas which include suitable monitoring procedures and competent qualified professionals. The systems maintain strict accounting control, optimum utilization of resources and efficiency in operations as well as financial reporting, compliance with policies, applicable laws, rules and regulations. The internal controls are designed to maintain the transparency and adequacy of the financial and other records, which are reliable resources for preparing financial reports and other data. We have continued our efforts to align all of our processes and controls with global best practices.

Some significant features of the internal control of systems are:

- The Audit Committee of the Board of Directors, comprising of independent directors and regularly reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those related to strengthening of the Company's risk management policies and systems.

The Committee regularly meets to review the progress of the internal audit initiatives, significant audit observations and the action plans. The Company conducts its business with integrity and high standards of ethical behaviour and in compliance with the laws and regulations that govern its business.

- Detailed business plans for each segment, investment strategies, year-on-year reviews, annual financial and operating plans and monthly monitoring are part of the established practices for all operating and service functions;
- The Board takes responsibility for the overall process of risk management throughout the organisation. The Business risk is managed through cross-functional involvement and communication across

businesses. The results of the risk assessment are presented to the senior management. The audit Committee reviews business risk areas covering operational, financial, strategic and regulatory risks.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCE INCLUDING NUMBER OF EMPLOYEE

Our Human Resource (HR) initiatives are focused towards further strengthening and nurturing our vast and diverse employee base which currently stands at over 1300 permanent employees. Because of our well-crafted and employee friendly HR policies, we enjoy a very cordial relationship with our employees and have not experienced any major work stoppages due to labour disputes or cessation of work in the last five years.

We continue to enhance safety and security at the workplace by prescribing policies and procedures, creating awareness and imparting trainings. In addition to the above, we have mechanism in place to foster a positive workforce environment, free from harassment of any nature. We have institutionalized the Anti-Sexual Harassment Initiative framework, through which we address complaints of sexual harassment at the workplace.

Our HR practices are aimed at recruiting talented individuals, ensuring continuous development and addressing their grievances, if any, in a timely manner. We are also in process of centralizing the HR processes at our group level, which we believe will have both long-term tangible and intangible benefits

DISCLOSURE OF ACCOUNTING TREATMENT

The Company has followed all the treatments in the Financial Statements as per the prescribed Accounting Standards.

NEW CUSTOMER

The Company has introduced new Customer on Board i.e. TVS and many more Electric Vehicle Manufacturer.

PAVNA INDUSTRIES LIMITED

DIRECTORS' REPORT

To,
The Members,

Your Directors are pleased to present 29th Annual Report on the business and operations of the Company along with Audited Financial Statements (Standalone and Consolidate) for the financial year ended on **March 31, 2023**.

FINANCIAL RESULTS

Financial Performance of the Company for the year ended 31st March, 2023 is summarized below:

(Rs. In Lakh)

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Revenue from Operations	26323.09	24954.28	36222.20	31561.19
Total expenditure	23947.59	22872.82	32937.87	28592.53
Operating profit	2375.50	2081.46	3284.33	2968.66
Other Income	39.35	88.91	194.88	139.68
Profit before interest, foreign exchange, depreciation, amortization, exceptional item and tax	2414.85	2170.37	3479.21	3108.34
Finance cost	695.62	654.63	1087.28	920.78
Profit before depreciation, amortization, exceptional item, foreign exchange and tax	1719.23	1515.74	2391.93	2187.56
Depreciation, amortization and product development/ engineering Expenses	717.11	633.90	1181.34	919.13
Profit/(loss) before exceptional items and tax	1002.12	881.83	1210.59	1268.43
Exceptional Items - loss (net)	0	0	0	0
Profit / (loss) before Tax	1002.12	881.83	1210.59	1268.43
Tax expenses / (credit) (net)	273.58	246.50	347.02	353.03
Profit / (loss) after Tax	728.53	635.33	863.57	915.40
Attributable to:				
- Shareholders of the Company	-	-	861.59	805.74
- Non-controlling interest	-	-	35.72	123.96
Earning Per Equity Share	5.98	10.43	7.09	15.03

OPERATIONAL PERFORMANCE
Standalone Operational Performance

During the review, the Company has generated revenue from operation Rs. 26,323.09 lakh which is 5.49% higher than Rs. 24,954.28 lakh in FY 2021-22. Operating Expenses of the Company has also increased by 4.70% than to last FY.

The Company has booked Profit Before Tax (PBT) of Rs. 1002.12 Lakh and Net Profit of Rs. 728.53 lakh compare to last year of Rs.881.83 lakh and Rs. 635.33 lakh respectively.

Subsidiary Operational Performance

The Company has five subsidiaries. Performance of the subsidiaries have contributed positive increase in the revenue as well as operational profit as per below table shows-

(Rs. In Lakh)

Particulars	SSPL		PAEPL		PSAPL		PMPL		PGAPL	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Revenue	880.55	2033.03	3619.16	4687.33	86.02	25.80	5050.01	5176.68	7734.52	5320.95
Operational Exp.	866.47	1908.91	3428.02	4319.14	79.33	19.76	4901.15	5094.94	7206.93	4873.56
EBITA	14.08	124.12	191.14	368.19	6.69	6.04	148.86	81.74	527.59	447.39

Consolidated Operational Performance

During the year, under review, consolidated revenue from operations for the year ended as on March 31, 2023 is Rs. 36,222.20 lakhs, while last year operational revenue was 31,561.19 lakh. However the expenses have also been increased by 15.20% compare to last year. The Company has booked Net Profit of Rs. 863.56 Lakh.

DIVIDEND

To strengthen the financial position of the Company, your Directors recommended, declared and paid dividend of Rs.1/- per share of Rs.121,80,800/-during financial year 2022-23

RESERVE & SURPLUS

The Company has transferred net profit of Rs. 746.14 lakh to the reserve and Surplus during the financial year.

SHARE CAPITAL

The Paid Share Capital of the Company as on 01st April, 2022 was 60,90,400 equity shares of Rs.10/- each aggregating to Rs. 609.04 Lakh. The Company issued bonus shares in the ratio of 1:1 of 60,90,400 equity shares of Rs.10/- each during the year. So. Paid up Share Capital as on 31st March, 2023 was 1,21,80,800 equity shares of Rs.10/-each aggregating to Rs. 1,218.08 Lakh.

MIGRATION TO NSE MAIN BOARD AND LISTING ON BSE MAIN BOARD

The Company completed the process of Migration from National Stock Exchange (Emerge) to NSE Main Board and got listed on Bombay Stock Exchange Main Board on 1st June, 2023.

CHANGES IN NATURE OF BUSINESS

Your Company is engaged in manufacturing of wide range of automotive components for reputed Original Equipment

Manufacturers (OEMs) as per their requirements primarily catering to various vehicle segments, including, passenger vehicles, two-wheelers, three-wheelers, heavy and light commercial vehicles and off-road vehicles.

There is no change in the nature of business during the year under review.

PREVENTION OF SEXUAL HARASSMENT

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. Internal Complaints Committee ('ICC') is in place for all works and offices of the Company to redress complaints received regarding sexual harassment. During the FY 2022-23, the Company has not received any complaint.

CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Act, read along with Rule 8 of the Companies (Accounts) Rules, 2014, is as follows-

A. CONSERVATION OF ENERGY

The Company has always been conscious about conservation of energy in its Manufacturing Plants which leads to optimized consumption of non-renewable fossil fuels, energy productivity, climate change mitigation and reduction in operational costs. Your Company carries out its operations in an environmental friendly manner and continuously active to find ways to for the betterment of the Company as well as for the society.

During the year, the Company has consumed total 125.68 lakh KWH renewable electricity in its operation.

Energy Conservation projects have been implemented at all Plants and Offices of the Company in a planned and budgeted manner. In FY 2022-23, all Plants achieved significant reduction in fixed energy consumption on non-working days by administrative and process controls. Some of the major decision includes:

- a machinery based meters has been installed for each machine to calculate consumption.
- Gas furnace replaced with electricity to control environment pollution from release of Carbon Monoxide.
- Installed in our all plants cooling towers to cut down use of water and chemicals that also lower the risk of bacterial contamination.
- Replaced all lighting equipment with LED to reduce consumption of electricity.
- Installed exhaust blowers in every plants.
- Installed Automatic Dispensing Cabinet Machines interlock systems with timer that helps in control of waste of electricity.

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Efforts made towards innovation, technology development, absorption and adaptation

- The Company used Annual Technology Planning & Development cycle for managing its engineering and technology initiatives. The process framework enables identification, development and deployment of the right technologies for future products. Making use of the Technology Creation and Development System (TCDS) process, the same has been institutionalized across its businesses.
- The Company is setting up lean and agile innovation hubs. These hubs will operate like start-ups with focus on testing of solutions and go-to-market strategies.

Specific areas in which R & D carried out by the Company

C. FOREIGN EXCHANGE EARNINGS & OUTGO

During the year the Company has imported raw material out of India of Rs 14.88 Lakh

Foreign Exchange Earnings and Outgo

Particulars	EURO	US \$
Import in Foreign currency	12000.00	5612.99
Export in Foreign currency	1,61,714.28	0

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION

One of the subsidiaries of the company M/s Pavna Goyam Auto Private Limited ceased to be a subsidiary w.e.f 11.05.2023.

EXTRACT OF ANNUAL RETURN

Pursuant to Sections 92 & 134(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return for F/Y 2022-23 is available on the website of the Company.

HOLDING, SUBSIDIARY, JOINT ARRANGEMENTS AND ASSOCIATE COMPANIES

The Company has 05 subsidiaries as at March 31, 2023 and detail subsidiaries as follows-

Name of Subsidiary	% of Subsidiary	Location	Nature of Business
Pavna Auto Engineering Private Limited	50.74%	Aligarh, UP	Manufacturing of Auto Mobile Parts, Accessories, Spare Parts, assemblies parts, Fuel and petrol taps and corks and all accessories and assembly line of Die Casting products
Pavna Sunworld Autotech Private Limited	71.50%	Aligarh UP	manufacturing of all types of Automobiles, Auto Parts, Engineering Goods and Hardware etc.
Swapnil Switches Private Limited	50.74%	New Delhi	Manufacturing of all type of electric auto switches and accessories thereof and store parts.
Pavna Marketing Private Limited	99.99%	Aligarh UP	Business of marketing and trading of automobiles locks, auto parts, die casting items
Pavna Goyam Auto Private Limited	51.00%	Aurangabad MH	Business of manufacturing of all type of casting parts.

One of the subsidiaries of the company M/s Pavna Goyam Auto Private Limited ceased to be a subsidiary w.e.f 11.05.2023.

CORPORATE SOCIAL RESPONSIBILITY

During the year under review the Company has constituted CSR committee and spent Rs. 7.49 lakh under CSR activities as per the section 135 of the Companies Act, 2013 and Rules made thereunder.

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year in the format prescribed in the Companies (CSR Policy) Rules, 2014 are set out in **Annexure – I**

DIRECTORS AND KEY MANAGERIAL PERSONNEL

As on date, the Board of the Company comprises of total 6 (Six) directors are as set out in **Annexure- III**.

Appointment / Re-appointment

In accordance with provisions of the Act and the Articles of Association of the Company, Mrs. Priya Jain, Executive Director (DIN: 03355623) is liable to retire by rotation and is eligible for re-appointment.

The disclosures required pursuant to Regulation 36 of the SEBI Listing Regulations and the SS- 2 on General Meeting are given in the Notice of Annual General Meeting ('AGM'), forming part of the Annual Report.

Independent directors

In terms of Section 149 of the Act and the SEBI Listing Regulations, following are the Independent Directors of the Company as on date of this report:

- 1.Mr. Achyutanand Ramchandra Mishra (DIN: 0940098) (w.e.f 01.09.2023)
- 2.Mr. Naozer Firoze Aibara (DIN: 08759817)
- 3.Mr. Dhruv Jain (DIN: 09835701) (w.e.f 14.02.2023)
- 4.Ms.Himani Bhootra (DIN: 09811030) (w.e.f 17.04.2023)
- 5.Ms.Priyanka Moodra (DIN: 09485101) (w.e.f 14.08.2023)

All Independent Directors of the Company have given declarations under `Section 149(7) of the Act, that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. The Independent Directors of the Company have undertaken requisite steps towards the inclusion of their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs, in terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

In the opinion of the Board, the Independent Directors possess the requisite expertise and experience and are persons of high integrity and repute. They fulfill the conditions specified in the Companies Act, 2013 ('the Act') as well as the Rules made thereunder and are independent of the management.

Key Managerial Personnel

In terms of Section 203 of the Act, Mr. Makarand Mahajan (PAN: ABUPM4863G) Chartered Accountant resigned from the position of Chief Finance Officer w.e.f 31st July, 2023 and Mr. Ravindra Madan Mohan Agrawal (PAN:ACOPA1328B) Chartered Accountant has been appointed by the Board of Director in the meeting held on 1st

September, 2023 as Chief Financial Officer and Key Managerial Personnel w.e.f 11th September, 2023.

Mr. Ravindra Jagannathrao Pise has been appointed as a Chief Executive Officer and KMP of the Company w.e.f. 01st September, 2023.

Ms. Charu Singh is the Company Secretary and Compliance Officer of the Company. Ms. Kanchan Gupta, an associate Member of ICSI having membership no.A64223 has been appointed as an Additional Company Secretary and Key Managerial Personnel w.e.f 1st September, 2023.

MEETINGS OF THE BOARD

During the year, the Board of Directors met 6 times. For details, please refer to the Report on Corporate Governance, which forms part of this Annual Report as **Annexure II**.

COMMITTEES OF THE BOARD

The Committees of the Board focus on certain specific areas and make informed decisions in line with the delegated authority.

The following Committees constituted by the Board function according to their respective roles and defined scope:

- Audit Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Stakeholders' Relationship Committee

Details of composition, terms of reference and number of meetings held for respective committees are given in the Report on Corporate Governance, which forms a part of this Report. Further, during the year under review, all recommendations made by the various committees have been accepted by the Board.

GENERAL MEETINGS

During the year, Members of the Company met 1 time. For details, please refer to the Report on Corporate Governance, which forms part of this Annual Report as **Annexure II**.

PARTICULARS OF EMPLOYEES

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to the Report as **Annexure-III**.

Statement containing particulars of Top employees and the employees drawing remuneration in excess of limits prescribed under Section 197 (12) of the Act read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Annexure forming part of this report. In terms of proviso to Section 136(1) of the Act, the Report and Accounts are being sent to the Shareholders, excluding the aforesaid Annexure.

The said Statement is also open for inspection. Any member interested in obtaining a copy of the same may write to the Company Secretary.

BOARD EVALUATION

The annual evaluation process of the Board of Directors, individual Directors and Committees was conducted in accordance with the provision of the Act.

The Board evaluated its performance after seeking inputs from all the Directors on the basis of criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc. The performance of the Committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such

as the composition of committees, effectiveness of committee meetings, etc.

PUBLIC DEPOSITS

The Company has not accepted deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013. The Company does not have any unclaimed deposits as of date.

PARTICULARS OF LOANS, INVESTMENTS, GUARANTEES OR SECURITY

Details of loans, guarantee and investments covered under the provisions of section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are given in the Notes forming part of the Audited Financial Statements of the Company.

CONSOLIDATED FINANCIAL STATEMENT

The consolidated financial statements of the Company and its subsidiaries for FY 2022-23 are prepared in compliance with the applicable provisions of the Act and as stipulated under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI Listing Regulations] as well as in accordance with the Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015. The audited consolidated financial statement together with the Independent Auditor's Report thereon form part of this Annual Report. Pursuant to Section 129(3) of the Act, a statement containing the salient features of the Financial Statement of the subsidiary companies is attached to the Financial Statement in Form AOC-1. Pursuant to the provisions of Section 136 of the Act, the Company will make available the said financial statement of the subsidiary companies upon a request by any member of the Company or its subsidiary companies. These financial statements of the Company and the subsidiary companies will also be kept open for inspection by any member and the same would also be available on the Company's website <https://www.pavna.in>.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All contracts/ arrangements/ transactions entered by the Company during the year with related parties were on an arm's length basis and mostly in the ordinary course of business. There were no material related party transactions (RPTs) undertaken by the Company during the year that require Shareholders' approval under Regulation 23(4) of the SEBI Listing Regulations or Section 188 of the Act. The approval of the Audit Committee was sought for all RPTs. Certain transactions which were repetitive in nature were approved through omnibus route. All the transactions were in compliance with the applicable provisions of the Act and SEBI Listing Regulations.

Detail of transaction with related party shown in **Form AOC-2**.

RISK MANAGEMENT

The Board takes responsibility for the overall process of risk management throughout the organization. Our business units and corporate functions address risks through an institutionalized approach aligned to our objectives. This is facilitated by corporate audit. The Business risk is managed through cross-functional involvement and communication across businesses. The results of the risk assessment are presented to the senior management. The Senior Management reviews business risk areas covering operational, financial, strategic and regulatory risks.

VIGIL MECHANISM

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. In line with the Code of Conduct, any actual or potential violation, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the employees in pointing out such violations of the Code cannot be undermined. Pursuant to Section 177(9) of the Act, a vigil mechanism was established for directors and employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics

policy. The Vigil Mechanism provides a mechanism for employees of the Company to approach the Chairperson of the Audit Committee of the Company for redressal. No person has been denied access to the Chairperson of the Audit Committee. The policy of vigil mechanism is available on the Company's website.

AUDIT

STATUTORY AUDIT

Pursuant to section 139 of the Companies Act, 2013 and Rule 4(2) of the Companies (Audit and Auditors) Rules, 2014, **M/s Rajeev Kumar & Company, Aligarh (Firm's Regn No. 000633C)**, is appointed as the Statutory Auditors of the Company at Annual General Meeting held on 27th September, 2022 to hold office for 5 years until conclusion of AGM to be held on year 2027-28. The Auditors have represented that they are not disqualified and continue to be eligible to act as the Auditor of the Company.

The Statutory Auditors' Report for the financial year ended 31st March, 2023 forming part of the Annual Report, contains an emphasis of matter on Financials of the Company.

The Auditor of the Company have not reported any fraud or any qualification as specified under the second proviso of Section 143 (12) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Director appointed **M/s D. Sagar & Associates**, (CP No. - 11547), a Company Secretaries in Practice in Aurangabad to conduct the Secretarial Audit of the Company for year ended March 31, 2023. The Report of the Secretarial Audit is annexed herewith as **Annexure IV**.

The said Secretarial Audit Report contains remarks or observations. The management's response is as follows on each qualification:

01. Remarks- the company is not able to identify the MSME vendors and outstanding dues of MSME vendors more than 45 days. Accordingly, the Company has not filed Form MSME-1 with respect to the outstanding payments due to the MSME vendors.

Response- The management explained that they have sent emails to the vendors but have not received any confirmation from them about their MSME registration.

02. Remarks- Form CSR-2 is applicable to the Company; the company is trying to file the form but due to system migration from V2 to V3 portal the Company is not able to file the same. The company has raised the ticket to MCA but till the date of audit no response is received, hence I am unable to comment on the non-compliance of the same.

Response- Due to migration from MCA V2 to V3 portal, the Company was not able to file the same. The company has raised the ticket to MCA but till the date of audit no response is received

03. Remarks-The Company during the year has given loans to its subsidiaries, although, the said loan has been repaid, but the company has not charged interest on loans/advances given to its subsidiaries. Therefore, up to that extent there is non-compliance of Section 186(7) of the Companies act, 2013. However, as per the statutory auditor's comment, prima facie the non-charging of interest does not hamper and is not prejudicial to the revenue interest of

the company.

Response- Non-Charging of interest does not hamper and is not prejudicial to the revenue interest of the Company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

No significant or material orders were passed by the any Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, secretarial auditors and external agencies and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2022-23.

Pursuant to the requirements under Section 134(5) read with Section 134(3)(c) of the Act with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- a) in the preparation of the annual accounts for the financial year ended 31st March, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2023 and of loss of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a going concern basis; and
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to thank the customers, supply chain partners, employees, Financial Institutions, Banks, Central and State Government authorities, Regulatory authorities and all the various stakeholders for their continued co-operation and support to the Company. Your Directors also wish to record their appreciation for the continued co-operation and support received from the Joint Venture partners / Associates.

**For and on behalf of the Board of Directors
PAVNA INDUSTRIES LIMITED**

SD/-

**Mr. SWAPNIL JAIN
MANAGING DIRECTOR
(DIN: 01542555)**

**Place: Aligarh
Date: 01/09/2023**



ANNEXURE – I

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY

[Pursuant to Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014]

A brief outline of the Company's CSR policy

The Company is not only committed to being a good citizen, but also to being a good neighbor in the communities we call home. We contribute as a company to various charitable trusts and we seek to participate in ways that touch people's lives in these communities. The Company aims to create educated, healthy, sustainable and culturally vibrant communities. We also support employees' commitment to our communities through various programs including our volunteerism initiatives.

The Company's philosophy of discharging its social responsibility goes beyond donations and sponsoring charity events, where it engages with the society to maximize the overall impact on the livelihood and welfare of people. The Company engages in various dynamic initiatives which vary with the needs of the society and the environment.

CSR policy of Pavana group placed on the Company's website <https://www.pavna.in>

Overview of projects program proposed to be undertaken

The Company donated funds for promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and differently abled and livelihood enhancement projects.

Composition of CSR Committee:

The CSR Committee comprises of Mr. Swapnil Jain (Managing Director) as Chairman of the Committee, Mr. Noazer Firoze Aibara (Independent Director) and Mrs. Priya Jain (Executive Director) as members of the committee.

Average Net Profit of the Company for last three financial years: Rs. 802.84 Lakh

Prescribed CSR Expenditure (2% of Average Net Profit): Rs. 16.06 Lakh

Details of CSR Spend during the financial year:

- a. Total amount spent during the year- Rs. 27.79 Lakh
- b. Amount unspent, if any: 0.00 Lakh

(a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (` in lakh)	Amount Unspent (in `)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of Transfer	Name of Fund	Amount	Date of Transfer
Nil	Nil	----	Nil	----	----

(b) Details of CSR amount spent against ongoing projects for the financial year:

1	2	3	4	5	6	7	8	9	10	11	
Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project	Project duration (in years)	Amount allocated for the project (` in lakh)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (` in lakh)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (` in lakh)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District					Name	CSR Registration number
NOT APPLICABLE											

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

1	2	3	4	5	6	7	8
---	---	---	---	---	---	---	---

Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in lakh)	Mode of implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration
1.	Promoting Education		No	Delhi	Delhi	7,36,000/-	No	Tamana	
2.	Promoting Education		Yes	Uttar Pradesh	Aligarh	2,49,750/-	No	Adinath Kund Kund Digamber Jain Trust	
3.	Promoting Education		No	Delhi	Delhi	25,12,000/-	No	Shree Shantinath Akamp Kahan Digamber Jain Trust	

- (d) Amount spent in administrative Overheads : Nil
- (e) Amount spent on Impact Assessment, if Applicable : Nil
- (f) Total amount spent for the Financial Year : Rs. 27.79 Lacs

Tamana is a non-profit voluntary organization registered in early March 1984 in India, for developmentally disabled and minimal brain damaged children. The organization's work is recognized by Ministry of Social Justice and Empowerment, Govt. of India, Department of Social Welfare; Govt. of NCT Delhi.

* Adinath Kund Kund Digamber Jain Trust situated in Aligarh, promoting Education & Literacy, Health & Family Welfare.

In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report-

- Due to lack of resources is not able to spend the total amount in the Financial Year.

Responsibility Statement

The implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

The CSR Committee ensures that the projects and programmers, recommended by it to the Board, are as per the CSR Policy and Schedule VII to the Companies Act, 2013.

The CSR Committee reviews update on the progress of the activities with respect to each programmer and/ or project approved, from time to time and suggests measures for effective implementation thereof.

The statement of expenses incurred for each activity is reviewed in detail vis-à-vis the budget.

For and on behalf of the Board of Directors
PAVNA INDUSTRIES LIMITED
SD/-

Mr. SWAPNIL JAIN
MANAGING DIRECTOR
(DIN: 01542555)

Place: Aligarh
Date: 01/09/2023



ANNEXURE II
REPORT ON CORPORATE GOVERNANCE
COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

As a Company, the Company's philosophy on Corporate Governance is founded upon a rich legacy of fair, ethical and transparent governance practices, many of which were in place even before they were mandated by adopting the highest standards of professionalism, honesty, integrity and ethical behavior.

The Company has adopted the Code of Conduct for its employees, including the Managing and Executive Director and other senior Managerial Personnel, which encompasses an appropriate mechanism to report any concern pertaining to non-adherence to the said Code. In addition, the Company has adopted a Code of Conduct for its Non-executive Directors which includes a Code of Conduct for Independent Directors, as specified under Schedule IV of the Act and of the SEBI Listing Regulations, all members of senior management have confirmed that there are no material, financial and commercial transactions wherein they have a personal interest that may have a potential conflict with the interest of the Company at large. Also the Company has Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices (Insider Trading Code), pursuant to the provisions of Regulations 8 and 9 under the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Company is in full compliance with the requirements of Corporate Governance under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 ('SEBI Listing Regulations').

BOARD OF DIRECTORS

The Board currently comprises of 9 Directors, out of which 5 Directors are Independent Directors.

SL.	DIN	NAME OF DIRECTOR	DESIGNATION
01	00035024	Mrs. Asha Jain	Chairperson and Director
02	01542555	Mr. Swapnil Jain	Managing Director
03	08759817	Mr. Naozer Firoze Aibara	Independent Director
04	03355623	Mrs. Priya Jain	Executive Director
05	09835701	Mr. Dhruv Jain	Independent Director (w.e.f 14.02.2023)
06	09811030	Mrs. Himani Bhootra	Independent Director (w.e.f 17.04.2023)
07	09485101	Mrs. Priyanka Moodra	Independent Director (w.e.f 14.08.2023)
08	03008142	Mr. Sanjay Kumar Jain	Non- Executive Director
09	08940098	Mr. Achyutanand Ramchandra Mishra	Independent Director (w.e.f 01.09.2023)

Mr. Achyutanand Ramchandra Mishra (DIN: 08940098) earlier resigned from the post of Independent Director on 20th April, 2023. But again he is re-appointed by the Board of Directors as an Independent Director (subject to the approval of the Members) w.e.f 1st September, 2023.

Mr. Keshav Rathi was appointed as an additional Non-Executive Independent Director by the Board of Directors in the meeting held on 20th April, 2023 but he resigned on 14th August, 2023.

The IDs have further stated that they are not aware of any circumstance or situation, which exist or may be

reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective, independent, judgment and without any external influence. The Company has received confirmation from all the existing IDs of their registration on the Independent Directors Database maintained by the Institute of Corporate Affairs pursuant to Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014. All the Directors have made necessary disclosures regarding their Directorships as required under Section 184 of the Act and on the Committee positions held by them in other companies. None of the Directorson the Company’s Board hold the office of Director in more than 20 companies, with not more than 10 public Companies. None of the IDs serve as IDs in more than 7 listed entities and in case they are whole-time Directors/managing Directors in any listed entity, then they do not serve as IDs in more than 3 listed entities. In accordance with Regulation 26 of the SEBI Listing Regulations, none of the Directors are members in more than 10 committees or act as chairperson of more than 5 committees. All Non-Independent Non-executive Directors (‘NINEDs’) are liable to retire by rotation.

MEETINGS OF THE BOARD

During the year under review, 6 Board Meetings were held on dates as per table-

01	Monday, May 30, 2022	02	Thursday, July 21, 2022	03	Thursday, September 1, 2022
04	Thursday, September 8, 2022	05	Monday, November 14, 2022	06	Tuesday, February 14, 2023

The following table, illustrates the composition of the Board, Director’s attendance at Board Meetings held during the financial year under review and at the last AGM, number of Directorships held in other companies, total number of committee positions held, their shareholding in the Company’s shares names of other entities in which Directorship is held, including category of Directorships, as at March 31, 2023:

Name of Director	No. of Board Meetings attended in the year	Attendance at the last AGM	Holding in Company’s Shares	Directorships in other Listed Entities
Mrs. Asha Jain	06	No	58,21,960	-
Mr. Swapnil Jain	06	Yes	13,56,560	-
Mr. Naozer Firoze Aibara	02	Y	-	-
Mr. Achyutanand Mishra	02	No	-	-
Mrs. Priya Jain	06	No	4,04,000	-
Mr. Sanjay Kumar Jain	06	No	-	-

COMMITTEES OF THE BOARD

The Board has four (4) Committees i.e. Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee and Stakeholder Relationship Committee constitution of which is given below:

A. AUDIT COMMITTEE

Date of Meeting	Name of Director and Designation in Committee		
	Naozer Firoze Aibara Independent Director Chairman	Achyutanand Mishra Independent Director Member	Swapnil Jain Managing Director Member
30/05/2022	Yes	Yes	Yes
01/09/2022	Yes	No	Yes
14/11/2022	Yes	Yes	Yes
14/02/2023	No	Yes	Yes
	3	3	4

The role of the audit committee shall include the following:

- a) Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- c) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- d) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - changes, if any, in accounting policies and practices and reasons for the same;
 - major accounting entries involving estimates based on the exercise of judgment by management;
 - significant adjustments made in the financial statements arising out of audit findings;
 - compliance with listing and other legal requirements relating to financial statements;
 - disclosure of any related party transactions;
 - modified opinion(s) in the draft audit report;
- e) Reviewing, with the management, the half yearly financial statements before submission to the board for approval;
- f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), if any, the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- h) Approval or any subsequent modification of transactions of the listed entity with related parties;
- i) Scrutiny of inter-corporate loans and investments;

- j) Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- k) Evaluation of internal financial controls and risk management systems;
- l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- n) Discussion with internal auditors of any significant findings and follow up there on;
- o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- r) To review the functioning of the whistle blower mechanism;
- s) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- t) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

B. NOMINATION & REMUNERATION COMMITTEE

Date of Meeting	Name of Director and Designation in Committee		
		Achyutanand Mishra Independent Director Chairman	Naozer Firoze Aibara Independent Director Member
30/05/2022	No	Yes	Yes
14/02/2023	Yes	No	Yes
	1	1	2

TERMS OF REFERENCE OF NOMINATION AND REMUNERATION COMMITTEE

1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
2. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and

Senior Management.

3. To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
4. Formulate criteria for evaluation of Independent Directors and the Board.
5. Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
6. To carry out evaluation of every Director's performance.
7. Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
8. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
9. Recommend to the Board, the Sitting Fees payable for attending the meetings of the Board/Committee thereof, and, any other benefits such as Commission, if any, payable to the Non-Executive Directors.
10. Setting the overall Remuneration Policy and other terms of employment of Directors, wherever required.
11. Removal should be strictly in terms of the applicable law/s and in compliance of principles of natural justice.
12. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
13. To perform such other functions as may be necessary or appropriate for the performance of its duties.

C. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Date of Meeting	Name of Director and Designation in Committee		
	Swapnil Jain (Managing Director) Chairman	Naozer Firoze Aibara (Independent Director) Member	Priya Jain (Executive Director) Member
30/05/2022	Yes	Yes	Yes
	1	1	1

CSR Committee is as under :

1. Formulating and recommending to the Board, CSR Policy and the activities to be undertaken by the Company.
2. Recommending amount of expenditure to be incurred on activities undertaken.

3. To constitute Management Committee for implementation and execution of CSR initiatives/ activities.
4. Reviewing performance of the Company in the areas of CSR.
5. Monitoring CSR Policy from time to time.

D. STAKEHOLDERS RELATIONSHIP COMMITTEE

Date of Meeting	Name of Director and Designation in Committee		
	Mr. sanjay Kumar Jain (Non- Executive Director) Chairman	Swapnil Jain (Managing Director) Member	Priya Jain (Executive Director) Member
30/05/2022	No	Yes	Yes
	0	1	1

The Stakeholder Relationships Committee shall oversee all matters pertaining to investors of our Company. The terms of reference of the Investor Grievance Committee include the following:

- 01 Redressed of shareholders'/investors' complaints;
- 02 Non-receipt of declared dividends, balance sheets of the Company; and
- 03 Carrying out any other function as prescribed under the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.
- 04 Review measures taken for effective exercise of voting rights by Shareholders.
- 05 Review adherences to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- 06 Review movements in shareholding and ownership structures of the Company.

GENERAL MEETINGS

The details of General Meetings of the Company held in last 3 years are as under:

Type of Meeting	Date of Meeting	Place of Meeting
Annual General Meeting	Tuesday, 27 th September, 2022	Pavna International School, Agra-Aligarh
Annual General Meeting	Wednesday, 29 th September, 2021	DPS, Junior Wing, Mandir Ka Nagla, Sasni Road, Aligarh
Annual General Meeting	Thursday, 13 th August, 2020	Registered office
Extra-Ordinary General Meeting	Tuesday, 30 th June, 2020	Registered office

Extra-Ordinary General Meeting	Friday, 27 th November, 2020	Registered office
--------------------------------	---	-------------------

Details of SR passed in the last 3 years in AGM/EGM

S.No.	Particulars	Date
1	Regularization Of Additional Non-Executive Director, Mr. Sanjay Jain (Din: 03008142) As Non-Executive Director Of The Company	27 th September, 2022
2	Approval Of Managerial Remuneration Of Mr. Swapnil Jain (Managing Director)	27 th September, 2022
3	To Review And Approve The Related Party Transaction	27 th September, 2022
4	Appointment Of Statutory Auditor M/S. Rajeev Kumar & Co., Chartered Accountants	27 th September, 2022
5	Alteration in the remuneration of Mr. Swapnil Jain (Managing Director)	30 th June, 2020
6	Authorisation For Issue Of Shares Through Public Issue:	30 th June, 2020

Details of Resolution passed in the last 3 years through postal Ballot

S.No.	Particulars	Result Date
1	Migration from SME to Main Board of NSE Limited and BSE Limited	26 th August, 2022
2	Increase in Authorised Share Capital of the Company	26 th August, 2022
3	Alteration of the Capital Clause of the Memorandum of Association	26 th August, 2022
4	Issue of Bonus Shares	26 th August, 2022

For and on behalf of the Board of
Directors PAVNA INDUSTRIES
LIMITED
SD/-

Mr. SWAPNIL JAIN
MANAGING DIRECTOR
(DIN: 01542555)

Place: Aligarh
Date: 01/09/2023

ANNEXURE III

DETAILS OF REMUNERATION OF DIRECTORS, KMPS AND EMPLOYEES AND COMPARATIVES

[Pursuant to Section 197 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

- a. **The ratio of the remuneration of each Director to the median remuneration of the employees of the Company and the percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the FY 2022-23:**

Sl	Name of Directors	Designation	Ratio of remuneration to median remuneration	% increase in the Remuneration*
01	Mr. Swapnil Jain	Managing Director	44.32	33.33%
02	Mrs. Asha Jain	Chairperson	-	-
03	Mrs. Priya Jain	Executive Director	-	-
04	Mr. Sanjay Kumar Jain	Non- Executive Director	-	-
05	Mr. Achyutanand Mishra	Independent Director	-	-
06	Mr. Noazer Aibara	Independent Director	-	-
07	Mr. Makarand Mahajan	Chief Financial Officer	3.08	14.85%
08	Mrs. Charu Singh	Company Secretary	4.38	-

01 Mrs. Asha Jain is the Chairperson and not getting remuneration.

02 Mrs. Priya Jain is Executive Director and not getting remuneration

03 Mr. Sanjay Kumar Jain is Non- Executive Director and not getting any remuneration or commission.

04 Mr. Achyutanand Mishra being Independent Director, he is not eligible for remuneration. He is getting sitting fee for attending meeting.

05 Mr. Noazer Aibara being Independent Director, he is not eligible for remuneration. He is getting sitting fee for attending meeting.

06 Mr. Makarand Mahajan resigned from the post of Chief Financial Officer w.e.f 31.07.2023.

- b. **The number of permanent employees on the rolls of the Company as at March 31, 2023: 695**

- c. **Average percentile increase already made in the salaries of employees including the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

During the year increment has been taken placed.

Name of Director/KMP	Remuneration of Director/KMP	Remuneration of Director/KMP	% increase in F.Y. 2022-23	Ratio(times) of the remuneration of each director to the median
----------------------	------------------------------	------------------------------	----------------------------	---

	in F.Y. 2021-22	in F.Y. 2022-23		remuneration of the employees
Swapnil Jain	14,400,000.00	21,600,000.00	33.33%	44.32
Priya Jain	-	-	0.00%	-
Asha Jain	-	-	0.00%	-
Makarand Mahajan CFO- (KMP)	1,277,313.00	1,500,000.00	14.85%	3.08
Vijay Sharma- VP- (KMP)	2,000,000.00	2,400,000.00	20.00%	4.18
Charu Singh	186,210.00	711,951.00	0.00%	4.38

*Date of resignation of Mr. Makarand Mahajan is w.e.f. 31.07.2023

Date of appointment of Ms. Charu Singh is w.e.f 31.12.2021.

d. Affirmation that the remuneration is as per the remuneration policy of the Company:

The remuneration for MD/ED/KMP/rest of the employees is as per the remuneration policy of the Company

For and on behalf of the Board of
Directors PAVNA INDUSTRIES
LIMITED
(Formerly known as Pavna Zadi Security Systems

Limited)SD/-

Mr. SWAPNIL JAIN
MANAGING DIRECTOR
(DIN: 01542555)

Place: Aligarh
Date: 01/09/2023

ANNEXURE IV

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31st, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014

To,
The Members,
PAVNA INDUSTRIES LIMITED
VIMLANCHALHARI NAGAR ALIGARH,
UTTAR PRADESH UP 202001 IN

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **PAVNA INDUSTRIES LIMITED** (hereinafter called (**"The Company"**)). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of Company's books, papers, registers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31st, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31st, 2023 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-law framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; *(No Specific transactions were found during the reporting period.)*
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; *(No specific transactions were found during the reporting period.)*

- c) The Securities and Exchange Board of India (Listing obligations and Disclosure requirements) Regulations, 2015; *(The company during the reporting period has issued shares by way of a bonus issue and the specific compliances with respect to the regulations were adhered to by the company.)*
- d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; *(The company during the reporting period has issued shares by way of a bonus issue and the specific compliances with respect to the regulations were adhered to by the company.)*
- e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; *(No specific transactions were found during the reporting period, to which the above guidelines shall be applicable.)*
- f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; *(No specific transactions were found during the reporting period, to which the above guidelines shall be applicable.)*
- g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client. *(Specific compliances with respect to the regulations were adhered to by the company during the reporting period.)*
- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; *(No specific transactions were found during the reporting period, to which the above guidelines shall be applicable.)*
- i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. *(No specific transactions were found during the reporting period, to which the above guidelines shall be applicable.)*
- j) Other laws applicable to the Company as per the representations made by the Management.
 - (1) The Secretarial Standards issued by the Institute of Company Secretaries of India.
 - (2) The Listing Agreements entered into by the Company with NSE Limited, read with The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent listing of Equity shares;

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

- 1) The company is not able to identify the MSME vendors and has outstanding dues of MSME vendors for more than 45 days. Accordingly, the company has not filed Form MSME 1 in regarding to outstanding payments to MSME vendors.
- 2) Form CSR-2 is applicable to the Company; the company is trying to file the form but due to system migration from V2 to V3 portal the Company is not able to file the same. The company has raised the ticket to MCA but till the date of audit no response is received, hence I am unable to comment on the non-compliance of the same.
- 3) The company during the year has given loans to its subsidiaries, although, the said loan has been repaid, but the company has not charged interest on loans/advances given to its subsidiaries. Therefore, up to that extent there is non-compliance of Section 186(7) of the Companies act, 2013.

However, as per the statutory auditor's comment, prima facie the non-charging of interest does not hamper and is not prejudicial to the revenue interest of the company.

We also adhere the same "remarks or observations" as pointed out by the statutory Auditor in his report and the company in financial statements as on date 31.03.2023

I further report that

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) All the decisions of the Board as well as committee meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of directors or the committees of the Board, as the case may be.
- c) I further report that there is scope to improve the systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the following mentioned events/ actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

The company has altered the capital Clause of the Memorandum of Association of the company during the reporting period.

Above alteration has been made by the members of the company by way of postal ballot resolution through remote e-voting whose results were declared on 26th August, 2022 by passing an ordinary resolution.

FOR D. SAGAR & ASSOCIATES,

Sd/-
 CS SAGAR RAMRAO DEO
 (Practicing Company Secretary)
 CP No: 11547
 UDIN: F009518E000893764
 Peer Review NO.: 1192/2021

Place: Aurangabad
 Date: 30.08.2023

Note: This report is to be read with our letter of even date which is annexed as "ANNEXURE-I" and forms an integral part of this report.

ANNEXURE-I

To,
The Members,
PAVNA INDUSTRIES LIMITED,
VIMLANCHALHARI NAGAR ALIGARH,
UTTAR PRADESH UP 202001 IN

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records.
3. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company and non-compliances reported shall not be conclude as complete & final.

FOR D. SAGAR & ASSOCIATES,

CS SAGAR RAMRAO DEO
(Practicing Company Secretary)
CP No: 11547
UDIN: F009518E000893764
Peer Review NO.: 1192/2021

Place: Aurangabad
Date: 30.08.2023

Form AOC -1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl.	Particulars	Amount	Amount	Amount	Amount	Amount
01	Name of the subsidiary	Swapnil Switches Pvt. Ltd.	Pavna Auto Engineering Pvt. Ltd.	Pavna Sunworld Autotech Pvt. Ltd.	Pavna Marketing Pvt. Ltd.	Pavna Goyam Auto Pvt. Ltd.
02	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	FY 2022-23	FY 2022-23	FY 2022-23	FY 2022-23	FY 2022-23
03	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA	NA	NA	NA	NA
04	Share capital (Rs.)	6090000	6090000	10000000	1000000	50000000
05	Reserves & surplus	44879988	175584233	(810091)	15880499	(16012530)
06	Total assets	108913154	304784279	18938137	130180263	490791684
07	Total Liabilities	108913154	304784279	18938137	130180263	490791684
08	Investments	0	0	0	0	0
09	Turnover	88055196	361916158	8601617	505000790	773451697
10	Profit before taxation	3506668	6953369	(701592)	8990362	2098484
11	Provision for taxation	1609922	1640033	(113656)	2492210	1714908
12	Profit after taxation	1896745	5313336	(587936)	6498152	383575
13	Proposed Dividend	0	0	0	0	0
14	% of	50.74%	50.74%	71.50%	99.99%	51%

shareholding					
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The following information shall be furnished:-

1. Names of subsidiaries which are yet to commence operations –Nil
2. Names of subsidiaries which have been liquidated or sold during the year- Nil

Form No. AOC-2

Particulars of Contracts or Arrangements with Related Parties

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

S.N.	Particulars	Remarks
(a)	Name(s) of the related party and nature of relationship	Nil
(b)	Nature of contracts/arrangements/transactions	Nil
(c)	Duration of the contracts / arrangements/transactions	Nil
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Nil
(e)	Justification for entering into such contracts or arrangements or transactions	Nil
(f)	Date(s) of approval by the Board	Nil
(g)	Amount paid as advances, if any	Nil
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	Nil

2. Details of material contracts or arrangement or transactions at arm's length basis

Name(s) of the related party	Mr. Swapnil Jain	Mrs. Asha Jain
Nature of relationship	Managing Director in the Company	Directorship in the Company

Nature of contracts/arrangements/transaction	- Remuneration - Interest	- Building Rent - Trade Mark Royalty
Duration of the contracts / arrangements/transactions	1 Year	1 Year
Salient terms of the contracts or arrangements or transactions including the value, if any	As approved by the Board of Directors from time to time	As approved by the Board of Directors from time to time
Date(s) of approval by the Board, if any	30-May-2022	30-May-2022
Amount paid as advances, if any:	NA	NA

Name(s) of the related party	Swapnil Switches Pvt.Ltd.	Pavna Auto Engineering Private Limited	Pavna Sunworld Autotech Pvt. Ltd.
Nature of relationship	Subsidiary Company	Subsidiary Company	Subsidiary Company
Nature of contracts/arrangements/transaction	- Purchase - Sale	-Purchase -Sale	-Purchase -Sale
Duration of the contracts / arrangements/transactions	1 Year	1 Year	1 Year
Salient terms of the contracts or arrangements or transactions including the value, if any	As approved by the Board of Directors from time to time	As approved by the Board of Directors from time to time	As approved by the Board of Directors from time to time
Date(s) of approval by the Board, if any	30-May-2022	30-May-2022	30-May-2022

Amount paid as advances, if any:	NA	NA	NA
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Name(s) of the related party	Pavna Marketing Pvt. Ltd.	PJ Wealth Management & Consultant Pvt. Ltd.	Pavna Goyam Auto Private Limited
Nature of relationship	Subsidiary Company	Group Company	Subsidiary Company
Nature of contracts/ arrangements /transaction	- Purchase - Sale	Loan Taken	- Purchase Sale
Duration of the contracts / arrangements/transactions	1 Year	1 Year	1 Year
Salient terms of the contracts or arrangements or transactions including the value, if any	As approved by the Board of Directors from time to time	As approved by the Board of Directors from time to time	As approved by the Board of Directors from time to time
Date(s) of approval by the Board, if any	30-May-2022	30-May-2022	30-May-2022
Amount paid as advances, if any:	NA	NA	NA

INDEPENDENT AUDITOR'S REPORT

To the Members of Pavna Industries Limited

Report on 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 March 31, 2023, the Statement of Profit and Loss (including the statement of Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to 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 March 31, 2023, its profit including other comprehensive income, its cash flows and the 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), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, together with the ethical requirements that are relevant to our audit of the Standalone Ind AS Financial Statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

Key Audit Matters

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

Other Information

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

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

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be

materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company, in electronic mode on servers physically located in India so far as it appears from our examination of those books;

- c) The Balance Sheet, the Statement of Profit and Loss including Statement of Other Comprehensive income, the Cash Flow Statement and the Statement of Changes in equity dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the Internal Financial Control with reference to these Standalone Ind AS Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure C” to this report;
- g) In our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration paid for the year ended 31st March, 2023 by the Company to its directors is in accordance with the provisions of section 197 read with Schedule V of the Act.
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements. *Note No. 43 of notes to accounts*
- ii) The Company did not have any long- term contracts including derivative contracts for which there were any material foreseeable losses;
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv) a. The management has represented that, to the best of its knowledge and belief, other than as disclosed in Note- 34 of notes to accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b. The management has represented that, to the best of its knowledge and belief, other than as disclosed in Note- 34 of notes to accounts, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v) The interim dividend paid by the company during the year is in accordance with section 123 of the Companies Act, 2013.

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

**For RAJEEV KUMAR & COMPANY
CHARTERED ACCOUNTANTS**

-SD/-

**PLACE: ALIGARH
CA RAJEEV KUMAR**

DATE: 30th May, 2023

PROPRIETOR

UDIN: 23070103BGXUPE9810

FRN: 000633C

M.NO.070103



Responsibilities for Audit of Standalone Ind AS Financial Statement

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

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

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

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

For RAJEEV KUMAR & COMPANY CHARTERED ACCOUNTANTS

-SD/-

**PLACE: ALIGARH
CA RAJEEV KUMAR**

DATE: 30-May-2023

PROPRIETOR

UDIN: 23070103BGXUPE9810

FRN:000633C

M.NO.070103

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ANNEXURE B

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

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

- (i)
 - (a) (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
 - (B) The company has maintained proper records showing full particulars, of intangible assets.
 - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Property, Plant and Equipment have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification;
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company.
 - (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year ended 31st March, 2023.
 - (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii)
 - (a) As explained to us & on the basis of the records examined by us, in our opinion, physical verification of inventory has been conducted at reasonable intervals by the management. In our opinion, the coverage and procedure of such verification by the management is appropriate. No discrepancy of 10% or more in the aggregate for each class of inventory were noticed on such physical verification.
 - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks and/or financial institutions during the year on the basis of security of current assets of the company. The quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company except as disclosed in notes to accounts.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has made investments in,

provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year.

- a. The Company has provided loans and advances in the nature of loan during the year:
(In Lakhs)

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

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

- Aggregate amount of loans granted to promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013 is Rs. 2,50,00,000.

However the loan stands repaid as on date.

- (iv) According to the information and explanations given to us and on the basis of our examination of the records, in respect of loans, investments, guarantees, and security, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with except not charging interest on the loan.
- (v) The company has not accepted any deposits or amounts which are deemed to be deposits covered under sections 73 to 76 of the Companies Act, 2013. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) As per information & explanation given by the management, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company is generally regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. According to the information and explanation given to us there were no outstanding statutory dues as on 31st of March, 2023 for a period of more than six months from the date they became payable except as disclosed in note 43 of notes to accounts.
- (b) According to the information and explanations given to, there is no statutory dues referred to in sub-clause (a) that have not been deposited on account of any dispute except as disclosed in note 43 of notes to accounts.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not been declared a willful defaulter by any bank or financial institution or other lender;
- (c) According to the information and explanations given to us by the management, the company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.
- (d) According to the information and explanations given to us and on an overall

2022-23

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- examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term purposes by the company.
- (e) On an overall examination of the Standalone Ind AS Financial Statements of the company, the Company has not taken any funds from any entity or person on account of or to meet obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised loans during the year on pledge of securities held in its subsidiaries, associates or joint ventures. Hence the requirement to report on clause ix (f) of the order is not applicable to the company.
- (x) (a) The company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. However, the company has issued bonus shares during the year. The same is in compliance with section 63 of the Companies Act, 2013.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the company or any fraud on the company has been noticed or reported during the course of audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- (c) According to the information and explanations given to us by the management, no whistle-blower complaints have been received by the company
- (xii) The company is not a Nidhi Company. Accordingly, clause 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards;
- (xiv) (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business;
- (b) the reports of internal auditors for the period under audit were considered by us;
- (xv) In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with them.
- (xvi) (a) In our Opinion and based on our examination, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Accordingly, clause 3(xvi)(a) of the Order is not applicable.

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- (b) In our Opinion and based on our examination, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) In our Opinion and based on our examination, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations given by the management, the Group does not have not more than one CIC as part of the Group.
- (xvii) Based on our examination, the company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) During the year, M/s Das Maheshwari & Company, Chartered Accountants, who were the statutory auditors resigned as auditors of the company before the expiry of their term. We have considered the reason cited by the outgoing auditors relating to the same being expiry of validity of peer review certificate of the firm.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) a. In respect of other ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note of the standalone Ind AS financial statements.
- b. There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note of the standalone Ind AS financial statements.

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**For RAJEEV KUMAR & COMPANY
CHARTERED ACCOUNTANTS**

-SD/-

**PLACE: ALIGARH
(RAJEEV KUMAR, F.C.A.)**

DATE: 30-May-2023

PROPRIETOR

UDIN: 23070103BGXUPE9810

FRN: 000633C

M.NO.070103

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ANNEXURE C

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

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

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Standalone Ind AS Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to Standalone Ind AS Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone Ind AS Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on

2022-23

the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

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

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

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

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to Standalone Ind AS Financial Statements and such internal financial controls with reference to Standalone Ind AS Financial Statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by

2022-23

the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

**For RAJEEV KUMAR & COMPANY
CHARTERED ACCOUNTANTS**

-SD/-

**PLACE: ALIGARH
CA RAJEEV KUMAR**

DATE: 30th May, 2023

PROPRIETOR

UDIN: 23070103BGXUPE9810

FRN: 000633C

M.NO.070103



2022-23

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

	Note	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3A	5,626.40	4,547.73
Intangible Work in Progress	3A	81.40	-
Right of Use assets	3B	38.71	56.42
Financial assets			
Investments	4	1,219.03	1,219.03
Others	5	254.81	245.92
Other Non Current assets	6	58.76	68.53
		7,279.11	6,137.62
Current assets			
Inventories	7	6,682.00	5,725.41
Financial assets			
Trade Receivable	8	4,375.22	4,081.98
Cash and cash equivalents	9	16.94	12.16
Other Bank Balances	10	4.50	16.49
Loans	11	250.00	150.00
Others	12	16.00	17.50
Income tax assets (net)	13	16.83	38.87
Other current assets	14	1,053.73	628.68
Total current assets		12,415.23	10,671.09
Total assets		19,694.34	16,808.71
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	1,218.08	609.04
Other equity	16	4,515.05	4,499.75
Total equity		5,733.13	5,108.79
Non current liabilities			
Financial liabilities			
Long term Borrowing	17	2,272.33	1,678.88
Lease liabilities	3B	38.86	43.45
Other Non current financial liabilities	0	-	-
Provisions	18	154.99	133.85
Deferred tax liabilities (net)	19	35.91	13.99
		2,502.09	1,870.17
Current liabilities			
Financial liabilities			

2022-23

Borrowings	17	6,553.18	5,772.80
Lease Liabilities	3B	4.96	16.87
Trade payables	18A		
Total outstanding dues of micro enterprises and small enterprises		63.92	-
Total outstanding dues of creditors other than micro and small enterprises		4,293.23	3,653.40
Other financial liabilities	19A	347.43	252.56
Other current liabilities	20	126.28	69.57
Income Tax liabilities	21	-	-
Short term provisions	22	70.13	64.55
Total current liabilities		11,459.13	9,829.76
Total equity and liabilities		19,694.34	16,808.71

The accompanying notes form an integral part of these financial statements.

This is the Balance Sheet referred to in our report of even date.

AUDITORS' REPORT
FOR & ON BEHALF OF THE BOARD OF DIRECTORS

As per our audit report of even date attached.

FOR RAJEEV KUMAR & COMPANY,
CHARTERED ACCOUNTANTS
(Registration No 000633C)
SD/-
Rajeev Kumar
Proprietor
M.No. 070103
PLACE : ALIGARH
DATE:30.05.2023
SD/-
Asha Jain
DIN: 00035024
Director
SD/-
Makarand Mahajan
CFO
PAN:ABUPM4863G
SD/-
Swapnil Jain
DIN: 01542555
Managing Director
SD/-
Charu Singh
CS&CO
PAN: CVBPS6669B

2022-23

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

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

2022-23

Earnings per equity share (₹ 10 per share)			
Basic EPS on actual outstanding	32	5.98	10.43
Basic & Diluted EPS weighted average	32	7.49	10.43

The accompanying notes form an integral part of these financial statements.

This is the Balance Sheet referred to in our report of even date.

AUDITORS' REPORT

FOR & ON BEHALF OF THE BOARD OF DIRECTORS

As per our audit report of even date attached.

**FOR RAJEEV KUMAR & COMPANY,
CHARTERED ACCOUNTANTS**

(Registration No 000633C)

SD/-

Rajeev Kumar

Proprietor

M.No. 070103

PLACE : ALIGARH

DATE:30.05.2023

SD/-

Asha Jain

DIN: 00035024

Director

SD/-

Makarand Mahajan

CFO

PAN:ABUPM4863G

SD/-

Swapnil Jain

DIN: 01542555

Managing

Director

SD/-

Charu Singh

CS&CO

PAN:

CVBPS6669B

2022-23

Pavna Industries Limited
Cash flow statement for the year ended 31 March
2023

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

		For the year ended	For the year ended
	Particulars	31 March 2023	31 March 2022
A	Cash flow from operating activities		
	Profit/(Loss) before tax	1,002.12	881.83
	Adjustments for:		
	Depreciation and amortisation expense	717.11	633.90
	Interest income on bank deposits	(0.56)	(0.78)
	Interest income on loan	-	-
	Interest expense on lease liability	4.96	6.59
	Loss/(Profit) on sale of PPE	(6.94)	(58.45)
	Provision for impairment on advances/ balance written off	-	-
	Interest expense on borrowings	695.62	654.63
	Operating profit before working capital changes	2,412.31	2,117.73
	Movement in working capital		
	Inventories	(956.60)	(2,799.92)
	Trade Receivables	(295.61)	(1,287.37)
	Other financial assets	4.59	21.82
	Other current & Non current assets	(415.28)	98.46
	Other financial liabilities	94.87	41.57
	Other current & non current liabilities	56.71	(16.67)
	Provision	50.25	48.21
	Trade payables	703.74	793.60
	Cash used in operating activities post working capital changes	1,655.00	(982.56)

2022-23

	Income tax paid (net)	(235.54)	(205.86)
	Net cash used in operating activities (A)	1,419.46	(1,188.42)
B	Cash flows from investing activities		
	Purchase of property, plant and equipment	(1,884.97)	(765.99)
	Sale of property, plant and equipment	35.16	110.00
	Loans	(100.00)	(150.00)
	Investment made in subsidiaries	-	(255.00)
	Interest received	0.56	0.78
	Net cash used in investing activities (B)	(1,949.25)	(1,060.21)
C	Cash flows from financing activities		
	Proceeds from issue of share capital	-	-
	Payment of Lease liability	(21.83)	(23.04)
	Finance cost paid	(695.62)	(654.63)
	Bonus / Dividend Paid	(121.81)	-
	Proceeds from borrowings	1,373.83	2,925.85
	Net cash flows from financing activities (C)	534.57	2,248.18
	Net increase in cash and cash equivalents (A+B+C)	4.79	(0.45)
	Cash and cash equivalents at the beginning of the year	12.16	12.61
	Cash and cash equivalents at the end of the year	16.94	12.16
	Note:		
	(i) The above cash flow statement has been prepared under the "Indirect method" as set out in the Indian Accounting Standard (Ind AS-7) statement of cash flow.		
	(ii) Reconciliation of liabilities arising from financing activities under Ind As 7		
		For the year ended	For the year ended
		31 March 2023	31 March 2022
	Long/Short term borrowings		
	Balance at the beginning of the year	7,451.68	4,525.82

2022-23

	Cash flow	1,495.64	2,925.85
	Non cash changes	-	-
	Interest cost	-	-
	Balance at the end of the year	8,947.31	7,451.68

The accompanying notes form an integral part of these financial statements.

This is the Balance Sheet referred to in our report of even date.

AUDITORS' REPORT

FOR & ON BEHALF OF THE BOARD OF DIRECTORS

As per our audit report of even date attached.

**FOR RAJEEV KUMAR & COMPANY,
CHARTERED ACCOUNTANTS**

(Registration No 000633C)

SD/-

Rajeev Kumar

Proprietor

M.No. 070103

PLACE : ALIGARH

DATE:30.05.2023

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Asha Jain

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Swapnil Jain

DIN: 01542555

Managing Director

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Charu Singh

CS&CO

PAN: CVBPS6669B

<p>Note 1: Corporate Information</p> <p>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.</p>
<p>Note 2:</p> <p>Statement of Compliance:</p> <p>The financial statements are prepared on accrual basis of accounting and comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (The Act) [Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016] and other relevant provisions of the Act. The financial statements up to year ended 31st March 2022 were prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India, the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act.</p> <p>These financial statements are the first financial statements of the company under Ind AS and Ind AS 101 “First Time Adoption of Indian Accounting Standards” has been applied. Refer Note 45 for an explanation of how the transition from previous GAAP to Ind AS has affected the company’s financial position, financial performance and cash flows. All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.</p>
<p>Basis of Preparation:</p> <p>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.</p>
<p>Note 2.1: Significant accounting policies</p> <p>a)</p> <p>Significant accounting judgements, estimates and assumptions</p> <p>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.</p>
<p>Judgements:</p> <p>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:</p>
<p>Useful lives of property, plant and equipment</p> <p>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.</p>
<p>Estimates and Assumptions:</p>

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.

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

	<p>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.</p>
f)	<u>Foreign currencies</u>
	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)	<u>Derivative (Forward contract)</u>
	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)	<u>Revenue Recognition</u>
	Revenue to be recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue to be measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.
	Sale of goods The Company recognized revenue when (or as) a performance obligation was satisfied, i.e. when 'control' of the goods underlying the particular performance obligation were transferred to the customer. Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:Step 1: Identify the contract(s) with a customerStep 2: Identify the performance obligation in contractStep 3: Determine the transaction priceStep 4: Allocate the transaction price to the performance obligations in the contractStep 5: Recognise revenue when (or as) the entity satisfies a performance obligationRevenue 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

	<p>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.</p>
	<p>Use of significant judgements in revenue recognition:</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>
	<p>Rendering of services</p> <p>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.</p> <p>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.</p>
	<p>Interest income</p> <p>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</p>

i)	<u>Inventories</u>
	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)	<u>Leases</u>
	Finance leaseLeases 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)	<u>Employee's Benefits</u>
	Short Term Employee Benefits: All employee benefits expected to be settled wholly within twelve months of rendering the service are classified as short-term employee benefits. When an employee has rendered service to the Company during an accounting period, the Company recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as an expense unless another Ind AS requires or permits the inclusion of the benefits in the cost of an asset. Benefits such as salaries, wages and short-term compensated absences, bonus and ex-gratia etc. are recognised in statement of profit and loss in the period in which the employee renders the related service.
	A liability is recognised for the amount expected to be paid after deducting any amount already paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. If the amount already paid exceeds the undiscounted amount of the benefits, the Company recognises that excess as an asset /prepaid expense to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.
	<u>Defined contribution plan</u>
	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.
	<u>Defined benefit plan</u>
	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

	<p>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.</p>
	<p>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.</p>
l)	<u>Provisions</u>
	General
	<p>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.</p> <p>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.</p>
	<p>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.</p>
m)	<u>Financial instruments</u>
	<p>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.</p>
	Financial Assets
	<p>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.</p>
	<p>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)</p>

	<p>De-recognition A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company’s Balance Sheet) when:(i) The contractual rights to receive cash flows from the asset has expired, or(ii) The Company has transferred its contractual rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.</p>
	<p>Financial Liabilities</p>
	<p>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.</p>
	<p>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)</p>
	<p>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.</p>
n)	<p>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.</p>
o)	<p>Impairment of non-financial assets</p>

	<p>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’).</p>
	<p>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>
p)	<u>Fair value measurement</u>
	<p>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:</p> <p>(a) In the principal market for the asset or liability, or</p> <p>(b) In the absence of a principal market, in the most advantageous market for the asset or liability</p> <p>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.</p>
	<p>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.</p>
	<p>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:</p> <p>Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities</p> <p>Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable</p> <p>Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable</p>
	<p>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.</p>
q)	<u>Taxes</u>

	<p>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.</p>
	<p>Deferred tax</p> <p>Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.</p> <p>Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.</p>
	<p>Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.</p>
r)	<p>Cash and cash equivalents</p> <p>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.</p>
s)	<p>Earnings per share (EPS)</p> <p>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.</p> <p>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.</p> <p>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</p>

2022-23

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

AUDITORS' REPORT

FOR & ON BEHALF OF THE BOARD OF DIRECTORS

As per our audit report of even date attached.

FOR RAJEEV KUMAR & COMPANY,

CHARTERED ACCOUNTANTS

(Registration No 000633C)

SD/-

Rajeev Kumar

Proprietor

M.No. 070103

PLACE : ALIGARH

DATE:30.05.2023

SD/-

Asha Jain

DIN: 00035024

Director

SD/-

Makarand Mahajan

CFO

PAN:ABUPM4863G

SD/-

Swapnil Jain

DIN: 01542555

Managing Director

SD/-

Charu Singh

CS&CO

PAN: CVBPS6669B

Pavna Industries Limited

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

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

3B Leases

(i) Right of Use Assets

Particulars	Buildings	Total
As at 1 April 2021	81.88	81.88
Additions	-	-

2022-23

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

(ii) Lease Liabilities

Particulars	Current	Non Current	Total
As at 1 April 2021	15.44	61.33	76.78
Additions	-	-	-
Accretions of interest	-	6.59	6.59
Payments of lease liabilities	(15.44)	(7.60)	(23.04)

2022-23

Deletions	-	-	-
Re-classification from non current to current	16.87	(16.87)	-
As at 31 March 2022	16.87	43.45	60.33
Additions			-
Accretions of interest		4.96	4.96
Payments of lease liabilities	(16.87)	(4.96)	(21.83)
Deletions			-
Re-classification from non current to current	4.96	(4.59)	0.37
As at 31 March 2023	4.96	38.86	43.82

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

4 Non Current Investments	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Investment at cost in subsidiaries			
Equity shares of Rs. 10/- each fully paid up in Swapnil Switches Private Limited	197.76	197.76	197.76
Equity shares of Rs. 10/- each fully paid up in Pavna Marketing Private Limited	10.00	10.00	10.00
Equity shares of Rs. 10/- each fully paid up in Pavna Sunworld Autotech Private Limited	71.50	71.50	71.50
Equity shares of Rs. 100/- each fully paid up in Pavna auto Engineering Private Limited	684.77	684.77	684.77
Equity shares of Rs. 10/- each fully paid up in Pavna Goyam Auto Private Limited	255.00	255.00	-
	1,219.03	1,219.03	964.03
Details of number of shares held in Equity investments in subsidiaries	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Swapnil Switches Private Limited	3.09	3.09	3.09

2022-23

Pavna Marketing Private Limited	1.00	1.00	1.00
Pavna Sunworld Autotech Private Limited	7.15	7.15	7.15
Pavna Auto Engineering Private Limited	0.31	0.31	0.31
Pavna Goyam Auto Private Limited	25.50	25.50	-

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
5 Other non current financial assets			
Margin money deposits (including interest accrued) (a)		-	-
Security deposits			
Advance for Land		-	-
Interest accrued on fixed deposits - held as margin money		-	-
- Unsecured considered good	254.81	245.92	238.54
- Unsecured considered doubtful			
	254.81	245.92	238.54

(a) Includes Margin Deposit with Government authorities

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

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
7 Inventories			
(Valued at lower of cost or net realisable value, unless otherwise stated)			
Finished Goods	-	-	-
Raw Materials	1,937.78	1,660.37	862.79
Work in Progress	4,343.30	3,721.51	1,898.94

2022-23

Store and Spares	400.92	343.52	163.76
	6,682.00	5,725.41	2,925.49
Impairment provision on Project in progress			
	6,682.00	5,725.41	2,925.49

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

Trade receivable aging schedule as at 31 March 2023

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

Trade receivable aging schedule as at 31 March 2022

Outstanding for following periods from due date of payment	Undisputed Trade Receivables—considered good	Undisputed Trade Receivables—considered doubtful
Not due		
0-6 Months	4,070.77	-
6-12 Months	10.10	-

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1-2 Years		1.11	-
2-3 Years		-	-
above 3 years		-	-
Total		4,081.98	-

Trade receivable aging schedule as at 31 March 2021

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

9 Cash and cash equivalents	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Cash on hand	8.95	5.20	5.90
Balances with banks	8.00	6.95	6.71
Fixed Deposits with original maturity of less than 3 month (including accrued interest)	-	-	-
Cheques in Hand	-	-	-
Interest on fixed deposits accrued but not received	-	-	-
	16.94	12.16	12.61

10 Other Bank Balances	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Balance with bank in deposit account having maturity of more than three months but are due for maturity within twelve months from balance sheet date (a)	4.50	16.49	15.88
(a) Includes Margin Deposit with Government authorities	4.50	16.49	15.88

2022-23

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

Loan & Advances Schedule	As at 31 March 2023		As at 31 March 2022		As at 1 April 2021	
Type of Borrower	Amount of loan or advances in the nature of loan outstandi ng	Percentag e to the total Loans and Advances in the nature of loans	Amount of loan or advances in the nature of loan outstandi ng	Percenta ge to the total Loans and Advance s in the nature of loans	Amount of loan or advance s in the nature of loan outstan ding	Perce ntage to the total Loans and Advan ces in the natur e of loans
Promotors	-	-	-	-	-	-
Directors	-	-	-	-	-	-
KMPs	-	-	-	-	-	-
Related Parties	250.00	100%	150.00	100%	-	-
	250.00	100%	150.00	100%	-	0%

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

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

2022-23

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

15 Equity Share capital	As at 31 March 2023		As at 31 March 2022		As at 1 April 2021	
Authorized shares	Number*	Amount	Number*	Amount	Number*	Amount
Equity shares of ₹ 10 each with voting rights	15,000,000	1,500	6,100,000	610.00	6,100,000	610.00
	15,000,000	1,500.00	6,100,000	610.00	6,100,000	610.00
Issued, subscribed and fully paid up						
Equity share capital of face value of ₹ 10 each	12,180,800	1,218	6,090,400	609.04	6,090,400	609.04
	12,180,800	1,218	6,090,400	609.04	6,090,400	609.04

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

	As at 31 March 2023		As at 31 March 2022		As at 1 April 2021	
	Number	Amount	Number	Amount	Number	Amount
Balance at the beginning of the period	6,090,400	609	6,090,400	609.04	2,594,000	259.40
Shares Issued during the period	-	-	-	-	902,400	90.24
Bonus Issued during the period	6,090,400	609			2,594,000	259.40

2022-23

Balance at the end of the year	12,180,800	1,218	6,090,400	609.04	6,090,400	609.04
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b. Rights, preferences and restrictions attached to equity shares

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

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

Name of the equity shareholder (Promotor)	As at 31 March 2023		As at 31 March 2022		As at 1 April 2021	
	Number	%	Number	%	Number	%
Smt. Asha Jain	5,821,960	47.80%	2,910,980	47.80%	2,910,980	47.80%
Shri Mukesh Jain	-	0.00%	-	0.00%	-	-
Shri Swapnil Jain	1,356,160	11.13%	678,080	11.13%	678,080	11.13%
P.J. Wealth Management and Consultant Private Limited	997,040	8.19%	498,520	8.19%	498,520	8.19%
Smt. Palak Jain	923,200	7.58%	448,000	7.36%	429,600	7.05%
Smt. Sadhna Jain	670,400	5.50%	335,200	5.50%	-	-
	9,768,760	80.20%	4,870,780	79.97%	4,517,180	74.17%

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

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

e. Shareholding of Promoters
As at 31st March 2023

Shares held by Promoters at end of the year				% change during the year
S.no.		No. of shares	% of total shares	
1	Asha Jain	5,821,960	47.80%	

2022-23

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%

As at 31st March 2022

Shares held by Promoters at end of the year				% change during the year
S.no.		No. of shares	% of total shares	
1	Asha Jain	2,910,980	47.80%	
2	Swapnil Jain	678,080	11.13%	
3	Pj Wealth Management And Consultant Pvt Ltd	498,520	8.19%	
4	Priya Jain	202,000	3.32%	
5	Pawan Jain Huf	420	0.01%	
6	Pawan Jain	200	0.00%	

As at 31st March 2021

Shares held by Promoters at end of the year				% change during the year
S.no.		No. of shares	% of total shares	
1	Asha Jain	2,910,980	47.80%	
2	Swapnil Jain	678,080	11.13%	
3	Pj Wealth Management And Consultant Pvt Ltd	498,520	8.19%	
4	Priya Jain	202,000	3.32%	
5	Pawan Jain Huf	420	0.01%	
6	Pawan Jain	200	0.00%	

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

2022-23

A. Equity share capital*

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

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

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

16 Other Equity	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
General Reserve			
Opening balance	1.12	1.12	1.12
Closing balance (A)	1.12	1.12	1.12
Securities premium			
Opening balance	1,398.72	1,398.72	-
Add: Addition during the year	-	-	1398.72
Closing balance (B)	1,398.72	1,398.72	1,398.72
Profit/ (Deficit) in the statement of profit and loss			
Opening balance	3,099.91	2,457.66	2,326.20

2022-23

Less: Issue of Bonus Shares	(609.04)	-	(259.40)
Less : Dividend	(121.81)	-	-
Add: Profit / (Loss) for the year	728.53	635.33	382.89
Add: Other comprehensive income for the year (net of tax impact)	17.61	6.92	7.98
Closing balance (A)	3,115.21	3,099.91	2,457.66
Total (A)	4,515.05	4,499.75	3,857.50

Nature and purpose of other reserves
Securities premium

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

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

17B Short term Borrowings	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Cash credit facilities from Bank / financial institutions - Secured	3,979.06	3,936.43	2,374.24
Cash credit facilities from financial institutions - Unsecured	2,000.00	1,500.00	-
Current maturities of long term borrowings - Secured	574.11	336.37	344.31

2022-23

	6,553.18	5,772.80	2,718.54
Total	8,825.51	7,451.68	4,525.82

17C Borrowing securities

S.No.	Facilities details	Security	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
1	Company had availed Term Loan facilities from Bajaj Finance Limited in August-2016 of Rs. 400 Lacs for a tenure of 61 Months having Interest rate of 10.40% as on 31 March 2021. Loan been fully repaid in Financial year 2021-22	The loan facility is secured by way of: (a) Exclusive charge over entire Plant and Machinery with Min assets cover of 1.25X.			39.57
2	Company had availed Term Loan facilities from Bajaj Finance Limited in May-2019 of Rs. 800 Lacs for a tenure of 61 Months having 12 months moratorium period having Interest rate of 8.66% as on 31 March 2021. This loan been converted to facility with HDFC Bank in August 2020.	The loan facility is secured by way of: (a) Exclusive charge over entire fixed assets of new unit located at Tehsil Coal, Aligarh with Min assets cover of 1.3X. (b) Cross Collateralized by security given on Existing loans (c) Additional security by Personal Guarantee of Mr. Swapnil Jain, Mrs Asha Jain	-	-	656.10
3	Company had availed ECLGS Covid Term Loan facilities from Bajaj Finance Limited in September-2020 of Rs. 429 Lacs for a tenure of 60 Months having 12 months moratorium period having Interest rate of 8.66% as on 31 March 2021. This loan been converted to facility with HDFC Bank in August 2020.	The loan facility is secured by way of 2nd charge on Existing Securities.	-	-	429.00

2022-23

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

S.No.	Facilities details	Security	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
1	Company had availed PO/STRL/WCDL facility from Bajaj Finance Limited in previous years of Rs. 1800 Lacs with yearly renewal having interest rate of 8.5%	Loan is unsecured from March 2022. The loan facility was secured during March 2021 by way of: (a) Extention of First Pari passu charge over all present & Future fixed assets and current assets of the company.	2,000.00	1,500.00	1,800.00

2022-23

		<p>(b) Exclusive charge over industrial land and building situated at 317/1 & 2 GT road, Village Bhankri, Aligarh.</p> <p>(c) Exclusive charge over Industrial land new unit located at Tehsil Coal, Aligarh.</p> <p>(d) Cross Collateralized by security given on Existing loans.</p> <p>(e) Both the Properties in aligarh are cross collateralized for Bal Po/ STRL limits.</p>			
2	<p>Company had availed CC facility from Punjab National Bank in previous years of Rs. 600 Lacs with yearly renewal having interest rate of 8.64%</p>	<p>The loan facility is secured by way of:</p> <p>(a) Hypothecation of stock in Process & finished goods lying at 9 Km Delhi road, vill Bhankari, GT road, Aligarh and at X46, MIDC, Bajaj nagar, Waluj, Aurangabad, Maharashtra factory or elsewhere at other collection centers and goods in transit covering raw material and finish goods meant for processing and sale within india and finish goods and book debts not older then 90 days. The stock in transit will be taken as security for calculation of DP only upto stages where bills have been issued.</p> <p>(b) Personal Guarantee by Shri Pawan Jain, Smt. Asha Jain, Shri Swapnil Jain, Smt. Priya Jain.</p> <p>(c) The facilities will be collaterally secured by EM Properties owned</p>	-	-	544.96

2022-23

		by Promotor of the company.			
3	Company have availed CC/OD facility from HDFC Bank in Previous Years of as follow: (a) Cash credit Main limit of 3500 Lacs at Floating interest rate (Reference rate+Spread of 7% to 8% p.a) with annual renewal (b) Cash credit Invoicing discounting 500 lacs at Floating interest rate (Reference rate+Spread of 7% to 8% p.a) with annual renewal	The loan facility is secured by way of: (a) Primary security through Books debts, Plant and Machinery and stock (b) Security collateral through certain commercial Properties situated and owned by Promoters/ Directors of the company. (c) Personal Guarantee by Shri Pawan Jain, Smt. Asha Jain, Shri Swapnil Jain, Smt. Priya Jain..	3,979.06	3,936.43	-
Total short term borrowings			5,979.06	5,436.43	2,344.96
Add: Current maturities of long term borrowings			574.11	336.37	344.31
Total Short term borrowings			6,553.18	5,772.80	2,689.27

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

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

(i) Movement in deferred tax liabilities (net)

2022-23

Particulars	31 March 2023	Recognised/ reversed through profit and loss	Recognised in other comprehensive income	30 September 2023
Assets/ (Liabilities)				
Property, plant and equipment	94.65	(94.65)	-	-
Unused business losses	-	-	-	-
Origination and reversal of temporary difference	(56.66)	56.66	-	-
Effect of adoption of Ind AS 115	(2.08)	2.08	-	-
Others	-	-	-	-
Total	35.91	(35.91)	-	-

Particulars	31 March 2022	Recognised/ reversed through profit and loss	Recognised in other comprehensive income	30 September 2022
Assets/ (Liabilities)				
Property, plant and equipment	65.54	(65.54)	-	-
Unused business losses	-	-	-	-
Origination and reversal of temporary difference	(49.93)	49.93	-	-
Effect of adoption of Ind AS 115	(1.62)	1.62	-	-
Others	-	-	-	-
Total	13.99	(13.99)	-	-

Particulars	31 March 2022	Recognised/ reversed through profit and loss	Recognised in other comprehensive income	31 March 2023
Assets/ (Liabilities)				

2022-23

Property, plant and equipment		29.11	-	94.65
Unused business losses	65.54	-	-	-
Origination and reversal of temporary difference	-	(12.65)	5.92	(56.66)
Effect of adoption of Ind AS 115	(49.93)	(0.47)	-	(2.08)
Others	(1.62)	-	-	-
	-	-	-	-
Total	13.99	16.00	5.92	35.91

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

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

2022-23

Others	-	-	-	-
Total	10.47	14.42	3.07	27.96

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

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

Particulars	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	-	-	-
ii) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-	-
iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-	-
iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-	-
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	-	-	-
	-	-	-
Trade payable aging schedule as at 31st March 2023			
Outstanding for following periods from due date of payment		Micro and Small Enterprises ("MSME")	Others
Not due			

2022-23

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

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

Trade payable aging schedule as at 31st March 2022

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

Trade payable aging schedule as at 31st March 2021

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

19 Other Financial liabilities	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
---------------------------------------	----------------------------	----------------------------	---------------------------

2022-23

Interest accrued but not due on borrowings	-	-	-
Book overdraft*	-	-	-
Refundable to customers (a)	-	-	-
Interest accrued but not due on borrowings	73.82	-	-
Payable to employees	273.61	252.56	210.99
Other Payable	-	-	-
	-	-	-
	347.43	252.56	210.99

*Includes cheque issued but not presented for payments

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

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

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

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

2022-23

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

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

24 Other income	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest income on:		
Bank deposits	0.56	0.78
Loan Given	-	-
Delay payment by customer	-	-
Security deposits measured at amortised cost	8.89	8.56
Income tax refunds	4.30	5.81
Profit on sale of Property, Plant and Equipment	6.94	58.45
Income from export incentive	9.39	14.70
Rent received	0.60	0.60
Foreign Exchange fluctuation gain (Net)	8.66	-
Gain on investments carried at fair value through profit or loss	-	-
Excess liability/provision written back	-	-
Miscellaneous income	0.00	0.00
	39.35	88.91

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

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

2022-23

Closing Inventories		
Finished goods	-	
Work in Progress	4,343.30	3,721.51
Opening Inventories		
Finished goods	-	-
Work in Progress	3,721.51	1,898.94
	(621.79)	(1,822.57)

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

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

*Interest expense include ₹ Nil (31 March 2017 - ₹ 60,168,014) pertaining to prior years.

*Includes expenses incurred for issuance of bank guarantees to government authorities in regard to ongoing projects.

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

	For the year ended 31 March 2023	For the year ended 31 March 2022
30 Other expenses		

2022-23

Consumption of stores and spares#	561.64	326.82
Diecasting/ Job work charges	1,037.32	960.24
Packing material	-	-
Power & Fuel	760.16	712.77
Advertisement and publicity	22.75	5.54
Bank charges	28.87	-
Communication & Postage Expense	19.39	10.55
Donation	29.35	7.52
Electricity expenses	18.27	18.13
House keeping expenses	38.40	-
Insurance Expenses	19.61	19.34
Legal and professional fees	63.69	47.78
Loss on sale of Property, Plant and equipment	-	-
Non competitive fees	-	125.00
Payments to auditors##	1.00	0.50
Printing and stationery	16.00	13.47
Rates and taxes	16.89	2.94
Rent	55.40	43.83
Repair and maintenance - Machinery	100.46	83.51
Repair and maintenance - office	108.02	111.34
Vehicle running and maintainance expense	116.33	74.22
Research and development expense####	5.63	1.20
Sales promotion expenses	20.03	18.72
Security charges	101.81	64.33

2022-23

Software expenses	3.65	13.95
Trade mark royalty	65.68	62.39
Travelling and conveyance-Foreign	-	-
Travelling and conveyance-Local	62.98	24.02
Provision for impairment on advances/ balance written off	-	-
Bad debts	-	3.80
ISO TS certification expense	2.24	3.21
Export Expenses	-	-
Warranty claim/ Line rejection expense	14.02	0.64
Office expense	17.36	19.24
Rebate & Discount	-	1.70
IPO Exp	-	1.55
Foreign Currency Fluctuation	-	2.69
Freight & forwarding expense	252.72	222.42
Miscellaneous expenses	(0.32)	2.06
	3,559.35	3,005.42

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

2022-23

Net Consumption of stores ,spares, Packing & tools	561.64	326.82
	For the year ended 31 March 2023	For the year ended 31 March 2022
## Payment to auditors		
As auditors		
-Audit fees	1.00	0.50
-Limited review fees		
In other capacity		
-Other services (Certification fees)		
-Reimbursement of expenses		
	1.00	0.50

	For the year ended 31 March 2023	For the year ended 31 March 2022
### Research and Development		
The Company has incurred following expenditure on its Research and Development:		
Revenue expenditure		
Material/ consumables/ spares	-	2.69
Employee benefits expense		
Power & Fuel		
Repair & maintainance		
Travelling & conveyance		
Legal & Professional expenses		
Miscellaneous expenses		
	-	2.69

	For the year ended 31 March 2023	For the year ended 31 March 2022
31 Income tax		
Tax expense comprises of:		
Current tax	257.58	262.80

2022-23

Deferred tax credit	16.00	(16.30)
Earlier years tax adjustments (net)	-	-
Minimum Alternative Tax	-	-
Income tax expense reported in the statement of profit and loss	273.58	246.50
Deferred tax credit	(5.92)	(2.33)
Income tax expense reported in the statement of Other comprehensive income	(5.92)	(2.33)
The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company and the reported tax expense in profit or loss are as follows:		
Effective Income Tax Rate	25.168%	25.168%
Accounting profit before income tax	1,002.12	881.83
At India's statutory income tax rate	252.21	221.94
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Item on which deferred tax has not been created	7.32	1.33
Tax impact of expenses which will never be allowed	-	-
Effect of tax incentive	-	-
Earlier years tax adjustments (net)	-	-
Impact of change in tax rate	-	(2.67)
Others	14.05	25.89
Income tax expense	273.58	246.50
32 Earnings per share	For the year ended 31 March 2023	For the year ended 31 March 2022

2022-23

Net Profit/(loss) attributable to equity shareholders	728.53	635.33
Nominal value of equity share in ₹	10.00	10.00
Total number of equity shares outstanding at the beginning of the year*	6,090,400	6,090,400
Total number of equity shares outstanding at the end of the year*	12,180,800	6,090,400
Weighted average number of equity shares*	9,727,954	6,090,400
Basic Earning per Share on actual outstanding at year end	5.98	10.43
Basic Earning per Share on Weighted Average Nos of Shares	7.49	10.43
Diluted Earnings per Share	7.49	10.43

* These are in absolute numbers.

Pavna Industries Limited
Notes to the financial statements for the year ended 31 March 2023

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

33 Financial instruments
i) Financial assets and liabilities

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

Particulars	As at 31 March 2023			As at 31 March 2022		
	Amortised cost	FVTP L	FVTOCI	Amortised cost	FVT PL	FV TO CI
Financial assets*						
Investments	1,219.03	-	-	1,219.03	-	-
Trade Receivables	4,375.22	-	-	4,081.98	-	-
Loans	250.00	-	-	150.00	-	-
Cash and cash equivalents	16.94	-	-	12.16	-	-
Other Bank Balances	4.50	-	-	16.49	-	-
Other financial assets	270.81	-	-	263.42	-	-

2022-23

Total financial assets	6,136.51	-	-	5,743.07	-	
Financial liabilities*						
Borrowings	8,825.51			7,451.68	-	-
Lease liabilities	43.82			60.33	-	-
Trade payables	4,357.15			3,653.40	-	-
Other financial liabilities	347.43			252.56	-	-
Total financial liabilities	13,573.90	-	-	11,417.97	-	-

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

ii)

Fair Value Hierarchy

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

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

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

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

Fair value of instruments measured at amortised cost

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

Particulars	As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
	Carrying value	Fair value*	Carrying value	Fair value*	Carrying value	Fair value*
Financial assets						
Investments	1,219.03	1,219.03	1,219.03	1,219.03	964.03	964.03
Trade Receivables	4,375.22	4,375.22	4,081.98	4,081.98	2,794.61	2,794.61
Loans	250.00	250.00	150.00	150.00	-	-
Cash and cash equivalents	16.94	16.94	12.16	12.16	12.61	12.61
Other Bank Balances	4.50	4.50	16.49	16.49	15.88	15.88
Other financial assets	270.81	270.81	263.42	263.42	285.85	285.85
Total financial assets	6,136.51	6,136.51	5,743.07	5,743.07	4,072.97	4,072.97
Financial liabilities						
Borrowings	8,825.51	8,825.51	7,451.68	7,451.68	4,525.82	4,525.82

2022-23

Lease liabilities	43.82	43.82	60.33	60.33	76.78	76.78
Trade payables	4,357.15	4,357.15	3,653.40	3,653.40	2,859.80	2,859.80
Other financial liabilities	347.43	347.43	252.56	252.56	210.99	210.99
Total financial liabilities	13,573.90	13,573.90	11,417.97	11,417.97	7,673.39	7,673.39

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

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 rate	Variable rates borrowings	Sensitivity analysis	Negotiation of terms that reflect the market factors

Credit

A 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.

Credit risk

a) management

i) Credit risk rating

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

A: Low credit risk

B: Moderate credit risk

C: High credit risk

There are certain charges open at MCA portal. These charges are created against the loan availed and which has been fully repaid. We have got no dues certificate from respective institution and charge satisfaction form filing with MCA is under process.

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

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

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

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

Cash and cash equivalents and other bank balances

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

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

Trade Receivables

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

b) Credit risk exposure

i) Provision for expected credit losses

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

**As at 31
March 2023**

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

**As at 31
March 2022**

2022-23

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

**As at 31
March 2021**

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

B) Liquidity Risk

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

Maturities of financial liabilities

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

As at 31 March 2023	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Non-derivatives					

2022-23

Borrowings	5,979.07	574.11	373.72	1,898.61	8,825.51
Trade payable	4,293.23	-	-	-	4,293.23
Lease liabilities	4.96	8.52	8.52	34.08	56.08
Other financial liabilities	347.43	-	-	-	347.43
Total	10,624.68	582.63	382.24	1,932.69	13,522

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

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

- Market
 C) risk
 Interest rate
 risk
 i) Liabilities

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

Interest rate risk exposure

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

*The above amount doesnot include borrowings from related party

Sensitivity

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

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

(iii) 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

Earnings in Foreign currency

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

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Expenditure in Foreign currency

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

Foreign Currency risk Exposures


Financial Assets	As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
	USD \$	EUR	USD \$	EUR	USD \$	EUR
Trade Receivables In Foreign currency	-	161,714.28	827.00	174,183.34	10,221.12	155,752.08
Trade Receivables In INR		13,843,444.00	62,777.57	14,641,851.56	769,956.96	12,924,307.60

Financial Assets	As at 31 March 2023		As at 31 March 2023		As at 31 March 2023	
	USD \$	EUR	USD \$	EUR	USD \$	EUR
1% Depreciation in INR						
Impact on Profit and Loss Account - Income/ (Expense)		(138,434)	(628)	(146,419)	(7,700)	(129,243)
1% Appreciation in INR						
Impact on Profit and Loss Account - Income/ (Expense)		(138,434)	(628)	(146,419)	(7,700)	(129,243)

Sensitivity Analysis of 5% change in exchange rate at the end of reporting period
Pavna Industries Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023
(All amounts are in lacs(₹), unless otherwise specified)
34 Related party transactions

A. Name of the Related Parties and description of relationship is as follows:	
a) Subsidiary Company	Swapnil Switches Pvt. Ltd. Pavna Auto Engineering Pvt. Ltd. Pavna Sun World Autotech Pvt Ltd Pavna Marketing Pvt Ltd Pavna Goyam Auto Pvt Ltd

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b) Entity having substantial interest in the Company	PJ Wealth Management & Consultants P. Ltd.
c) Key Managerial Personnel (KMP) Managing Director Director Director Director CFO CS Independent Director Independent Director Independent Director	Shri Swapnil Jain Smt. Asha Jain Smt. Priya Jain Shri Sanjay Kumar Jain Shri Makarand Haribhau Mahajan Ms. Charu Singh Shri Naozer Firoze Aibara Shri Dhruv Jain 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 significant accounting policies and other explanatory information for the year ended 31 March 2023
(All amounts are in lacs (₹), unless otherwise specified)
Note No.- Related Party Disclosure - Contd..
B. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Nature of Transactions	Name of Related Party	Relationship	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 1 April 2021

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	Loan taken during the year				
Loan taken	Smt. Asha Jain	Director	95.00	711.00	231.09
Loan taken	Smt. Priya Jain	Director	180.00	-	112.86
Loan taken	Shri Swapnil Jain	Managing Director	859.00	100.00	24.00
Loan taken	PJ Wealth Management & Consultants P. Ltd.	Entity having substantial interest in the Company	150.00	442.28	1,095.23
	Loan Repaid during the year				
Repayment of Loan taken	Smt. Asha Jain	Director	200.00	511.00	485.59
Repayment of Loan taken	Shri Pawan Jain	Director			-
Repayment of Loan taken	Smt. Priya Jain	Director	180.00		-
Repayment of Loan taken	Shri Swapnil Jain	Managing Director	590.00	100.00	229.46
Repayment of Loan taken	PJ Wealth Management & Consultants P. Ltd.	Entity having substantial interest in the Company	325.00	470.89	715.48
	Interest on Loans (Net of TDS)				
Interest(Net)	Smt. Asha Jain	Director	9.70	26.91	19.72
Interest(Net)	Shri Pawan Jain	Director			33.46
Interest(Net)	Shri Swapnil Jain	Managing Director	9.26	4.32	14.97
Interest(Net)	Smt. Priya Jain	Director	0.83	-	-
Interest(Net)	PJ Wealth Management & Consultants P. Ltd.	Entity having substantial interest in the Company	76.85	115.95	79.88
	Remuneration, Salary & Other Expense				
Remuneration	Smt. Asha Jain	Director			6.83
Remuneration	Shri Swapnil Jain	Managing Director	216.00	144.00	114.83
Remuneration	Smt. Priya Jain	Director			6.30
Remuneration	Shri. Makarand Mahajan	CFO	15.00	12.77	9.57
Remuneration	Ms. Charu Singh	CS	7.12	1.83	-

2022-23

Remuneration	Vijay Sharma	KMP	24.00	20.00	13.68
Remuneration	Geetika Varshney	CS	-	1.86	3.24
Remuneration	Divyani Kostha	CS		5.67	4.15
PROFESSIONAL CHARGES	Shri Pawan Jain	Director			3.00
Building Rent	Smt. Asha Jain	Director	8.52	5.64	4.20
Building Rent	Shri Pawan Jain	Director		2.88	4.32
Lease Rent	Shri Pawan Jain	Director			0.10
Lease Rent	Smt. Asha Jain	Director	0.10	0.10	
Trade Mark Royalty	Shri Pawan Jain	Director			42.80
Trade Mark Royalty	Smt. Asha Jain	Director	65.68	62.39	42.80
Purchase	Sales & Purchase				
Purchase	Swapnil Switches Pvt. Ltd.	Subsidiary Company	242.99	178.92	73.53
Purchase - Fixed Assets	Swapnil Switches Pvt. Ltd.	Subsidiary Company	44.26		
Purchase	Pavna Auto Engineering Pvt. Ltd.	Subsidiary Company	239.19	101.61	58.83
Sale	Swapnil Switches Pvt. Ltd.	Subsidiary Company	368.59	659.36	518.42
Sale	Pavna Auto Engineering Pvt. Ltd.	Subsidiary Company	2,295.54	830.25	266.34
Sale	Pavna Sun World Autotech Pvt Ltd	Subsidiary Company	11.46	5.69	0.96
Tool Sale	Pavna Sun World Autotech Pvt Ltd	Subsidiary Company			42.41
Tool Sale	Pavna Auto Engineering Pvt. Ltd.	Subsidiary Company			133.55
Purchase	Pavna Sun World Autotech Pvt Ltd	Subsidiary Company	0.58	1.13	
Sale	Pavna Marketing Pvt Ltd	Subsidiary Company	2,695.60	1,308.36	2,176.04
Purchase	Pavna Marketing Pvt Ltd	Subsidiary Company	100.81	134.45	150.64
Purchase	Pavna Goyam Auto Pvt Ltd	Subsidiary Company	967.81	3,842.45	
Sale	Pavna Goyam Auto Pvt Ltd	Subsidiary Company	238.71	0.78	
DG SET RENT	Pavna Goyam Auto Pvt Ltd	Subsidiary Company	0.80		
Building Rent	Pavna Goyam Auto Pvt Ltd	Subsidiary Company	13.78		

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	Investment of Shares- Sales/ Purchase				
Share Purchase	Pavna Auto Engineering Pvt. Ltd.	Subsidiary Company			184.74
Share Purchase	Pavna Goyam Auto Pvt. Ltd.	Subsidiary Company		255.00	
	Security Deposits				
Security Deposit	Shri Pawan Jain	Director			300.00
Security Deposit	Pavna Goyam Auto Pvt Ltd	Subsidiary Company	100.00		
	Short Term Loans & Advances				
Advances	Pavna Goyam Auto Pvt. Ltd.	Subsidiary Company		150.00	

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

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

**Note No.- Related Party Disclosure -
Contd..**
C. Details of related party balances as at year end:

Nature of Transactions	Name of Related Party	Relationship	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Loan Taken	Smt. Asha Jain	Whole time director	95.00	202.56	-
Loan Taken	Shri Swapnil Jain	KMP	269.00		
Loan Taken	PJ Wealth Management & Consultants P. Ltd.	Entity having substantial interest in the Company	790.00	972.38	993.62
Trade Receivables	Swapnil Switches Pvt. Ltd.	Subsidiary company	231.76	303.79	-
Trade Receivables	Pavna Marketing Pvt Ltd	Subsidiary company	216.05	121.67	77.04
Trade Receivables	Pavna Sun World Autotech Pvt Ltd	Subsidiary company	64.34	3.93	-
Trade Receivables	Pavna Auto Engineering Pvt. Ltd.	Subsidiary company	193.16	30.43	65.67
Trade Payables	Pavna Auto Engineering Pvt. Ltd.	Subsidiary company		3.07	20.08
Trade Payables	Pavna Goyam Auto Pvt. Ltd.	Subsidiary company	37.83	1,287.72	-

2022-23

Trade Payables	Swapnil Switches Pvt. Ltd.	Subsidiary company		-	89.84
Trade Payables	Shri Pawan Jain	Managing director		-	0.40
Trade Payables	Smt. Asha Jain	Whole time director	2.86	2.30	0.69
Investments	Swapnil Switches Pvt. Ltd.	Subsidiary company	197.76	197.76	197.76
Investments	Pavna Marketing Pvt Ltd	Subsidiary company	10.00	10.00	10.00
Investments	Pavna Sun World Autotech Pvt Ltd	Subsidiary company	71.50	71.50	71.50
Investments	Pavna Auto Engineering Pvt. Ltd.	Subsidiary company	684.77	684.77	684.77
Investments	Pavna Goyam Auto Pvt. Ltd.	Subsidiary company	255.00	255.00	-
Security Deposit given*	Shri Pawan Jain & Smt. Asha Jain	Managing director	300.00	300.00	300.00

Pavna Industries Limited
Notes to the financial statements for the year ended 31 March 2023

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

35 Capital management

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

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

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

36 Employee benefits

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

Defined contribution plans	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 1 April 2021

2022-23

The company makes contribution towards employee's provident fund and employee's state insurance. The company has recognised following as contribution towards these schemes.	139.98	115.89	92.09
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Defined benefit plans
Gratuity

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

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

Amounts recognised in the balance sheet:

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

Loss recognised in other comprehensive income:

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

Expenses recognised in statement of profit and loss

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 1 April 2021
Current service cost	37.34	38.43	32.00

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Interest cost	13.29	10.04	8.38
Cost recognised during the year	50.63	48.47	40.38

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

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

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

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

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

Sensitivity analysis for gratuity liability:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 1 April 2021
a) Impact of the change in discount rate			
Present value of obligation at the end of the year			
Impact due to increase of 1 %	11.40	10.54	8.03

2022-23

Impact due to decrease of 1 %	10.10	9.28	7.04
b) Impact of the change in salary increase			
Present value of obligation at the end of the year			
Impact due to increase of 1 %	11.54	10.62	8.06
Impact due to decrease of 1 %	10.39	9.50	7.18

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

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

37 Segment information

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

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

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

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

I. Disaggregation of revenue

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

2022-23

Scrap sales	-	-	-
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(II) Contract Assets and Contract Liabilities

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

(III) Movement of Contract liabilities

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

40 Leases
a) Company as a lessee

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

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

2022-23

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

(ii) Amount recognised in Profit or loss

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

(iii) Amount recognised in the cash flow statement

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

(iv) Maturity of lease liabilities

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

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

41. Financial Ratios

Ratio	Measurn ment Unit	Numerator	Denomi nator	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	% Change March 2023	% Ch an ge Ma rch
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								2022
Current Ratio	Times	Current assets	Current liabilities	1.08	1.09	1.11	-0.20%	- 2.24%
Debt Equity Ratio	Times	Total debt (Non-current borrowings + Current borrowings)	Total equity	1.54	1.46	1.01	5.54%	43.95%
Debt Service coverage Ratio	Times	Earnings before depreciation and amortisation and interest (Profit & loss after tax + depreciation & amortisation expense+ Finance costs (excluding interest on lease liabilities))	Interest expenses (Including capitalised)+ Principal repayments (including prepayments)	1.94	2.16	2.995121	- 10.07%	- 27.99%
Return on equity ratio	%	Profit after tax	Average of total equity	13%	13%	11.61%	1.27%	14.30%
Inventory Turnover Ratio	Times	Cost of material consumed	Average Inventories	3.00	4.48	2.06	- 32.92%	117.11%
Trade Receivables turnover Ratio	Times	Revenue from Operations	Average trade receivables	6.23	7.26	7.26	- 14.23%	- 0.03%
Trade Payables turnover Ratio	Times	Purchase + other expenses	Average trade payables	5.66	7.12	2.61	- 20.52%	173.15%

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Net Capital turnover ratio	Times	Revenue from Operations	Working capital (Current assets-current liabilities)	27.53	29.66	26.05	-7.18%	13.86%
Net Profit ratio	%	Profit after tax	Revenue from operations	3%	3%	2.24%	8.71%	13.66%
Return on Capital Employed	%	Earnings before depreciation and amortisation and interest (Profit & loss before tax + depreciation & amortisation expense+ Finance costs)	Capital employed (Total assets - current liabilities + current borrowings)	16%	17%	17.17%	-3.96%	-1.17%
Return on Investment	%	Profit after tax	Equity share capital + securities premium	28%	32%	19.07%	-12.02%	65.94%

Reasons for Changes in ratio above 25%:

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

43 Information relating to Litigations

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

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1489753 and for Aurangabad Unit Rs. 131123

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

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

44 Other information

- (i) 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.0
- (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.

45 Explanation of transition to Ind

A AS

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

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

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

Particulars	Note	Previous GAAP*	Effect of transition to Ind AS	Ind AS
Non-current assets				
Property, plant and equipment		4,819.06	(271.33)	4,547.73
Right of Use assets			56.42	56.42
Financial assets			-	-
Investments		1,219.03	-	1,219.03
Others		344.39	(98.47)	245.92
Deferred tax assets (net)			-	-
Other Non Current assets			68.53	68.53
Total non-current assets		6,382.47	(244.85)	6,137.62
Current assets				
Inventories		5,725.41	-	5,725.41
Financial assets			-	-
Trade Receivable		4,081.98	-	4,081.98
Cash and cash equivalents		12.16	-	12.16
Other Bank Balances		16.49	-	16.49
Loans		150.00	-	150.00
Others			17.50	17.50
Income tax assets (net)		38.87	-	38.87
Other current assets		618.76	9.92	628.68
Total current assets		10,643.67	27.42	10,671.09

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Total assets	17,026.14	(217.43)	16,808.71
Equity			
Equity share capital	609.04	-	609.04
Other equity	4,592.90	(93.14)	4,499.75
Total equity	5,201.94	(93.14)	5,108.79
Non-current liabilities			
Financial liabilities			
Long term borrowings	1,678.88	(0.00)	1,678.88
Lease liabilities		43.45	43.45
Other Non current financial liabilities	-	-	
Provisions	133.85	-	133.85
Deferred tax liabilities (net)	198.57	(184.59)	13.99
Total non-current liabilities	2,011.30	(141.13)	1,870.17
Current liabilities			
Financial liabilities			
Borrowings	5,772.80	-	5,772.80
Lease Liabilities		16.87	16.87
Trade payables	-	-	-
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,653.40	-	3,653.40
Other financial liabilities	252.56	-	252.56
Other current liabilities	69.57	-	69.57
Income tax liabilities	-	-	-
Short Term Provision	64.55	-	64.55
Total current liabilities	9,812.88	16.87	9,829.76

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Total equity and liabilities		17,026.12	(217.40)	16,808.71
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*The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements i.e. basis Division II of Schedule III for the purpose of this note. After reclassification, effect has been given for transition adjustments.

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

Particulars	Note	Previous GAAP*	Effect of transition to Ind AS	Ind AS
Non-current assets				
Property, plant and equipment		4,641.21	(192.83)	4,448.37
Right of Use assets			75.24	75.24
Financial assets			-	-
Investments		964.03	-	964.03
Others		375.38	(136.84)	238.54
Deferred tax assets (net)			-	-
Other Non Current assets			78.45	78.45
Total non-current assets		5,980.61	(175.99)	5,804.63
Current assets				
Inventories		2,925.49	-	2,925.49
Financial assets			-	-
Trade Receivable		2,794.61	-	2,794.61
Cash and cash equivalents		12.61	-	12.61
Other Bank Balances		15.88	-	15.88
Loans			-	-
Others			47.31	47.31
Income tax assets (net)		95.82	-	95.82
Other current assets		707.31	9.92	717.23
Total current assets		6,551.70	57.23	6,608.94

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	12,532.32	(118.76)	12,413.56
Total assets			
Equity			
Equity share capital	609.04	-	609.04
Other equity	3,952.04	(94.55)	3,857.50
Total equity	4,561.08	(94.55)	4,466.54
Non-current liabilities			
Financial liabilities			
Long term borrowings	1,821.68	(14.40)	1,807.28
Lease liabilities	-	61.33	61.33
Other Non current financial liabilities	-	-	-
Provisions	98.88	-	98.88
Deferred tax liabilities (net)	114.55	(86.59)	27.96
Total non-current liabilities	2,035.10	(39.65)	1,995.45
Current liabilities			
Financial liabilities			
Borrowings	2,718.54	(0.00)	2,718.54
Lease Liabilities	-	15.44	15.44
Trade payables	-	-	-
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,859.80	-	2,859.80
Other financial liabilities	210.99	-	210.99
Other current liabilities	86.24	-	86.24
Income tax liabilities	-	-	-
Short Term Provision	60.55	-	60.55
Total current liabilities	5,936.13	15.44	5,951.57

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Total equity and liabilities		12,532.32	(118.76)	12,413.56
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*The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements i.e. basis Division II of Schedule III for the purpose of this note. After reclassification, effect has been given for transition adjustments.

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

Particulars	Note	Previous GAAP*	Effect of transition to Ind AS^	Ind AS
Revenue				
Revenue from operations		24,954.28	-	24,954.28
Other income		80.34	8.56	88.91
Total revenue		25,034.62	8.56	25,043.19
Expenses				
Cost of materials consumed		19,373.95	-	19,373.95
Change in Inventory of finished goods		(1,822.57)	-	(1,822.57)
Employee benefits expense		2,306.77	9.00	2,316.02
Finance costs		623.72	30.91	654.63
Depreciation and Amortisation Expenses		536.61	97.29	633.90
Other expenses		3,028.46	(23.04)	3,005.42
Total expenses		24,046.94	114.16	24,161.36
Profit before tax		987.68	(105.60)	881.83
Tax expense				
Current tax		262.80	-	262.80
Deferred tax		84.03	(100.33)	(16.30)
Earlier years tax adjustments (net)			-	-

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Mat Credit adjustments		-	-	-
Profit for the year		640.85	(5.27)	635.33
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Re-measurements of the defined benefit plans		-	9.25	9.25
Income tax relating to above item	D3	-	(2.33)	(2.33)
Total comprehensive income for the year		640.85	1.65	642.25

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

B Ind AS optional exemptions

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

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

B Ind AS mandatory exceptions

1 Estimates

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

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

2 Classification and measurement of financial assets and liabilities

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

C Reconciliations between Previous GAAP and Ind AS

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

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

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

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

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

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Remeasurement of defined benefit obligations reclassified to OCI (net of tax)	6.92
Total comprehensive income for the year	642.25

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

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

D Notes to first time adoption

1 Lease Accounting

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

2 Security Deposit

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

3 Property, Plant and Equipment

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

4 Tax impact on adjustments

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

5 Other comprehensive income

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

6 Borrowing

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

INDEPENDENT AUDITOR'S REPORT

To the Members of PAVNA INDUSTRIES LIMITED

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

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

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS Financial Statements for financial year ended 31st march, 2023. These matters were addressed in the context of our audit of the Consolidated Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management including identification of key audit

matters provide the basis for our audit opinion on the accompanying Consolidated Ind AS Financial Statements. We have determined that there are no key audit matters to be communicated in our report.

Other Information

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

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

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

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

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

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are

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responsible for assessing the ability of the Group and of its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

Other matters

We did not audit the financial statements/ financial information of five subsidiaries, namely, a) Pavna Marketing Private Limited (PMPL) b) Pavna Sunworld Autotech Private Limited (PSAPL), c) Swapnil Switches Private Limited (SSPL) d) Pavna Auto Engineers Private Limited (PAEPL) and e) Pavna Goyam Auto Private Limited whose financial statements/ financial information reflect total assets of Rs. ... as at 31st March, 2023, total revenues of Rs. and net cash flows amounting to Rs. for year ended on that date, as considered in consolidated Ind AS financial statements whose financial statements/ financial information have not been audited by us. These Financial statements, financial information have been audited by other auditors whose reports have been furnished to us by management and our opinion on consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub section (3) of section 143 of the Act, in so far as it relates to aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of other auditors.

One of these subsidiaries whose audited financial statements and other financial information have been prepared in accordance with Accounting Standards (Non Ind AS). The holding

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company's management has converted the financial statements of such subsidiary as per Ind AS.

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

Report on Other Legal and Regulatory Requirements

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

controlled companies and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”

- g. In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, associates and joint ventures incorporated in India, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Holding Company, its subsidiaries, associates and joint ventures incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- h. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint ventures, as noted in the ‘Other matter’ paragraph:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and joint ventures in its consolidated Ind AS financial statements ;
- ii. The Company did not have any long- term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.
- iv. a) The respective managements of the Holding Company and its subsidiaries, associates and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associates and joint ventures respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries, associates and joint ventures to or in any other person or entity, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries, associates and joint ventures (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The respective managements of the Holding Company and its subsidiaries, associates and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associates and joint ventures respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries, associates and joint ventures from any person or entity, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries, associates and joint ventures shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the

2022-23

-
- Ultimate Beneficiaries; and
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries, associates and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v. The interim dividend declared and paid during the year by the holding company, is in accordance with section 123 of the Companies Act, 2013.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

**For RAJEEV KUMAR & COMPANY
CHARTERED ACCOUNTANTS**

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

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

Responsibilities for Audit of Consolidated Ind AS Financial Statement

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

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

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

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significant deficiencies in internal control that we identify during our audit.

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

**For RAJEEV KUMAR & COMPANY
CHARTERED ACCOUNTANTS**

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

**-SD/-
CA RAJEEV KUMAR
PROPRIETOR
FRN:000633C
M.NO.070103**



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

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

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to

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

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

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

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

4. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
5. 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
6. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

Opinion

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

Other Matter

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

For **RAJEEV KUMAR & COMPANY**
CHARTERED ACCOUNTANTS

PLACE: ALIGARH

DATE: 30th May, 2023

UDIN: 23070103BGXUPF7919

-SD/-

CA RAJEEV KUMAR

PROPRIETOR

FRN:000633C

M.NO.070103

PAVITA

2022-23

Pavna Industries Limited			
Balance Sheet as at 31 March 2023			
(All amounts are in lacs(₹), unless otherwise specified)			
Particulars	Note	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3A	8594.16	7423.70
Intangible Asset Under Development	3A	103.90	25.00
Right of Use assets	3B	185.44	231.38
Financial assets			
Investments		0	0
Others	4	936.39	857.36
Deferred tax Assets(net)		0.00	
Other Non Current assets	5	215.60	252.93
		10035.49	8790.37
Current assets			
Inventories	6	10635.41	9180.91
Financial assets			
Trade Receivable	7	5344.74	5012.29
Cash and cash equivalents	8	43.09	44.55
Other Bank Balances	9	4.61	28.37
Loans	10	0.00	0.00
Others	11	16.50	17.50
Income tax assets (net)	12	67.59	76.55
Other current assets	13	1725.92	959.37
Total current assets		17837.86	15319.54
Total assets		27873.35	24109.90
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	1218.08	609.04
Other equity	15	4948.44	4817.69
Non Controlling Interest	16A	1244.52	1208.80
Total equity		7411.04	6635.53
Non current liabilities			
Financial liabilities			
Long term Borrowing	17A	4660.51	4456.57
Lease liabilities	3B	175.62	204.12
Other Non current financial liabilities	18	15.00	25.00
Provisions	19	231.31	219.97
Deferred tax liabilities (net)	20	51.13	-4.96
		5133.57	4900.71
Current liabilities			

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Financial liabilities			
Borrowings	17B	9057.16	7575.04
Lease Liabilities	3B	28.87	38.64
Trade payables	18A		
Total outstanding dues of micro enterprises and small enterprises		63.92	0.00
Total outstanding dues of creditors other than micro and small enterprises		5317.82	4117.98
Other financial liabilities	19A	472.57	396.30
Other current liabilities	20	230.85	300.08
Income Tax liabilities	21	4.52	4.26
Short term provisions	22	153.05	141.37
Total current liabilities		15328.76	12573.66
Total equity and liabilities		27873.36	24109.90
The accompanying notes form an integral part of these financial statements.			
This is the Balance Sheet referred to in our report of even date.			

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

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

Sd/-
Rajeev Kumar
Proprietor
Membership No.: 070103

Sd/-
Asha Jain
Director
DIN: 00035024

Sd/-
Swapnil Jain
Director
DIN: 01542555

Place: Aligarh
Date:30.05.2023

Sd/-
Makarand Mahajan
Chief Financial Officer
PAN : ABUPM4863G

Sd/-
Charu Singh
CS & CO
PAN :

CVBPS6669B

Pavna Industries Limited			
Statement of Profit and Loss for the year ended 31 March 2023			
(All amounts are in lacs(₹), unless otherwise specified)			
Particulars	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue:			
Revenue from operations	23	36222.20	31561.19
Other income	24	194.88	139.68
Total income		36417.08	31700.87
Expenses:			
Cost of materials consumed	25	19922.94	17974.81
Purchase of Stock-in-Trade	26	3823.49	4323.03
Change in Inventory of finished goods	27	-559.51	-2114.15
Employee benefits expense	28	3905.68	3534.87
Finance costs	29	1087.28	920.78
Depreciation and Amortisation Expenses	30	1181.34	919.13
Other expenses	31	5845.27	4873.98
Total expenses		35206.50	30432.44
Profit/(Loss) before tax		1210.58	1268.43
Tax expense:	32		
Current tax		310.31	359.91
Deferred tax credit		36.71	-6.88
Earlier years tax adjustments (net)		0.00	0.00
Mat Credit adjustments		0.00	0.00
Total tax expense		347.02	353.03
Profit/(Loss) for the year		863.56	915.40
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurements of the defined benefit plans		45.43	19.12
Income tax relating to above item		-11.68	-4.81
Other comprehensive income / (loss)		33.75	14.31
Total comprehensive Profit /(loss) for the year		897.32	929.70
Profit/ (Loss) for the year attributable to			

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- Owners of the company		835.79	795.07
- Non- Controlling interest		27.77	120.32
Other comprehensive income / (loss) for the year attributable to			
- Owners of the company		25.80	10.67
- Non- Controlling interest		7.95	3.64
Total comprehensive Profit /(loss) for the year attributable to			
- Owners of the company		861.59	805.74
- Non- Controlling interest		35.72	123.96
Earnings per equity share (₹ 10 per share)			
Basic EPS on actual outstanding	33	7.09	15.03
Basic & Diluted EPS weighted average		8.88	15.03

The accompanying notes form an integral part of these financial statements.

This is the Statement of Profit and Loss referred to in our report of even date.

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

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

Sd/-
Rajeev Kumar
Proprietor
Membership No.: 070103

Sd/-
Asha Jain
Director
DIN: 00035024

Sd/-
Swapnil Jain
Director
DIN: 01542555

Place: Aligarh
Date:30.05.2023

Sd/-
Makarand Mahajan
Chief Financial Officer
PAN : ABUPM4863G

Sd/-
Charu Singh
CS & CO
PAN : CVBPS6669B

Pavna Industries Limited			
Cash flow statement for the year ended 31 March 2023			
(All amounts are in lacs(₹), unless otherwise specified)			
	Particulars	For the year ended	For the year ended
		31 March 2023	31 March 2022
A	Cash flow from operating activities		
	Profit/(Loss) before tax	1210.58	1268.43
	Adjustments for:		
	Depreciation and amortisation expense	1181.34	919.13
	Interest income on bank deposits	-2.33	-1.45
	Interest income on loan	0.00	0.00
	Interest expense on lease liability	21.35	18.21
	Loss/(Profit) on sale of PPE	-71.46	-58.45
	Provision for impairment on advances/ balance written off	0.00	0.00
	Interest expense on borrowings	1044.66	920.78
	Operating profit before working capital changes	3384.14	3066.65
	Movement in working capital		
	Inventories	-1454.49	-4545.66
	Trade Receivables	-332.61	-1166.68
	Loans	0.00	0.00
	Other financial assets	-52.49	-11.54
	Other current & Non current assets	-725.51	199.74
	Other financial liabilities	66.27	79.37
	Other current & non current liabilities	-69.23	149.34
	Provision	68.45	44.12
	Trade payables	1263.76	390.44
	Cash used in operating activities post working capital changes	2148.29	-1794.20
	Income tax paid (net)	-301.09	-332.63
	Net cash used in operating activities (A)	1847.20	-2126.83
B	Cash flows from investing activities		
	Purchase of property, plant and equipment	-2474.08	-3193.87
	Sale of property, plant and equipment	163.53	110.00
	Investment made in subsidiaries	0.00	0.00
	Interest received	2.33	1.45
	Net cash used in investing activities (B)	-2308.23	-3082.42
C	Cash flows from financing activities		
	Proceeds from issue of share capital	0.00	0.00

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Payment of Lease liability	-59.99	-53.02
Finance cost paid	-1044.66	-920.78
Bonus / Dividend Paid	-121.81	0.00
Repayment of borrowing	365.98	0.00
Proceeds from borrowings	1320.06	6189.90
Net cash flows from financing activities (C)	459.58	5216.10
Net increase in cash and cash equivalents (A+B+C)	-1.46	6.84
Cash and cash equivalents at the beginning of the year	44.55	37.70
Cash and cash equivalents at the end of the year	43.09	44.54

Note:

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

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

	For the year ended 31 March 2023	For the year ended 31 March 2022
Long/Short term borrowings		
Balance at the beginning of the year	12031.61	5841.71
Cash flow	954.08	6189.90
Non cash changes	0.00	0.00
Interest cost	0.00	0.00
Balance at the end of the year	12985.68	12031.61

The accompanying notes form an integral part of these financial statements

This is statement of cash flows referred to in our report of even date

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

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

Sd/-
Rajeev Kumar
Proprietor
Membership No.: 070103

Sd/-
Asha Jain
Director
DIN: 00035024

Sd/-
Swapnil Jain
Director
DIN: 01542555

Place: Aligarh
Date:30.05.2023

Sd/-
Makarand Mahajan
Chief Financial Officer
PAN : ABUPM4863G

Sd/-
Charu Singh
CS & CO
PAN : CVBPS6669B

NOTES Forming part of the consolidated financial statement for the year ended March 31, 2023

1. Corporate Information

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

- (1) Pavna Marketing Private Limited (PMPL)
- (2) Pavna Sunworld Autotech Private Limited (PSAPL)
- (3) Swapnil Switches Private Limited (SSPL)
- (4) Pavna Auto Engineers Private Limited (PAEPL)
- (5) Pavna Goyam Auto Private Ltd. (PGAPL)

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

2. Significant Accounting Policies

a. Basis of Consolidation

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

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

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

- a) the size of the Company’s holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- b) potential voting rights held by the Company, other vote holders or other parties;
- c) rights arising from other contractual arrangements; and
- d) any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders’ meetings.

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

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

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

Details of subsidiary company considered in the consolidated accounts:

Particulars	Extent of Ownership / Control as on March 31, 2023
-------------	---

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Pavna Marketing Private Limited	100.00%
Pavna Sunworld Autotech Private Limited	74.00%
Pavna Auto Engineering Private Limited	50.74%
Swapnil Switches Private Limited	50.74%
Pavna Goyam Auto Pvt Ltd	51.00%

Basis of preparation of Consolidated Financial Statements

The Consolidated Financial Statements of the Company for the year ended March 31, 2023 have been prepared using the historical audited general purpose financial statements of the Company as at Financial year ended March 31, 2021 which was prepared under generally accepted accounting principles in India (IND AS) and originally approved by the Board of Directors of the Company at that relevant time.

The financial statements have been prepared on the basis of a going concern assumption, on historical cost convention and on accrual method of accounting in accordance with the generally accepted accounting principles in India, Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and other accounting principles generally accepted in India, to the extent applicable and the provisions of the Companies Act, 2013 as adopted consistently by the Company.

Accounting policies adopted in the preparation of consolidated accounts:

The consolidated accounts related to Pavna Industries Limited (Holding Company) and its subsidiaries namely (1) Pavna Marketing Private Limited (PMPL), (2) Pavna Sunworld Autotech Private Limited (PSAPL), (3) Swapnil Switches Private Limited (SSPL) and (4) Pavna Auto Engineers Private Limited (PAEPL) (5) Pavna Goyam Auto Pvt Ltd. (hereinafter collectively referred as "Subsidiary Companies"), have been prepared in accordance with AS - 21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

The Consolidated Financial Statements have been prepared based on line-by-line consolidation by adding together the book values of each & every item like Assets, Liabilities, Income and Expenses as per the accounts of the Holding Company and its Subsidiary Company and intra group balances/ intra group transactions have been eliminated.

The difference between the cost of Investment in the subsidiaries over the Net Assets at the time of acquisition of shares in the Subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve, as the case may be. The Consolidated Financial Statements have been prepared using uniform policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the holding company's individual accounts.

Current events and actions, actual results could differ from these estimates.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the result of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

b. Use of estimates

The preparation of the financial statements in conformity with GAAP requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful debts, future obligations under employee retirement benefit plans, income taxes, the useful lives and provision for impairment of fixed assets and intangible assets. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Future results could differ from these estimates.

c. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reported period associated with investing or financial cash flows.

d. Cash and Bank Balances

Cash and bank balances comprises of two sub-headings, viz., “Cash and cash equivalents” and “Other bank balances.” Cash and Cash equivalents constitutes items defined in accordance with AS 3. Cash is defined to include cash on hand and demand deposits with banks. Cash Equivalents are defined as short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Other bank balances would comprise of items such as balances with banks to the extent of held as margin money or security against borrowings etc., and bank deposits with more than three months maturity.

e. Property, Plant & Equipment
Tangible Assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by the Management. The Company depreciates property, plant and equipment over their estimated useful lives using the written down value method, considering a salvage value of 5%. The estimated useful lives of assets are as follows:

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

Depreciation is to be 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 to be decided on case to case basis; wherever applicable.

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

Intangible Assets

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.

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Technical knowhow

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

f. Depreciation and Amortization

Depreciation on property, plant & equipment is provided on pro-rata basis for the period of use based on useful lives of respective assets as prescribed in the Schedule II of the Companies Act, 2013.

g. Revenue Recognition
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.

Interest income

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in the statement of profit and loss

h. Employee Benefits

The company accounts for salaries on accrual basis. Defined Contribution plans and short term employee benefits such as salary, bonus, provident fund, etc. are charged to Profit & Loss account when the contributions are due. The present value of the obligations under defined benefit plans is determined based on an actuarial valuation using the Projected Unit Credit Method. Actuarial gains and losses arising on such valuation are recognized immediately in the Profit & Loss Account.

i. Foreign currency transactions

Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realized gains and losses on settlement of foreign currency transactions are recognized in the Statement of Profit and Loss. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences except those qualifying for hedge accounting are recognized in the Statement of Profit and Loss.

j. Investments

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

k. Inventories

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

l. Taxes on Income

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

m. Provisions and Contingent Liabilities

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

Such provisions reflect best estimates based on available information.

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

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

n. Earnings Per Share

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

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

o. Segment Reporting

The Group is primarily engaged in the business of manufacture of auto components for two wheeler, four wheelers and commercial vehicle industry, which are governed by the same set of risks and returns but subject to the geographical industry trends and hence the Group's business activities fall within a single primary business segment. Hence disclosure of Segment wise information is not applicable under Accounting Standard – 17 “Segment Information” (AS-17). Geographical segment is not material and hence not reported.

3. Notes on Financial Statements

- a. There is no employee who is in the receipt of remuneration exceeding the limit prescribed in accordance with the provisions of Companies Act, 2013.
- b. Managerial Remuneration paid to directors is disclosed in Note No. 35 amounting to Lakhs. 503.90
- c. Trade receivables, Trade payables, Loans & Advances and Unsecured Loans have been taken at their book value subject to confirmation and reconciliation.

The company has not received any intimation from supplier regarding their status under micro, small and medium enterprises development Act, 2006 and hence disclosure, if any, in relation to amount unpaid as at the year-end together with interest payable as required under the said Act have not furnished. We have put the amount of Outstanding of those parties for which we have received the declaration. We have sent a declaration in form of mail to all vendors but only few have responded, which has been considered above. The interest payable on these outstanding amount is Rs 34000 which is immaterial due to which it is not provided.

- d. In the opinion of the management the value on realization of current assets, Loans & Advance in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.
- e. Loans and Advances are considered good in respect of which company does not hold any security other than the personal guarantee of persons.
- f. The Management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required.

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g. Payments to Auditors:

Particulars	Year ended March 31, 2023
Audit Fees	4.61
Total	4.61

h. Related Party disclosure:

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

i. Deferred Tax Liability of Lakhs 36.71 have been created during the current year as per the provisions prescribed in AS-22 issued by The Institute of Chartered Accountants of India.

j. Other Information

1. GST Notices - Company has received following GST orders and Notices-Order for Aligarh Unit is Rs. 1489753 and for Aurangabad Unit Rs 131123. Notice for Input Tax - Reconciliation has been received and we are in process of its disposal and necessary step has been taken. There is dispute regarding accidental claim by worker which amounts to approximately Rs 17 Lakhs.

2. 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.

3. 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.

4. The Company does not have any working capital loan and it is not filing any statement of inventories and trade receivables as per covenants stated in sanction letter to the banks for working capital loan.

5. There are some differences between stock statement submitted to bank and books of accounts. These difference are due to clerical mistake, some amount remain undisclosed in stock statement submitted to bank

6. One of the subsidiaries of the company M/s Pavna Goyam Auto Private Limited ceased to be a subsidiary w.e.f 11.05.2023.

7. 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.

Pavna Industries Limited		
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023		
(All amounts are in lacs(₹), unless otherwise specified)		
	As at 31 March 2023	As at 31 March 2022
4 Other non current financial assets		
Margin money deposits (including interest accrued) (a)		0
Margin money deposits	0.11	0.10906
Advance for Land	0	0
Security deposits		
- Unsecured considered good	936.2834275	857.2493097
- Unsecured considered doubtful	0	0
	936.3934275	857.3583697
(a) Includes Margin Deposit with Government authorities		

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5 Deferred tax Assets (net)	As at 31 March 2023	As at 31 March 2022
Deferred tax assets/liabilities on account of :-	0	0
Property, plant and equipment	-23.39	-2.53
Unused business losses	-2.08	0
Origination and reversal of temporary difference	39.1045	17.51
Effect of adoption of Ind AS	3.35	1.33
Others	3.764	0
	20.7485	16.31
5 Other non current assets	As at 31 March 2023	As at 31 March 2022
Prepaid expense	215.6	252.9326099
	215.6	252.9326099
6 Inventories	As at 31 March 2023	As at 31 March 2022
(Valued at lower of cost or net realisable value, unless otherwise stated)		
Finished Goods	955.82568	69.18885
Consumables	95.175	85.90168
Raw Materials	3080.75876	2818.66335
Work in Progress	5241.63524	4470.33975
Store and Spares	599.702	987.14839
Trading Material	662.31	749.67
	10635.40668	9180.91202
Impairment provision on Project in progress		
	10635.40668	9180.91202
7 Trade Receivable	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good	5344.74	5012.32
Unsecured, considered doubtful	0.00	0.00
	5344.74	5012.32
Trade receivable aging schedule as at 31 March 2023		
Outstanding for following periods from due date of payment	Undisputed Trade Receivables– considered good	Undisputed Trade Receivables– considered doubtful
Not due		
0-6 Months	4681.51	0
6-12 Months	550.01	0
1-2 Years	15.81	0

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2-3 Years	4.76	0
above 3 years	92.92	0
Total	5345.01	0

Trade receivable aging schedule as at 31 March 2022		
	Undisputed Trade Receivables– considered good	Undisputed Trade Receivables– considered doubtful
Outstanding for following periods from due date of payment		
Not due		
0-6 Months	4070.77	0
6-12 Months	10.10	0
1-2 Years	1.11	0
2-3 Years	0.00	0
above 3 years	0.00	0
Total	4081.98	0

	As at 31 March 2023	As at 31 March 2022
8 Cash and cash equivalents		
Cash on hand	23.92	23.66
Balances with banks	19.17	20.88
Fixed Deposits with original maturity of less than 3 month (including accrued interest)	0.00	0.00
Cheques in Hand	0.00	0.00
Interest on fixed deposits accrued but not received	0.00	0.00
	43.09	44.55

	As at 31 March 2023	As at 31 March 2022
9 Other Bank Balances		
Balance with bank in deposit account having maturity of more than three months but are due for maturity within twelve months from balance sheet date (a)	4.61	28.37227
	4.61	28.37227

(a) Includes Margin Deposit with Government authorities

	As at 31 March 2023	As at 31 March 2022
10 Loans		
	Amount of loan or advances in the nature of loan outstanding	Amount of loan or advances in the nature of loan outstanding
(Unsecured, considered good)		
Loans to related parties	0	0
	0	0
Loan & Advances Schedule for 31st March 2023	0	0
Type of Borrower	0	0
Promotors	0	0
Directors	0	0
KMPs	0	0

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Related Parties	0	0
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	As at 31 March 2023	As at 31 March 2022
11 Other Current assets		
Security deposit to others	16.5	17.5
	16.5	17.5
12 Income tax assets	As at 31 March 2023	As at 31 March 2022
Income Tax paid (net of provision for taxation)	67.59	76.55
	67.59	76.55
13 Other current assets	As at 31 March 2023	As at 31 March 2022
Prepaid expenses	129.75	61.24
Advances to contractors and material suppliers	0.00	0.00
Unsecured, Consider Good	1364.62	739.23
Unsecured, Considered Doubtful	0.00	0.00
Other advances	27.10	0.58
Balances with government authorities	138.44	158.32
	1659.90	959.37
Amount receivable - Others	66.02	
Less : Allowance for Impairment (net)	0.00	0.00
	1725.92	959.37

14 Equity Share capital	As at 31 March 2023		As at 31 March 2022	
	Number*	Amount	Number*	Amount
Authorized shares				
Equity shares of ₹ 10 each with voting rights	15000000	1500	6100000	610
	15000000	1500	6100000	610
Issued, subscribed and fully paid up				
Equity share capital of face value of ₹ 10 each	12180800	1218.08	6090400	609.04
	12180800	1218.08	6090400	609.04

a. Reconciliation of number of equity shares outstanding at the beginning and at the end of the year				
Particulars	As at 31 March 2023		As at 31 March 2022	
	Number	Amount	Number	Amount
Balance at the beginning of the period	6090400	609.04	6090400	609.04
Shares Issued during the period	0	0	0	0
Bonus Issued during the period	6090400	609.04		
Balance at the end of the year	12180800	1218.08	6090400	609.04

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

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

Name of the equity shareholder (Promotor)	As at 31 March 2023		As at 31 March 2022
	Number	%	Number
Smt. Asha Jain	5821960	0.48	2910980
Shri Mukesh Jain	0	0.00	0
Shri Swapnil Jain	1356160	0.11	678080
P.J. Wealth Management and Consultant Private Limited	997040	0.08	498520
Smt. Palak Jain	923200	0.08	448000
Smt. Sadhna Jain	670400	0.06	335200

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

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

	As at 31 March 2023	As at 31 March 2022
15 Other Equity		
General Reserve		
Opening balance	1.62	1.37
Add: Transfer from Profit/(loss)	0	0.25
Closing balance (A)	1.62	1.62
Capital Reserve		
Opening balance	19.46	19.46
Closing balance (B)	19.46	19.46
Securities premium		
Opening balance	1398.72	1398.72
Add: Addition during the year	0.00	0.00
Closing balance (C)	1398.72	1398.72
Profit/ (Deficit) in the statement of profit and loss		
Opening balance	3397.89	2592.40
Less: Issue of Bonus Shares	-609.04	0.00

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Less : Dividend	-121.81	
Add: Profit / (Loss) for the year	835.79	795.07
Add: Other comprehensive income for the year (net of tax impact)	25.80	10.67
Less: Transfer to general Reserve	0.00	-0.25
Closing balance (D)	3528.63	3397.89
Total (A+B+C+D)	4948.44	4817.69
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.		

	As at 31 March 2023	As at 31 March 2022
16A Non Controlling Interest		
Non Controlling Interest		
Opening Balance	1208.80	928.07
Entity Acquired during the year	0.00	156.77
NCI share in current year Profit	35.72	123.96
Closing Balance	1244.52	1208.80

	As at 31 March 2023	As at 31 March 2022
17A Long term borrowing		
Secured		
Indian rupee term loan from Bank	2295.55	1898.42
Indian rupee term loan from financial institutions	202.46	99.32
Indian rupee vehicle loan from Bank	56.13	133.38
Unsecured		
Indian rupee loan from related parties		
From Directors & KMPs	1316.37	1203.07
From Corporate entities	790.00	1122.38
	4660.51	4456.57
17B Short term Borrowings		
Secured		
Cash credit facilities from Bank / financial institutions - Secured	6284.64	5593.01
Cash credit facilities from financial institutions - Unsecured	2060.00	1500.00
Current maturities of long term borrowings - Secured	712.52	482.02
	9057.16	7575.04

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	13717.66	12031.61
17C Borrowing securities		
S.No.	As at 31 March 2023	As at 31 March 2022
1		
2	0.00	0.00
3	0.00	0.00
4		830.28
5		10.02
6		1174.94
Total long term borrowings before adjustment of processing fees	0.00	2015.25
Less: Unamortised processing fees	0.00	0.00
Less: Current maturities	712.52	482.02
Total long term borrowings	-712.52	1533.22
S.No.	As at 31 March 2023	As at 31 March 2022
1		1500
2	0	0
3		3936.43
Total short term borrowings	0	5436.43
Add: Current maturities of long term borrowings	712.52	482.02
Total Short term borrowings	712.52	5918.45

18 Other Non current financial liabilities	As at 31 March 2023	As at 31 March 2022
Security deposit from customer	15	25
	15	25

19 Provisions	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits (a)		
Gratuity	231.31	219.97
Compensated absences	0	0.00
	231.31	219.97

(a) Refer Note 36

20 Deferred tax liabilities (net)	As at 31 March 2023	As at 31 March 2022
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Deferred tax assets/liabilities on account of :-		
Property, plant and equipment	131.53	94.49
Unused business losses	0.00	0.00
Origination and reversal of temporary difference due to employee expenses	-56.66	-90.94
Effect of adoption of Ind AS	-2.08	-6.00
Others	-0.91	-2.51
	71.88	-4.96

18 Trade payables	As at 31 March 2023	As at 31 March 2022
Due to micro and small enterprises	63.92	0.00
Due to others (a)	5317.82	4117.98
	5381.74	4117.98

Trade payable aging schedule as at 31st March 2023		
Outstanding for following periods from due date of payment	Micro and Small Enterprises ("MSME")	Others
Not due		
Unbilled dues		0
Less than 1 year	63.92	4890.07
1-2 Years		390.38
2-3 Years		8.24
above 3 years		29.12
Total	63.92	5317.82

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

19 Other Financial liabilities	As at 31 March 2023	As at 31 March 2022
Interest accrued but not due on borrowings	0.00	0.00
Book overdraft*	0.00	0.00
Refundable to customers (a)	0.00	0.00
Interest accrued but not due on borrowings	73.97	
Payable to employees	398.60	396.30
Other Payable	0.00	0.00
	0.00	
	472.57	396.30

*Includes cheque issued but not presented for payments

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	As at 31 March 2023	As at 31 March 2022
20 Other current liabilities		
Advance received from customers	105.47	120.27
Statutory dues payable	125.38	179.81
	230.85	300.08

	As at 31 March 2023	As at 31 March 2022
21 Income tax liabilities		
Income Tax Payable (Net of advance tax)	4.52	4.25987
	4.52	4.25987

	As at 31 March 2023	As at 31 March 2022
22 Short term provisions		
Provision for employee benefits		
Gratuity	153.05	141.37
Provision for Corporate Social responsibility*	0	0
	153.05	141.37

	For the year ended 31 March 2023	For the year ended 31 March 2022
23 Revenue from operations		
Sale of products	36170.62	31561.19
Sale of services	0.00	0.00
Other operating revenue	51.58	
Scrap sales		0.00
		0.00
	36222.20	31561.19
24 Other income		
Interest income on:		
Bank deposits	2.33	1.45
Loan Given	4.73	0.00
Delay payment by customer	0.00	3.85
Security deposits measured at amortised cost	32.53	31.54
Income tax refunds	5.78	6.21
Profit on sale of Property, Plant and Equipment	75.26	58.45
Income from export incentive	9.39	14.70
Rent received	36.60	11.79
Foreign Exchange fluctuation gain (Net)	8.66	0.00

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Gain on investments carried at fair value through profit or loss	0.00	0.00
Excess liability/provision written back	8.29	8.51
Miscellaneous income	11.31	3.17
	194.88	139.68
25 Cost of raw material & components consumed	For the year ended 31 March 2023	For the year ended 31 March 2022
Inventory at the beginning of the year	3472.58	1238.74
Add: Purchase during the year	20757.08	20208.64
	24229.66	21447.38
Less: Inventory at the end of the year	4306.73	3472.58
	19922.94	17974.81
26 Purchase of Stock-in-Trade	For the year ended 31 March 2023	For the year ended 31 March 2022
Purchases of material	3622.67	3989.38
Packing expense	198.73	331.20
Freight & Cartage Inward	2.08	2.44
	3823.49	4323.03
27 Changes in inventories of finished goods and work-in-progress	For the year ended 31 March 2023	For the year ended 31 March 2022
Closing Inventories		
Trading Material	765	865.9
Work in Progress	5088.74	4428.34425
Opening Inventories		
Trading Material	865.9	925.65
Work in Progress	4428.34	2254.44
	-559.51	-2114.15
28 Employee benefits expense	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries, wages and bonus	3278.30	2972.82
Contribution to provident and other funds	196.01	171.49
Gratuity expense	68.44	73.03
Staff welfare expenses	362.93	317.52
	3905.68	3534.87
29 Finance costs	For the year ended 31 March 2023	For the year ended 31 March 2022

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Interest expense	991.89	776.39
Interest expense on Term loan	3.33	
Interest expense on Security deposit	26.23	26.56
Other borrowing costs	44.48	99.62
Interest on lease obligation	21.35	18.21
	1087.28	920.78
*Interest expense include ₹ Nil (31 March 2017 - ₹ 60,168,014) pertaining to prior years.		
*Includes expenses incurred for issuance of bank guarantees to government authorities in regard to ongoing projects.		
30 Depreciation and Amortisation	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation and amortization expense	1135.40	882.80
Depreciation on right of use assets	45.94	36.33
	1181.34	919.13

31 Other expenses	For the year ended 31 March 2023	For the year ended 31 March 2022
Factory expenses	17.94	5.84
Consumption of stores and spares#	578.12	354.74
Diecasting/ Job work charges	1973.83	1739.47
Material Testing Exp	2.07	0.09
Packing material	0.00	0.00
Gas Expenses	259.95	149.10
Power & Fuel	943.66	806.14
Advertisement and publicity	55.34	21.58
Bank charges	28.87	0.00
Communication & Postage Expense	22.75	13.25
Donation	29.41	7.52
Electricity expenses	33.97	45.00
House keeping expenses	42.96	0.00
Insurance Expenses	36.30	32.93
Legal and professional fees	130.80	100.20
Loss on sale of Property, Plant and equipment	3.80	0.00
Non competitive fees	0.00	150.00
Payments to auditors##	4.61	1.89
Printing and stationery	22.64	22.88

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Rates and taxes	27.23	27.03
Rent	6.68	44.31
Building Rent	58.40	3.00
Machine Rent	0.14	1.68
Repair and maintenance - Machinery	173.11	114.63
Repair and maintenance - office	117.66	116.22
Repair and maintenance - Computer	0.40	0.28
Vehicle running and maintainance expense	158.09	97.95
Research and development expense###	5.65	1.20
Sales promotion expenses	48.08	26.21
Security charges	131.65	71.30
Software expenses	7.18	14.53
Trade mark royalty	76.93	79.19
Travelling and conveyance-Foreign	0.00	0.00
Travelling and conveyance-Local	129.43	84.91
Provision for impairment on advances/ balance written off	0.00	0.00
Bad debts	0.00	3.80
ISO TS certification expense	2.24	3.52
Export Expenses	0.00	0.00
Warranty claim/ Line rejection expense	18.87	3.94
Office expense	39.03	27.78
Rebate & Discount	293.15	365.36
IPO Exp	0.00	1.55
Pollution Control Expenses	0.00	1.62
Foreign Currency Fluctuation	0.00	2.69
Freight & forwarding expense	364.52	328.43
Miscellaneous expenses	-0.16	2.23
	5845.27	4873.98
	For the year ended	For the year ended
# Consumption of Stores, spares, packing and tools	31 March 2023	31 March 2022
Opening stock	530.32	340.67
Add:		
Consumption of stores and spares parts	101.60	76.42
Consumption of loose tools	266.94	265.73
Consumption of Packing materials	194.78	156.24

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Consumption of polishing and plating material	75.65	54.02
Less: Closing stock	577.63	530.32
Net Consumption of stores ,spares, Packing & tools	591.66	362.76
	For the year ended	For the year ended
## Payment to auditors	31 March 2023	31 March 2022
As auditors		
-Audit fees	4.61	1.89
-Limited review fees		
In other capacity		
-Other services (Certification fees)		
-Reimbursement of expenses		
	4.61	1.89
	For the year ended	For the year ended
### Research and Development	31 March 2023	31 March 2022
The Company has incurred following expenditure on its Research and Development:		
Revenue expenditure		
Material/ consumables/ spares	0	2.69
Employee benefits expense		
Power & Fuel		
Repair & maintainance		
Travelling & conveyance		
Legal & Professional expenses		
Miscellaneous expenses		
	0	2.69
	For the year ended	For the year ended
32 Income tax	31 March 2023	31 March 2022
Tax expense comprises of:		
Current tax	310.31	359.91
Deferred tax credit	36.71	-6.88
Earlier years tax adjustments (net)	0.00	0.00
Minimum Alternative Tax	0.00	0.00
Income tax expense reported in the statement of profit and loss	347.02	353.03

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Deferred tax credit	-9.08	-2.33
Income tax expense reported in the statement of Other comprehensive income	-9.08	-2.33
<p>The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company and the reported tax expense in profit or loss are as follows:</p>		
Effective Income Tax Rate	0.25	0.25
Accounting profit before income tax	1210.58	1268.43
At India's statutory income tax rate	304.68	319.24
<p>Tax effect of amounts which are not deductible (taxable) in calculating taxable income:</p>		
Item on which deferred tax has not been created	7.34	1.33
Tax impact of expenses which will never be allowed	0.00	0.00
Effect of tax incentive	0.00	0.00
Earlier years tax adjustments (net)	0.00	0.00
Impact of change in tax rate	0.00	-18.68
Others	35.01	51.13
Income tax expense	347.02	353.03
33 Earnings per share	For the year ended 31 March 2023	For the year ended 31 March 2022
Net Profit/(loss) attributable to equity shareholders	863.56	915.40
Nominal value of equity share in ₹	0.00	0.00
Total number of equity shares outstanding at the beginning of the year*	6090400.00	6090400.00
Total number of equity shares outstanding at the end of the year*	12180800.00	6090400.00
Weighted average number of equity shares*	9727953.97	6090400.00

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Basic Earning per Share on actual outstanding at year end	7.09	15.03
Basic Earning per Share on Weighted Average Nos of Shares	8.88	15.03
Diluted Earnings per Share	8.88	15.03
* These are in absolute numbers		

3B Leases		
(i) Right of Use Assets		
Particulars	Buildings	Total
As at 1 April 2021	203.39	203.39
Additions	80.42	80.42
Deletions	-	-
As at 31 March 2022	283.81	283.81
Additions	-	-
Deletions	-	-
As at 31 March 2022	283.81	283.81
Accumulated Depreciation		
As at 1 April 2021	18.79	18.79
Charges during the year	33.65	33.65
Deletions	-	-
As at 31 March 2022	52.43	52.43
Charges during the year	45.94	45.94
Deletions	-	-
As at 31 March 2022	98.38	98.38
Net Carrying Value		
As at 1 April 2021	184.60	184.60
As at 31 March 2022	231.38	231.38

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As at 31 March 2023			
		185.44	185.44
(ii) Lease Liabilities			
Particulars	Current	Non Current	Total
As at 1 April 2021	23.78	165.96	189.74
Additions	-	80.42	80.42
Accretions of interest	-	17.59	17.59
Payments of lease liabilities	-23.78	-21.22	45.00
Deletions	-	-	-
Re-classification from non current to current	38.64	-38.64	-
As at 31 March 2022	38.64	204.12	242.76
Additions	-	-	-
Accretions of interest	-	21.35	21.35
Payments of lease liabilities	-38.64	-21.35	(59.99)
Deletions	-	-	-
Re-classification from non current to current	28.87	-28.51	0.37
As at 31 March 2023	28.87	175.62	204.49

34 Financial instruments						
i)						
Financial assets and liabilities						
The carrying amounts of financial instruments by category are as follows:						
Particulars	As at 31 March 2023			As at 31 March 2022		
	Amortised cost	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI
Financial assets*						
Investments	-			-	-	-
Trade Receivables	5,344.74			5,012.29	-	-

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Loans	-			-	-	-
Cash and cash equivalents	43.09			44.55	-	-
Other Bank Balances	4.61			28.37	-	-
Other financial assets	952.89			874.86	-	-
Total financial assets	6,345.33	-	-	5,960.06	-	-
Financial liabilities*						
Borrowings	9,057.16			12,031.61	-	-
Lease liabilities	204.49			242.76	-	-
Trade payables	5,381.74			4,117.98	-	-
Other financial liabilities	487.57			421.30	-	-
Total financial liabilities	15,130.96	-	-	16,813.64	-	-

Particulars	As at 31 March 2021		
	Amortised cost	FVTPL	FVTOCI
Financial assets*			
Investments	-	-	-
Trade Receivables	3,845.61	-	-
Loans	-	-	-
Cash and cash equivalents	37.70	-	-
Other Bank Balances	15.98	-	-
Other financial assets	875.71	-	-
Total financial assets	4,775.00	-	-
Financial liabilities*			
Borrowings	5,841.71	-	-
Lease liabilities	189.74	-	-
Trade payables	3,727.53	-	-
Other financial liabilities	341.93	-	-

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ii)	Total financial liabilities	10,100.91	-	
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Fair Value Hiera

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 :
cost**

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

Particulars	As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
	Carrying value	Fair value*	Carrying value	Fair value*	Carrying value	Fair value*
Financial assets						
Investments	-	-	-	-	-	-
Trade Receivables	5,344.74	5,344.74	5,012.29	5,012.29	3,845.61	3,845.61
Loans	-	-	-	-	-	-
Cash and cash equivalents	43.09	43.09	44.55	44.55	37.70	37.70
Other Bank Balances	4.61	4.61	28.37	28.37	15.98	15.98
Other financial assets	952.89	952.89	874.86	874.86	875.71	875.71
Total financial assets	6,345.33	6,345.33	5,960.06	5,960.06	4,775.00	4,775.00
Financial liabilities						
Borrowings	9,057.16	9,057.16	12,031.61	12,031.61	5,841.71	5,841.71
Lease liabilities	204.49	204.49	242.76	242.76	189.74	189.74
Trade payables	5,381.74	5,381.74	4,117.98	4,117.98	3,727.53	3,727.53
Other financial liabilities	487.57	487.57	421.30	421.30	341.93	341.93
Total financial liabilities	15,130.96	15,130.96	16,813.64	16,813.64	10,100.91	10,100.91

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

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 rate	Variable rates borrowings	Sensitivity analysis	Negotiation of terms that reflect the market factors

A) Credit risk

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

a) Credit risk management

i) Credit risk rating

The Company assesses and manages credit risk of financial assets based on following categories arrived

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

- A: Low credit risk
- B: Moderate credit risk
- C: High credit risk

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

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

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

Credit rating	Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Low credit risk	Cash and cash equivalents, loans and other financial assets	6345.33	5960.06	4775

'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.

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b)Credit risk exposure
i) Provision for expected credit losses

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

As at 31 March 2023

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	43.09	-	43.09
Other bank balances	4.61	-	4.61
Trade receivables	5344.74	-	5344.74
Loans	0.00	-	0.00
Other financial assets	952.89	-	952.89

As at 31 March 2022

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	44.55	-	44.55
Other bank balances	28.37	-	28.37
Trade receivables	5012.29	-	5012.29
Loans	0.00	-	0.00
Other financial assets	874.86	-	874.86

As at 31 March 2021

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	37.70	-	37.70
Other bank balances	15.98	-	15.98
Trade receivables	3845.61	-	3845.61
Loans	0.00	-	0.00
Other financial assets	875.71	-	875.71

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.

B) Liquidity risk

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

Maturities of financial liabilities

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

As at 31 March 2023	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Non-derivatives					
Borrowings	8,538.36	594.48	373.72	1,898.61	11,405.17
Trade payable	6,218.96	-	-	-	6,218.96
Lease liabilities	43.12	47.00	48.62	126.78	265.52
Other financial liabilities	459.31	-	-	-	459.31
Total	15,259.74	641.48	422.34	2,025.39	18,349

As at 31 March 2022	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Non-derivatives					
Borrowings	8,760.18	351.62	142.12	-	9,253.92
Trade payable	4,117.98	-	-	-	4,117.98
Lease liabilities	43.59	8.52	8.52	42.60	103.23
Other financial liabilities	396.30	-	-	-	396.30
Total	13,318.05	360.14	150.64	42.60	13,871

As at 31 March 2021	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Non-derivatives					
Borrowings	4,663.84	329.52	356.41	142.12	5,491.89
Trade payable	3,727.53	-	-	-	3,727.53
Lease liabilities	31.38	21.83	8.52	51.12	112.85
Other financial liabilities	286.93	-	-	-	286.93
Total	8,709.68	351.35	364.93	193.24	9,619

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C) Market Risk
Interest Rate Risk
i) Liabilities

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

Interest rate risk exposure

Particulars	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Secured Variable rate borrowings	9551.30	8206.16	4848.10
UnSecured Variable rate borrowings	2060.00	1500.00	0.00
Total borrowings	11611.30	9706.16	4848.10

Sensitivity

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

Particulars	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Increase in borrowing rate by 1%	116.11	97.06	48.48
Decrease in borrowing rate by 1%	-116.11	-97.06	-48.48

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.

Earnings in Foreign currency

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

Expenditure in Foreign currency

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

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Financial Assets	As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
	USD \$	EUR	USD \$	EUR	USD \$	EUR
Trade Receivables In Foreign currency		161,714	827.00	174,183.34	10,221.12	155,752.08
Trade Receivables In INR		13,843,444	62,778	14,641,852	769,957	12,924,308

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

Financial Assets	As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
	USD \$	EUR	USD \$	EUR	USD \$	EUR
1% Depreciation in INR Impact on Profit and Loss Account - Income/ (Expense)		-138434	-627.776	146419	-7699.57	-129243
1% Appreciation in INR Impact on Profit and Loss Account - Income/ (Expense)		-138434	-627.776	146419	-7699.57	-129243

35 Related party transactions

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

a) Holding Company	
a) Subsidiary Company	Swapnil Switches Pvt. Ltd. Pavna Auto Engineering Pvt. Ltd. Pavna Sun World Autotech Pvt Ltd Pavna Marketing Pvt Ltd Pavna Goyam Auto Pvt Ltd
b) Entity having substantial interest in the Company	PJ Wealth Management & Consultants P. Ltd.
c) Key Managerial Personnel (KMP)	
Managing Director	Shri Swapnil Jain
Director	Smt. Asha Jain
Director	Smt. Priya Jain
Director	Shri Sanjay Kumar Jain
CFO	Shri Makarand Haribhau Mahajan
CS	Ms. Charu Singh
Independent Director	Shri Naozer Firoze Aibara
Independent Director	Shri Dhruv Jain
Independent Director	Shri Achyutanand Ramchandra Mishra
e) Relatives of Key Managerial Personnel (KMP)	

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Where transactions have taken place during the year or previous year or balances are outstanding	
f) Enterprise over which KMP exercise control or significant influence	Pavna Sports Venture Private Limited
	Ascus Cricket Private Limited
	Pavna Electric Systems Private Limited
	Pavna International Schools Private Limited
	PJ Wealth Management & Consultants P. Ltd.

Note No.- Related Party Disclosure - Contd..				
B. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:				
Nature of Transactions	Name of Related Party	Relationship	For the year ended 31 March 2023	For the year ended 31 March 2022
	Loan taken during the year			
Loan taken	Smt. Asha Jain	KMP	120.00	711.00
Loan taken	Smt. Priya Jain	KMP	180.00	0.00
Loan taken	Shri Swapnil Jain	KMP	859.00	100.00
Loan taken	PJ Wealth Management & Consultants P. Ltd.	Entity having substantial interest in the Company	150.00	442.28
	Loan Repaid during the year			
Repayment of Loan taken	Smt. Asha Jain	KMP	225.00	511.00
Repayment of Loan taken	Shri Pawan Jain	KMP		-
Repayment of Loan taken	Smt. Priya Jain	KMP	180.00	-
Repayment of Loan taken	Shri Swapnil Jain	KMP	590.00	100.00
Repayment of Loan taken	PJ Wealth Management & Consultants P. Ltd.	Entity having substantial interest in the Company	325.00	470.89
	Interest on Loans (Net of TDS)			
Interest(Net)	Smt. Asha Jain	KMP	10.52	26.91
Interest(Net)	Shri Pawan Jain	KMP		
Interest(Net)	Shri Swapnil Jain	KMP	9.26	4.32
Interest(Net)	Smt. Priya Jain	KMP	0.83	
Interest(Net)	PJ Wealth Management & Consultants P. Ltd.	Entity having substantial interest in the Company	76.85	115.95
	Remuneration, Salary & Other Expense			
Remuneration	Smt. Asha Jain	KMP	96.00	

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Remuneration	Shri Swapnil Jain	KMP	216.00	144.00
Remuneration	Smt. Priya Jain	KMP	180.00	
Remuneration	Mr. Ajay Maheshwari	KMP	11.90	
Remuneration	Shri. Makarand Mahajan	CFO	15.00	12.77
Remuneration	Ms. Charu Singh	CS	7.12	1.83
Remuneration	Vijay Sharma	KMP	24.00	20.00
Remuneration	Geetika Varshney	CS	0.00	1.86
Remuneration	Divyani Kotha	CS		5.67
PROFESSIONAL CHARGES	Shri Pawan Jain	KMP		
Building Rent	Smt. Asha Jain	KMP	28.08	5.64
Building Rent	Shri Pawan Jain	KMP		2.88
Lease Rent	Shri Pawan Jain	KMP		
Lease Rent	Smt. Asha Jain	KMP	0.10	0.10
Rent	Pavna Goyam Auto PvtLtd	Fellow Subsidiary	20.48	
Trade Mark Royalty	Shri Pawan Jain	KMP		
Trade Mark Royalty	Smt. Asha Jain	KMP	76.93	62.39
	Sales & Purchase			
	SSPL & PIL		368.59	178.92
	PAEPL & PIL		2295.54	101.61
	PIL & SSPL		242.99	659.36
	PIL & PAEPL		239.19	830.25
	PIL & PSAPL		0.58	5.69
	Pavna Sun World Autotech Pvt Ltd			
	Pavna Auto Engineering Pvt. Ltd.			
	PSAPL & PIL		11.46	1.13
	PIL & PMPL		100.81	1308.36
	PMPL & PIL		2695.60	134.45
	PGPL & PIL		238.71	3842.45
	PIL & PGPL		967.81	0.78
	PAEPL & SSPL			0.15
	PAEPL & PMPL		2.39	132.90
	SSPL & PMPL		13.50	1381.92
	PSAPL & PMPL		0.02	21.94
	PMPL & PAEPL		0.83	8.47
	PMPL & SSPL		278.58	4.39
	PMPL VS PSPL		14.54	0.00
	PGAPL & PAEPL			12.37
Sale / Purchase of Fixed Asset	SSPL & PIL		44.26	
	Investment of Shares- Sales/ Purchase			
Share Purchase	Pavna Auto Engineering Pvt. Ltd.	Subsidiary Company		
Share Purchase	Pavna Goyam Auto Pvt. Ltd.	Subsidiary Company		255.00

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	Security Deposits			
Security Deposit	Shri Pawan Jain	KMP		
	Short Term Loans & Advances			
Advances	Pavna Goyam Auto Pvt. Ltd.	Subsidiary Company	100.00	150.00

C. Details of related party balances as at year end:		
Nature of Transactions	Name of Related Party	Relationship
Loan Taken	Smt. Asha Jain	Director
Loan Taken	Shri Swapnil Jain	Director
Loan Taken	PJ Wealth Management & Consultants P. Ltd.	Entity having substantial interest in the Company
	Creditors & Debtors	
	PIL & SSPL	
	PIL & PMPL	
	PIL & PSAPL	
	PIL & PAEPL	
	PAEPL & PIL	
	PGAPL & PIL	
	PAEPL & PMPL	
	PGAPL & PAEPL	
	SSPL & PMPL	
	PSAPL & PMPL	
	Swapnil Switches Pvt. Ltd.	Subsidiary company
	Shri Pawan Jain	Managing director
	Smt. Asha Jain	Chairperson
Investments	Swapnil Switches Pvt. Ltd.	Subsidiary company
Investments	Pavna Marketing Pvt Ltd	Subsidiary company
Investments	Pavna Sun World Autotech Pvt Ltd	Subsidiary company
Investments	Pavna Auto Engineering Pvt. Ltd.	Subsidiary company
Investments	Pavna Goyam Auto Pvt. Ltd.	Subsidiary company
Security Deposit given*	Shri Pawan Jain & Smt. Asha Jain	Managing director

42 Financial Ratios							
Ratio	Measurement Unit	Numerator	Denominator	As at 31 March 2023	As at 31 March 2022	% Change March 2023	% Change March 2022
Current Ratio	Times	Current assets	Current liabilities	1.164	1.218	-0.045	-0.006
Debt Equity Ratio	Times	Total debt (Non-current borrowings + Current borrowings)	Total equity	1.851	1.813	0.021	0.751

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Debt Service coverage Ratio	Times	Earnings before depreciation and amortisation and interest (Profit & loss after tax + depreciation & amortisation expense+ Finance costs (excluding interest on lease liabilities))	Interest expenses (Including capitalised)+ Principal repayments (including prepayments)	1.929	2.109	-0.085	-0.330
Return on equity ratio	%	Profit after tax	Average of total equity	0.123	0.149	-0.176	-0.270
Inventory Turnover Ratio	Times	Cost of material consumed	Average Inventories	2.011	2.602	-0.227	-0.418
Trade Receivables turnover Ratio	Times	Revenue from Operations	Average trade receivables	6.995	7.126	-0.018	-0.367
Trade Payables turnover Ratio	Times	Purchase + other expenses	Average trade payables	5.601	6.394	-0.124	-0.193
Net Capital turnover ratio	Times	Revenue from Operations	Working capital (Current assets-current liabilities)	14.436	11.494	0.256	-0.054
Net Profit ratio	%	Profit after tax	Revenue from operations	0.024	0.029	-0.178	0.104
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)	0.159	0.160	-0.010	-0.053
Return on Investment	%	Profit after tax	Equity share capital + securities premium	0.330	0.456	-0.276	0.589

43 Corporate Social Responsibility		
Particulars	Mar-23	Mar-22
CSR liability for the year:		
Average net profit for last 3 years	803.8581863	768.2727395
CSR liability (2% of average) for the year	16.07716373	15.36545479
Amount spent during the year	16.08	7.4975
Balance amount unspent	0	7.867954791

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Cummulative Payable	0	11.6172
Amount spent during the year 22-23	0	11.6172

44 Information relating to Litigations

Company has received following GST orders and Notices-Order for Aligarh Unit is Rs. 1489753 and for Aurangabad Unit Rs 131123. Notice for Input Tax - Reconciliation has been received and we are in process of its disposal and necessary step has been taken. There is dispute regarding accidental claim by worker which amounts to approximately Rs 17 Lakhs.

45 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) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

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

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

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

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

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

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

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

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

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

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

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

(xii) There are some differences between stock statement submitted to bank and books of accounts. These difference are due to clerical mistake, some amount remain undisclosed in stock statement submitted to bank

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

Particulars	Note	Previous GAAP*	Effect of transition to Ind AS	Ind AS
Non-current assets				
Property, plant and equipment		5,260.56	178.14	5,082.43
Right of Use assets			184.60	184.60
Financial assets			-	-
Investments		-	-	-
Others		1,187.64	359.34	828.30
Deferred tax assets (net)			-	-
Other Non Current assets		7.16	282.20	289.36
Total non-current assets		6,455.37	70.67	6,384.69
Current assets				
Inventories		4,635.25	-	4,635.25
Financial assets			-	-
Trade Receivable		3,845.61	0.00	3,845.61
Cash and cash equivalents		64.04	26.35	37.70
Other Bank Balances		-	15.98	15.98
Loans			-	-
Others			47.41	47.41
Income tax assets (net)		1,135.47	1,032.57	102.90
Other current assets		99.60	1,023.07	1,122.67
Total current assets		9,779.98	27.54	9,807.52
Total assets		16,235.35	43.13	16,192.21
Equity				
Equity share capital		609.04	-	609.04
Other equity		5,086.73	(54.87)	5,031.86

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Total equity		5,695.77	(54.87)	5,640.90
Non-current liabilities				
Financial liabilities				
Long term borrowings	2,185.89		14.40	2,171.49
Lease liabilities	-		165.96	165.96
Other Non current financial liabilities	55.00		-	55.00
Provisions	177.41		-	177.41
Deferred tax liabilities (net)	112.91		133.78	20.88
Total non-current liabilities		2,531.20	17.78	2,548.98
Current liabilities				
Financial liabilities				
Borrowings	3,669.51		0.71	3,670.22
Lease Liabilities	-		23.78	23.78
Trade payables	-		-	-
Total outstanding dues of micro enterprises and small enterprises	-		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,869.76		142.22	3,727.53
Other financial liabilities	-		286.93	286.93
Other current liabilities	145.14		5.60	150.74
Income tax liabilities	-		3.33	3.33
Short Term Provision	323.96		-	139.81
Total current liabilities		8,008.37	6.04	8,002.34
Total equity and liabilities		16,235.35	43.13	16,192.21

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

A 46 Explanation of transition to Ind AS
1

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

Particulars	Note	Previous GAAP*	Effect of transition to Ind AS	Ind AS
Non-current assets				
Property, plant and equipment		7,700.79	252.09	7,448.70
Right of Use assets		-	231.38	231.38
Financial assets		-	-	-
Investments		-	-	-
Others		1,187.17	329.81	857.36
Deferred tax assets (net)		-	-	-
Other Non Current assets		6.64	246.29	252.93
Total non-current assets		8,894.59	104.22	8,790.37
Current assets				
Inventories		9,180.89	0.02	9,180.91
Financial assets		-	-	-
Trade Receivable		5,012.28	0.01	5,012.29
Cash and cash equivalents		68.22	23.67	44.55
Other Bank Balances		-	28.37	28.37
Loans		902.68	902.68	-
Others		-	17.50	17.50
Income tax assets (net)		76.42	0.13	76.55
Other current assets		-	959.37	959.37
Total current assets		15,240.49	79.05	15,319.54
Total assets		24,135.08	25.18	24,109.90
Equity				
Equity share capital		609.04	-	609.04
Other equity		6,107.16	(80.66)	6,026.49
Total equity		6,716.20	(80.66)	6,635.53
Non-current liabilities				

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Financial liabilities				
Long term borrowings	4,456.57		0.00	4,456.57
Lease liabilities			204.12	204.12
Other Non current financial liabilities	25.00		-	25.00
Provisions	219.97		-	219.97
Deferred tax liabilities (net)	200.23		205.19	4.96
Total non-current liabilities	4,901.77		1.06	4,900.71
Current liabilities				
Financial liabilities				
Borrowings	7,570.41		4.63	7,575.04
Lease Liabilities			38.64	38.64
Trade payables	-		-	-
Total outstanding dues of micro enterprises and small enterprises	-		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,191.27		73.29	4,117.98
Other financial liabilities	-		396.30	396.30
Other current liabilities	305.40		5.31	300.08
Income tax liabilities	-		4.26	4.26
Short Term Provision	450.04		308.67	141.37
Total current liabilities	12,517.11		56.55	12,573.66
Total equity and liabilities	24,135.08		25.18	24,109.90

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

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

Particulars	Note	Previous GAAP*	Effect of transition to Ind AS^	Ind AS
Revenue				
Revenue from operations		33,572.95	2,011.76	31,561.19
Other income		122.01	17.67	139.68
Total revenue		33,694.96	(1,994.09)	31,700.87
Expenses				
Cost of materials consumed		23,706.26	1,408.00	22,297.84
Change in Inventory of finished goods		-	-	-
Employee benefits expense		3,625.46	91.00	3,534.87
Finance costs		926.19	(5.41)	920.78
Depreciation and Amortisation Expenses		920.17	(1.04)	919.13
Other expenses		5,232.14	(358.16)	4,873.98
Total expenses		32,296.07	(1,863.61)	30,432.44
Profit before tax		1,398.89	(130.48)	1,268.43
Tax expense				
Current tax		359.91	0.00	359.91
Deferred tax		74.51	(81.39)	6.88
Earlier years tax adjustments (net)		-	-	-
Mat Credit adjustments		-	-	-
Profit for the year		964.47	(49.09)	915.40
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Re-measurements of the defined benefit plans		-	19.12	19.12
Income tax relating to above item	D3	-	(4.81)	4.81
Total comprehensive income for the year		964.47	(34.78)	929.70

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

B Ind AS optional exemptions

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

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

B Ind AS mandatory exceptions

1 Estimates

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

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

2 Classification and measurement of financial assets and liabilities

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

C Reconciliations between Previous GAAP and Ind AS

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

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

Particulars	Notes to first time adoption	31 March 2022	1 April 2021
Total equity (shareholder's funds) as per Previous GAAP		6,716.20	5,695.77
Adjustments:			
Effective Interest rate adjustment on term loan		-	-
Security deposit valued at amortised cost		-	-
Amortization & Interest cost of Right of Use assets		20.71	6.46

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Change in Depreciation		-	-
Change in Deferred Tax		(528.37)	(81.40)
Other assets - Current / Non current		426.99	20.06
Total adjustments		(80.66)	(54.87)
Total equity as per Ind AS		6,635.53	5,640.90

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

Particulars	Notes to first time adoption	31 March 2022
Profit after tax as per Previous GAAP		964.47
Adjustments:		
Security deposit valued at amortised cost		-
Amortization & Interest cost of Right of Use assets		(5.41)
Change in Depreciation		-
Change in Deferred Tax due to above adjustments		(81.39)
Other expenses		37.73
Total adjustments		(49.07)
Profit for the year		915.40
Other comprehensive income		
Remeasurement of defined benefit obligations reclassified to OCI (net of tax)		14.31
Total comprehensive income for the year		929.71

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

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

D Notes to first time adoption

1 Lease Accounting

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

2 Tax impact on adjustments

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

3. Other Comprehensive Income

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

4. Borrowing

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

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

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

Sd/-
Rajeev Kumar
Proprietor
Membership No.: 070103

Sd/-
Asha Jain
Director
DIN: 00035024

Sd/-
Swapnil Jain
Director
DIN: 01542555

Place: Aligarh
Date: 30.05.2023

Sd/-
Makarand Mahajan
Chief Financial Officer
PAN : ABUPM4863G

Sd/-
Charu Singh
CS & CO
PAN : CVBPS6669B

NOTICE

(PURSUANT TO SECTION 101 OF THE COMPANIES ACT, 2013)

NOTICE IS HEREBY GIVEN THAT THE 29TH ANNUAL GENERAL MEETING OF THE MEMBERS OF PAVNA INDUSTRIES LIMITED TO BE HELD AT PAVNA INTERNATIONAL SCHOOL, ALIGARH—AGRA HIGHWAY, NEAR MANGALAYATAN MANDIR, ALIGARH-202001, UTTAR PRADESH INDIA ON SEPTEMBER 29, 2023 FRIDAY AT 11:00 A.M TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone and Consolidated Audited Balance Sheet as at March 31, 2023 and the Profit and Loss Account for the year ended on that date together with the Schedules thereon, along with the Reports of the Directors and Auditors thereon.
2. To re-appoint Mrs. Priya Jain (DIN: 03355623), who retires by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of section 152 of the Companies Act, 2013 , Mrs. Priya Jain (DIN: 03355623) who retires by rotation and being eligible offers herself for reappointment, be and is hereby re-appointed as a director of the company.

SPECIAL BUSINESS:**3. Appointment of Mr. Dhruv Jain (DIN: 09835701) as an Independent Director of the Company**

The following resolution was passed as Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 read with schedule IV and Section 161(1) read with Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions, sections, rules of the Companies ACT, 2013 (including statutory modifications or re-enactment thereof for the time being in force), approval and recommendation of the Nomination and Remuneration Committee and that of the Board, Mr. Dhruv Jain (DIN: 09835701) was appointed as an Additional Non-Executive Independent Director on the Board of the Company with effect from 14th February, 2023, the approval of the members/shareholders of the Company be and are hereby accorded to the appointment of Mr. Dhruv Jain (DIN:09835701) as an independent Director of the Company on the Board of the Company to hold office for a term of five (5) consecutive years from 14th February, 2023 to 13th February, 2028 and that he will be liable to determination by retirement of directors by rotation.”

“RESOLVED FURTHER THAT pursuant to the provisions of Section 149, 197 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder [including any statutory modifications(s) or re-enactment(s) thereof], Mr. Dhruv Jain be paid such sitting fees as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed by the Company from time to time.”

RESOLVED FURTHER THAT any of the Directors of the Company be and is/are hereby authorised on behalf of the board to sign, submit, attest, place papers and Form(s) for Certification, as if required and uploading with ROC Office through MCA Portal, to provide certified true copies of this resolution and

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is/are also authorize to take all necessary steps in pursuance of the matter and to file necessary forms, execute all needful compliance with regard to the matter, his/her or their all acts and deeds will be binding to the company.”

4. **Appointment of Mrs. Priyanka Moondra Rathi (DIN: 09485101) as an Independent Director of the Company**

The following resolution was passed as Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 read with schedule IV and Section 161(1) read with Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions, sections, rules of the Companies ACT, 2013 (including statutory modifications or re-enactment thereof for the time being in force), approval and recommendation of the Nomination and Remuneration Committee and that of the Board, Mrs. Priyanka Moondra Rathi (DIN: 09485101) was appointed as an Additional Non-Executive Independent Director on the Board of the Company with effect from 14th August, 2023, the approval of the members/shareholders of the Company be and are hereby accorded to the appointment of Mrs. Priyanka Moondra Rathi (DIN: 09485101) as an independent Director of the Company on the Board of the Company to hold office for a term of five (5) consecutive years from 14th August, 2023 to 13th August, 2028 and that he will be liable to determination by retirement of directors by rotation.”

“**RESOLVED FURTHER THAT** pursuant to the provisions of Section 149, 197 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder [including any statutory modifications(s) or re-enactment(s) thereof], Mrs. Priyanka Moondra Rathi be paid such sitting fees as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed by the Company from time to time.”

RESOLVED FURTHER THAT any of the Directors of the Company be and is/are hereby authorised on behalf of the board to sign, submit, attest, place papers and Form(s) for Certification, as if required and uploading with ROC Office through MCA Portal, to provide certified true copies of this resolution and is/are also authorize to take all necessary steps in pursuance of the matter and to file necessary forms, execute all needful compliance with regard to the matter, his/her or their all acts and deeds will be binding to the company.”

5. **Appointment of Mrs. Himani Bhootra (DIN: 09811030) as an Independent Director of the Company**

The following resolution was passed as Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 read with schedule IV and Section 161(1) read with Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions, sections, rules of the Companies ACT, 2013 (including statutory modifications or re-enactment thereof for the time being in force), approval and recommendation of the Nomination and Remuneration Committee and that of the Board, Mrs. Himani Bhootra (DIN: 09811030) was appointed as an Additional Non-Executive Independent Director on the Board of the Company with effect from 17th April, 2023, the approval of the members/shareholders of the Company be and are hereby accorded to the appointment of Mrs. Himani Bhootra (DIN: 09811030) as an independent Director of the Company on the Board of the Company to hold office for a term of five (5) consecutive years from 17th April, 2023 to 16th April, 2028 and that he will be liable to determination by retirement of directors by rotation.”

“**RESOLVED FURTHER THAT** pursuant to the provisions of Section 149, 197 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder [including any statutory modifications(s) or re-enactment(s) thereof], Mrs. Himani Bhootra be paid such sitting fees as the Board

may approve from time to time and subject to such limits, prescribed or as may be prescribed by the Company from time to time.”

RESOLVED FURTHER THAT any of the Directors of the Company be and is/are hereby authorised on behalf of the board to sign, submit, attest, place papers and Form(s) for Certification, as if required and uploading with ROC Office through MCA Portal, to provide certified true copies of this resolution and is/are also authorize to take all necessary steps in pursuance of the matter and to file necessary forms, execute all needful compliance with regard to the matter, his/her or their all acts and deeds will be binding to the company.”

6. Re-Appointment of Mr. Achyutanand Ramchandra Mishra (DIN: 08940098) as an Independent Director of the Company

The following resolution was passed as Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 read with schedule IV and Section 161(1) read with Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions, sections, rules of the Companies ACT, 2013 (including statutory modifications or re-enactment thereof for the time being in force), Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval and recommendation of the Nomination and Remuneration Committee and that of the Board, Mr. Achyutanand Ramchandra Mishra (DIN: 08940098) was re-appointed as an Additional Non-Executive Independent Director on the Board of the Company with effect from 1st September, 2023, the approval of the members/shareholders of the Company be and are hereby accorded to the re-appointment of Mr. Achyutanand Ramchandra Mishra (DIN: 08940098) as an independent Director of the Company on the Board of the Company to hold office for a term of five (5) consecutive years from 1st September, 2023 to 31st August, 2028 and that he will be liable to determination by retirement of directors by rotation.”

“**RESOLVED FURTHER THAT** pursuant to the provisions of Section 149, 197 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder [including any statutory modifications(s) or re-enactment(s) thereof], Mr. Achyutanand Ramchandra Mishra be paid such sitting fees as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed by the Company from time to time.”

RESOLVED FURTHER THAT any of the Directors of the Company be and is/are hereby authorised on behalf of the board to sign, submit, attest, place papers and Form(s) for Certification, as if required and uploading with ROC Office through MCA Portal, to provide certified true copies of this resolution and is/are also authorize to take all necessary steps in pursuance of the matter and to file necessary forms, execute all needful compliance with regard to the matter, his/her or their all acts and deeds will be binding to the company.”

7. Disinvestment in Wholly Owned Subsidiary (Pavna Govam Auto Private Limited) under Section 180(1)(a) of the Companies Act, 2013:

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of section 180(1)(a) and other applicable provisions if any, of the Companies Act, 2013, and the relevant rules made thereunder, Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modifications, amendments or re-enactments of any of them for the time being in force), the Memorandum and Articles of Association of the company and subject to other requisite approvals to the extant necessary as may be required, the consent of the members be and is hereby accorded to the Board

of Directors of the Company (hereinafter referred to as Board) to sell/ transfer or otherwise dispose-off in one or more tranches, the entire investments i.e. 25,50,000/- shares held in Pavna Goyam Auto Private Limited., a wholly owned subsidiary company to the purchasers and at the consideration not less than the amount as mentioned below; or to any other purchasers (not being related) with whom the Board may finalise the agreement and on such other terms and conditions as may be approved by the Board:

S.No.	Purchaser	No.of Shares	Consideration (In Rs.)
1.	Pankaj Premchand Phulpagar	21,70,000/-	2,17,00,000/-
2.	Lokesh Pankaj Fulfagar	3,80,000/-	38,00,000/-
	Total	25,50,000/-	

RESOLVED FURTHER THAT for the purpose of implementation of this resolution, the Board be and is hereby authorised to do all such acts, deeds, matter and things, including but not limited to deciding the time, mode, manner, extent of tranches, if required and other terms and conditions of the disinvestment/ sales of the shares as aforesaid, negotiating and finalising the terms of sale/ offer for sale as may be necessary, desirable and expedient to be agreed, and all incidental and necessary steps for and on behalf of the company and to settle all questions or queries that may arise in the course of implementing this resolution.

8. Review and approve the Related Party Transactions

To approve Related Party Transactions of the Company and in this regard, to consider and if thought fit, to pass the following resolution as Special Resolution:

“RESOLVED THAT pursuant to provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Meeting of Board and its Powers) Rules, 2014 and in terms of applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and pursuant to the consent of the Audit Committee vide resolutions passed in their respective meetings, the approval of the Company be and is hereby accorded to the Related Party Transactions as entered by the company during Financial Year 2023-24 as per details set out under item no. 8 of the Statement annexed to this Notice.

RESOLVED FURTHER THAT Board of Directors (hereinafter referred to as the “Board” which term shall be deemed to include any Committee thereof) be and are hereby authorized to perform and execute all such deeds, matters and things including delegation of authority as may be deemed necessary or expedient to give effect to this resolution and for the matters connected therewith or incidental thereto”.

By Order of the Board of Directors
Sd/-
Charu Singh
Company Secretary

Aligarh
September 1, 2023

Registered office:
Vimlanalhari nagar Aligarh, Uttar Pradesh-202001,India
[Tel:+91-0571-2410010](tel:+91-0571-2410010)
Website: www.pavna.in, Email; cs@pavnagroup.com
CIN:L34109UP1994PLC016359

NOTES:

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1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The instrument of Proxy in order to be effective and valid, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form MGT -11 is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

Members are requested to note that a person can act as a proxy on behalf of Members not exceeding 50 members provided shareholding of those members in aggregate should not be more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorized representatives to attend the meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the Board resolution authorizing their representatives to attend and vote on their behalf at the meeting.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto. The relevant details, pursuant to Regulations 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this Annual General Meeting ("AGM") is also annexed.
4. Members are requested to bring their attendance slip along with copy of the report and accounts to Annual General Meeting. Duplicate attendance slips shall not be issued.
5. Relevant documents referred to in the accompanying Notice & Explanatory Statement would be available for inspection by the members at the Registered Office of the Company on all working days, except Saturday / Sunday & Public Holidays, between 11.00 a.m. to 1.00 p.m. up to the date of the Annual General Meeting.
6. Members are requested to notify immediately any changes, if any, in their registered addresses at an early date to the Registrar and Share Transfer Agent, quoting their folio numbers/client ID/ DP ID in all correspondence, so as to enable the Company to address any future communication at their correct address.
7. Members holding shares in dematerialised mode are requested to intimate all changes pertaining to their bank details/NECS/ mandates, nominations, power of attorney, change of address/ name, Permanent Account Number ('PAN') details, etc. to their Depository Participant only and not to the Company's RTA. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and its RTA provide efficient and better service to the members.
8. Members attending the meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting Venue.

9. Members desirous of seeking any information concerning the Accounts of the Company are requested to address their queries in writing to the Company at least seven days prior to the Annual General Meeting so that the requested information can be made available at the time of the meeting.
10. In case of joint holders attending the meeting, only such joint holders who are higher in the order of names will be entitled to vote.
11. No gifts shall be provided to members before, during or after the AGM.
12. Rule 11 of the Companies (accounts) Rules, 2014 permits circulation of Annual Report through electronic means to such of the shareholders whose e-mail addresses are registered with NSDL or CDSL or the shareholders who have registered their e-mail IDs with the Company to receive the documents in electronic form and physical copies to those shareholders whose e-mail IDs have not been registered either with the Company or with the depositories. To support “Green Initiative in Corporate Governance” Electronic copy of the Annual Report is being sent to all the members who’s Email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report is being sent in the permitted mode.
13. Members are requested to address all correspondence pertaining to their securities mentioning Client ID or DP ID numbers, as applicable, including any change of address, if any, to the Registrar and Transfer Agent of the Company viz.:
LINK INTIME INDIA PRIVATE LIMITED
C-101, 1 Floor, 247 Park, L.B.S. Marg, Vikhroli
(West), Mumbai, Maharashtra, India, 400083
Tel: +91 22 4918 6200
Email: pavna.ipo@linkintime.co.in,
Website: www.linkintime.co.in
Investor Grievance Email: pavna.ipo@linkintime.co.in
14. Members are requested to support this green initiative by registering / updating their e-mail addresses, in respect of shares held in dematerialized form with their respective Depository participants. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts.
15. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, Companies can serve Annual Reports & other communications through electronic mode to those members whose email IDs are registered with the Company. As per provisions of Section 20 of the Companies Act, 2013 read with Rules made there under, a document may be served on any member by sending it to him/her by post or by registered post or by speed post or by courier or by delivering at his/her office/home address or by such electronic mode as may be prescribed including by facsimile telecommunication or to electronic mail address, which the member has provided to the Company from time to time for sending communications, provided that a member may request for delivery of any document through a particular mode, for which he/she shall pay such fees as may be determined by the

Company in its Annual General Meeting. For members who have not registered their email address with the Company, the service of documents will be affected by other modes of services as provided in Section 20 of the Companies Act, 2013 read with the relevant Rules there under. Printed copies of the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of voting along with Attendance Slip and Proxy Form is being sent to all members in the permitted mode.

16. Members may also note that the Notice of the Annual General Meeting and the Annual Report for 2021 will also be available on the Company's website www.pavna.in for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, free of cost. For any communication, the shareholders may also send requests to the Company's designated email id: mail to:cs@pavnagroup.com

17. Pursuant to the provisions of Section 91 of the Companies Act, 2013 **the Register of Members and Share Transfer Books of the Company will remain close from Saturday, 23rd September, 2023 to Friday, 29th September, 2023 (both days inclusive)** in connection with the Annual General Meeting.

18. VOTING SYSTEM:

Pursuant to the provisions of section 108 of the Companies Act, 2013, rules 20 and 21 of the Companies (Management & Administration) Rules 2014 and sub Reg. (1) & (2) of Reg. 44 of SEBI (LODR) Regulations, 2015, the Company is not required to provide mandatorily to its members the electronic facility to exercise their right to vote at the AGM. Therefore, in terms the provisions of section 108 of the Companies Act, 2013, at any general meeting, a resolution put to the vote of the meeting shall, unless a poll is demanded under section 109 or the voting is carried out electronically, be decided on a show of hands. A declaration by the Chairman of the meeting of the passing of a resolution or otherwise by show of hands under sub-section (1) and an entry to that effect in the books containing the minutes of the meeting of the Company shall be conclusive evidence of the fact of passing of such resolution or otherwise.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins on 26th September, 2023 at 09:00 A.M. and ends on 28th September, 2023 at 05: 00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 22nd September, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 22nd September, 2023.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:





Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies,

Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
<p>Individual Shareholders holding securities in demat mode with NSDL.</p>	<ol style="list-style-type: none"> Existing IDEAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDEAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period If you are not registered for IDEAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDEAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div> </div>

<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30</p>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or</p>

B) Login Method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL

- account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
 - a) Click on “[Forgot User Details/Password?](#)”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) [Physical User Reset Password?](#)” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
 7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
 8. Now, you will have to click on “Login” button.
 9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to nitin@servamail.in with a copy marked to evoting@nsdl.co.in. Institutional shareholders

(i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Himali Singh at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cs@pavnagroup.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to cs@pavnagroup.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. [Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode](#).
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

The instructions for members for e-voting on the day of the AGM are as under:

- Shareholders who have voted through Remote E-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
- Every Member entitled to vote on a Resolution and present in person shall, on a show of hands, have only one vote irrespective of the number of shares held by him.
- A Proxy cannot vote on a show of hands.
- The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, within two working days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total

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votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same.

- The Results on above resolutions shall be declared within two working days of the conclusion of the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favor of the Resolutions.
- The Results of voting declared along with Scrutinizer's Report(s) will be displayed on the website of the Company (www.pavnagroup.com) and on Service Provider's website (<https://evoting.nsdl.com>) and the same shall also be simultaneously communicated to the National Stock Exchange of India Limited (NSE).

By Order of the Board of Directors
Sd/-

Aligarh
September 1, 2023

Charu Singh
Company Secretary

Registered office:

Vimlanchalhari Nagar Aligarh, Uttar Pradesh-202001,India

Tel: [+91-0571-2410010](tel:+91-0571-2410010)

Website: www.pavna.in, Email; cs@pavnagroup.com

CIN:L34109UP1994PLC016359



**ANNEXURE-I TO NOTICE
DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE
TWENTY-NINTH ANNUAL GENERAL MEETING
[PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND
DISCLOSURE REQUIREMENTS) REGULATIONS, 2015]**

Name of Director	Mr. Dhruv Jain (DIN:09835701)	Mrs. Priyanka Moondra Rathi (DIN: 09485101)
Age	36 Years	30 Years
Date of Appointment	14-02-2023	14-08-2023
Period of Appointment	5 (Five) Years	5 (Five) Years
Profile & Expertise in specific Functional Areas	He is experienced Tax Advisor and consultant with over 12 years of expertise in the areas of Tax Planning, Settlement Negotiation, Government relationship Management and submission to Indian Tax Authorities, Proficient in the Computation of the Corporate, Partnership Firms, and Individual Taxes.	She has worked with Advani Power Limited, Rathi Eduserve & Corporate Consultancy Services Private Limited, Sigma Minerals Limited and currently she is working with Transmissions International India Private Limited Rajasthan as an Internal Controller & Company Secretary, Finance Department. She has an experience of more than 4 years including internship in the field of Secretarial, Compliances and Legal work.
Qualifications	Bachelors of Commerce and a Bachelor's degree in Law	Associate member of ICSI, Bachelors of Commerce and Diploma in MBA in Finance from International Business Management Institute, Berlin, Germany
Other Positions	Nil	Nil
Directorship of other Companies	Nil	1.Uma Polymers Limited 2.Rex Sealing and Packing Industries Limited 3.CFF Fluid Control Limited 4.Capstor Finance Private Limited 5.Arrowhead Separation Engineering Limited 6.Shreeshay Engineers Limited
Membership of Committees in other Unlisted Public Companies	Nil	Nil
Inter Relationship	Not Related	Not Related
Shares in the Company as at 31 st march, 2023	Nil	Nil

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Name of Director	Mrs. Himani Bhootra (DIN: 09811030)	Mr.Achyutanand Ramchandra Mishra (DIN: 08940098)
Age	31 Years	85 Years
Date of Appointment	17-04-2023	01-09-2023
Profile & Expertise in specific Functional Areas	She has expertise in the field of Secretarial, Compliances and Legal Work.	He has a total experience of 38 years in the field of Mass Media. He was previously associated with Amar Ujala, Lucknow as Reported and Chief Bureau; Jansatta, Delhi as Senior Editor; Amar Ujala, Kanpur as Founder Editor; Navbharat Times as Senior Editor; Lokmat Samachar as Chief Editor. He has also held an important position of a Vice Chancellor of Makhanlal Chaturvedi Rashtriya Patrakarita Evam Sanchar Vishwavidyalaya, Bhopal.
Qualifications	Associate member of ICSI, Bachelors of Commerce (B.Com) and Masters of Commerce (M.Com) and a Bachelor's degree in Law (LLB)	He has been awarded with a Masters of Arts in Political Science by Banaras Hindu University in the Year 1960
Other Positions	Nil	Nil
Directorship of other Companies	Nil	
Membership of Committees in other Unlisted Public Companies	Nil	Nil
Inter Relationship	Not Related	Not Related
Shares in the Company as at 31 st march, 2023	Nil	Nil

Name of Director	Mrs. Priya Jain (DIN: 03355623)
Age	36 Years
Original Date of Appointment	01-04-2020
Period of Appointment	N.A
Profile & Expertise in specific Functional Areas	She has a total experience of 9 years in the automotive industry. She is responsible for the day to day operations and Business Development of Our Company.
Qualifications	She has been awarded with a Degree of Bachelor of Technology in Computer Science and Engineering from Mangalayatan University, Aligarh in the year 2012.
Other Positions	Nil
Directorship of other Companies	Nil
Membership of Committees in other Unlisted Public Companies	Nil
Inter Relationship	Wife of Mr. Swapnil Jain (Managing Director)
Shares in the Company as at 31 st march, 2023	4,04,000/-

Statement / Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 and additional information as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Circulars issued Thereunder

The following Statement sets out all material facts relating to the business mentioned under Item No.3 to 8

Item 3: Appointment of Mr. Dhruv Jain (DIN: 09835701) as an Independent Director

Mr. Dhruv Jain (DIN: 09835701) has been appointed as an additional non-executive Independent Director of the Company on the approval and recommendation of the Nomination and Remuneration Committee and the Board of Directors w.e.f 14th February, 2023 for a period of five years from 14th February, 2023 to 13th February, 2028 subject to the approval of members in the General Meeting. Mr. Dhruv Jain is qualified to be appointed as a Director in terms of Section 164 of the Companies Act, 2013 (the “Act”) and has given his consent to act as a Director. The Company has also received declaration from Mr. Dhruv Jain that he meets the criteria of independence as prescribed, both, under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”) and that he is not debarred from holding the office of director by virtue of any order from Securities and Exchange Board of India (“SEBI”) or any such authority.

He is a Commerce graduate and also having a Bachelor’s degree in Law. He is an experienced Tax Advisor and consultant with over 12 years of expertise in the areas of Tax Planning, Settlement Negotiation, Government relationship Management and submission to Indian Tax Authorities, Proficient in the Computation of the Corporate, Partnership Firms, and Individual Taxes.

Mr. Dhruv Jain is interested in the resolution set out at Item no.4 of the Notice with regard to his appointment. Relatives of Mr. Dhruv Jain may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

Item 4: Appointment of Mrs. Priyanka Moondra Rathi (DIN: 09485101) as an Independent Director of the Company

Mrs. Priyanka Moondra Rathi (DIN: 09485101) has been appointed as an additional non-executive Independent Director of the Company on the approval and recommendation of the Nomination and Remuneration Committee and the Board of Directors w.e.f 14th August, 2023 for a period of five years from 14th August, 2023 to 13th August, 2028 subject to the approval of members in the General Meeting. Mrs. Priyanka Moondra Rathi is qualified to be appointed as a Director in terms of Section 164 of the Companies Act, 2013 (the “Act”) and has given her consent to act as a Director. The Company has also received declaration from Mrs. Priyanka Moondra Rathi that she meets the criteria of independence as prescribed, both, under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”) and that she is not debarred from holding the office of director by virtue of any order from Securities and

Exchange Board of India (“SEBI”) or any such authority.

She has completed Bachelors of Commerce degree from Jai Narayan Vyas University in the year 2013 and is a member of Institute of Company secretaries of India since 2017. She has completed Diploma in MBA in Finance from International Business Management Institute, Berlin, Germany in the year 2020 and is currently pursuing Certified Public Accountants course. She has worked with Adani Power Limited, Rathi Eduserve & Corporate Consultancy Services Private Limited, Sigma Minerals Limited and currently she is working with Transmissions International India Private Limited Rajasthan as an Internal Controller & Company Secretary, Finance department She has an experience of more than 4 years including internship in the field of Secretarial, Compliances and Legal work.

Mrs. Priyanka Moondra Rathi is interested in the resolution set out at Item no.4 of the Notice with regard to his appointment. Relatives of Mrs. Priyanka Moondra Rathi may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

Item 5: Appointment of Mrs. Himani Bhootra (DIN: 09811030) as an Independent Director of the Company

Mrs. Himani Bhootra (DIN: 09811030) has been appointed as an additional non-executive Independent Director of the Company on the approval and recommendation of the Nomination and Remuneration Committee and the Board of Directors w.e.f 17th April, 2023 for a period of five years from 17th April, 2023 to 16th April, 2028 subject to the approval of members in the General Meeting. Mrs. Himani Bhootra is qualified to be appointed as a Director in terms of Section 164 of the Companies Act, 2013 (the “Act”) and has given her consent to act as a Director. The Company has also received declaration from Mrs. Himani Bhootra that she meets the criteria of independence as prescribed, both, under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”) and that she is not debarred from holding the office of director by virtue of any order from Securities and Exchange Board of India (“SEBI”) or any such authority.

She is an Associate member of ICSI and holds degree of Bachelors of Commerce (B.Com) and Masters of Commerce (M.Com) and a Bachelor’s degree in Law (LLB) from JNVU, Jodhpur.

Mrs. Himani Bhootra is interested in the resolution set out at Item no.5 of the Notice with regard to his appointment. Relatives of Mrs. Himani Bhootra may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

Item 6: Re-Appointment of Mr. Achyutanand Ramchandra Mishra (DIN: 08940098) as an Independent Director of the Company

Mr. Achyutanand Ramchandra Mishra (DIN: 08940098) was earlier appointed as an additional non-executive Independent Director of the Company on October 8, 2020 and then he was regularized as non-executive Independent Director of the Company on November 27, 2020. Due to his personal reasons, he resigned on April 20, 2023.

Mr. Achyutanand Ramchandra Mishra is qualified to be appointed as a Director in terms of Section 164

of the Companies Act, 2013 (the “Act”) and has given his consent to act as a Director. The Company has also received declaration from Mr. Achyutanand Ramchandra Mishra that he meets the criteria of independence as prescribed, both, under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”) and that he is not debarred from holding the office of director by virtue of any order from Securities and Exchange Board of India (“SEBI”) or any such authority.

Mr. Achyutanand Ramchandra Mishra (DIN: 08940098) has been again re-appointed as an additional non-executive Independent Director of the Company on the approval and recommendation of the Nomination and Remuneration Committee and the Board of Directors w.e.f 1st September, 2023 for a period of five years from 1st September, 2023 to 31st August, 2023 subject to the approval of members in the General Meeting.

Mr. Achyutanand Ramchandra Mishra is above the age of Seventy five years. The Company has earlier grown under his guidance and wisdom and it would be in the interest of the Company that he guide the Company as an independent Director even after he has attained the age of Seventy-five years. Accordingly, approval of the Members is sought for passing the resolution proposed at Item 6 as a Special Resolution in compliance with Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

He has a total experience of 38 years in the field of Mass Media. He was previously associated with Amar Ujala, Lucknow as Reported and Chief Bureau; Jansatta, Delhi as Senior Editor; Amar Ujala, Kanpur as Founder Editor; Navbharat Times as Senior Editor; Lokmat Samachar as Chief Editor. He has also held an important position of a Vice Chancellor of Makhanlal Chaturvedi Rashtriya Patrakarita Evam Sanchar Vishwavidyalaya, Bhopal. He has been awarded with a Masters of Arts in Political Science by Banaras Hindu University in the Year 1960.

Mr. Achyutanand Ramchandra Mishra is interested in the resolution set out at Item no.4 of the Notice with regard to his appointment. Relatives of Mr. Achyutanand Ramchandra Mishra may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

Item 7: Disinvestment in Subsidiary (Pavna Goyam Auto Private Limited) under Section 180(1)(a) of the Companies Act, 2013:

The company proposed to disinvest its entire investment of 25,50,000/- shares of Face Value of Rs. 10/- each in Pavna Goyam Auto Private Limited., which is a wholly owned subsidiary Company of the Pavna Industries Limited to Mr. Pankaj Premchand Phulpagar and Lokesh Pankaj Fulfagar. The Board keeping in view the hardship incurred as the subsidiary company has not received the expected growth, it feels that's its prudent to withdraw investment from the wholly owned Subsidiary and considers the proposed disinvestment in the best interest of the Company. Such disinvestment will amount to sale of substantial interest in undertaking by the Company, your Directors propose resolution under section 180(1)(a) of the Companies Act, 2013 for the approval of the shareholders. The Company at the same time is in the process of scoping other viable projects and business opportunities. Members of the Company are further requested to note that Section 180(1)(a) of the Companies Act, 2013 mandates that the Board of Directors of the company shall exercise the power to sell, lease or otherwise dispose off the whole or substantially the whole of any undertaking(s) of the company, only with the approval of the members of the Company by way of a special resolution. The Board recommends the Resolutions at Item No.7 of the accompanying Notice for approval by the Members of the Company. None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the passing of the Resolution

at Item No 7 of the accompanying Notice except to the extent of their shareholding in the company.

Item 8: Review and approve the Related Party Transactions

All related party transactions have been unanimously approved by the Audit Committee and the Board of Director after satisfying itself that the related party transactions are at arm’s length and in the ordinary course of business. The Audit Committee of the Company reviews on a quarterly basis, the details of all related party transactions entered into by the Company during the previous quarter, pursuant to its approvals.

A).	Particulars	Remarks
1.	Name of the Related Party	Swapnil Switches Private Limited (SSPL)
2.	Name of the Director or KMP who is related	Mrs. Asha Jain & Mrs. Priya Jain
3.	Nature of Relationship	SSPL is a subsidiary of PIL. PIL holds 50.74% shares in SSPL. SSPL and PIL have the common Promoter and Director
4.	Nature, material terms, monetary value and particulars of the contract or arrangement and maximum permissible Limit per annum	Contract for purchase of Switch parts from SSPL is on continuous basis. Monetary value of proposed aggregate transactions during financial year 2023-24 is expected to be Rs. 15(fifteen) Crores. Contract for sale of Lock parts from SSPL is on continuous basis. Monetary value of proposed aggregate transactions during financial year 2023-24 is expected to be Rs. 15(fifteen) Crores. The above transactions will be at arm’s length price and in the ordinary course of business.
5.	Justification for Related Party Transactions	PIL will leverage SSPL’s strengths in sourcing Switch Parts at competitive prices. SSPL will leverage PIL’s strength in sourcing of Lock Parts at competitive prices.
6.	Date of Approval by the Board of Directors	30 th May, 2023
7.	Date of Approval by the Audit Committee	30 th May, 2023

B).	Particulars	Remarks
1.	Name of the Related Party	Pavna Auto Engineering Private Limited (PAEPL)
2.	Name of the Director or KMP who is related	Mr. Swapnil Jain, Mrs.Asha Jain and Mrs. Priya Jain
3.	Nature of Relationship	PAEPL is a subsidiary of pIL. PIL holds 50.74% shares in PAEPL. PAEPL and PIL have the common Promoter and Director
4.	Nature, material terms, monetary value and particulars of the contract or arrangement and maximum permissible Limit per annum	Contract for purchase of Motor Vehicles parts from PAEPL is on continuous basis. Monetary value of proposed aggregate transactions during financial year 2023-24 is expected to be Rs. 25(Twenty-five) Crores. Contract for sale of Lock parts from PAEPL is on continuous basis. Monetary value of proposed aggregate transactions during financial year 2023-24 is expected to be Rs. 30(Thirty) Crores.

2022-23

		The above transactions will be at arm's length price and in the ordinary course of business.
5.	Justification for Related Party Transactions	PIL will leverage PAEPL's strengths in sourcing Motor Vehicles Parts at competitive prices. PAEPL will leverage PIL's strength in sourcing of Lock Parts at competitive prices.
6.	Date of Approval by the Board of Directors	30 th May, 2023
7.	Date of Approval by the Audit Committee	30 th May, 2023

C).	Particulars	Remarks
1.	Name of the Related Party	Pavna Sunworld Autotech Private Limited (PSAPL)
2.	Name of the Director or KMP who is related	Mr. Swapnil Jain, Mrs. Asha Jain and Mrs. Priya Jain
3.	Nature of Relationship	PSAPL is a subsidiary of PIL. PIL holds 71.50% shares in PSAPL. PSAPL and PIL have the common Promoter and Director
4.	Nature, material terms, monetary value and particulars of the contract or arrangement and maximum permissible Limit per annum	Contract for sale of Casting and Plastic parts from PAEPL is on continuous basis. Monetary value of proposed aggregate transactions during financial year 2023-24 is expected to be Rs. 5 (Five) Crores. The above transactions will be at arm's length price and in the ordinary course of business.
5.	Justification for Related Party Transactions	PIL will leverage PSAPL's strength in selling Casting and Plastic Parts at competitive prices.
6.	Date of Approval by the Board of Directors	30 th May, 2023
7.	Date of Approval by the Audit Committee	30 th May, 2023

D).	Particulars	Remarks
1.	Name of the Related Party	Pavna Marketing Private Limited (PMPL)
2.	Name of the Director or KMP who is related	Mr. Swapnil Jain, Mrs. Asha Jain and Mrs. Priya Jain
3.	Nature of Relationship	PMPL is a subsidiary of PIL. PIL holds 99.99% shares in PMPL. PMPL and PIL have the common Promoter and Director
4.	Nature, material terms, monetary value and particulars of the contract or arrangement and maximum permissible Limit per annum	Contract for purchase of Finished Goods from PMPL is on continuous basis. Monetary value of proposed aggregate transactions during financial year 2023-24 is expected to be Rs. 20 (Twenty) Crores. Contract for sale of Finished Goods from PMPL is on continuous basis. Monetary value of proposed aggregate transactions during financial year 2023-24 is expected to be Rs. 35 (Thirty-Five) Crores. The above transactions will be at arm's length price and in the ordinary course of business.

2022-23

5.	Justification for Related Party Transactions	PIL will leverage PMPL's strengths in selling Finished goods under Pavna Brand to distributors at competitive prices.
6.	Date of Approval by the Board of Directors	30 th May, 2023
7.	Date of Approval by the Audit Committee	30 th May, 2023

E).	Particulars	Remarks
1.	Name of the Related Party	PJ Wealth Management & Consultant Private Limited (PVMCPL)
2.	Name of the Director or KMP who is related	Mr. Swapnil Jain
3.	Nature of Relationship	PVMCPL is a Group Company of PIL. PVMCPL and PIL have the common Promoter and Director
4.	Nature, material terms, monetary value and particulars of the contract or arrangement and maximum permissible Limit per annum	Loan is taken by PIL from PVMCPL of Rs.20 Crores. Interest rate-As charged in compliance with the provisions of Companies Act, 2013 Nature-Unsecured Tenure- Five Years
5.	Justification for Related Party Transactions	Loan is taken to cater to the Working Capital requirements of the Company
6.	Date of Approval by the Board of Directors	30 th May, 2023
7.	Date of Approval by the Audit Committee	30 th May, 2023

F).	Particulars	Remarks
1.	Name of the Related Party	Mr. Swapnil jain
2.	Name of the Director or KMP who is related	Mr. Swapnil Jain, Mrs. Asha Jain and Mrs. Priya Jain
3.	Nature of Relationship	Mr. Swapnil Jain is the Managing Director of PIL.
4.	Nature, material terms, monetary value and particulars of the contract or arrangement and maximum permissible Limit per annum	Loan is taken by PIL from Mr. Swapnil Jain of Rs.10 Crores Interest rate-As charged in compliance with the provisions of Companies Act, 2013 Nature-Unsecured Tenure- Five Years
5.	Justification for Related Party Transactions	Loan is taken to cater to the Working Capital requirements of the Company
6.	Date of Approval by the Board of Directors	30 th May, 2023
7.	Date of Approval by the Audit Committee	30 th May, 2023

G).	Particulars	Remarks
1.	Name of the Related Party	Mrs. Priya Jain

2022-23

2.	Name of the Director or KMP who is related	Mr. Swapnil Jain, Mrs. Asha Jain and Mrs. Priya Jain
3.	Nature of Relationship	Mr. Priya Jain is the Managing Director of PIL.
4.	Nature, material terms, monetary value and particulars of the contract or arrangement and maximum permissible Limit per annum	Loan is taken by PIL from Mr. Swapnil Jain of Rs.10 Crores Interest rate-As charged in compliance with the provisions of Companies Act, 2013 Nature-Unsecured Tenure- Five Years
5.	Justification for Related Party Transactions	Loan is taken to cater to the Working Capital requirements of the Company
6.	Date of Approval by the Board of Directors	30 th May, 2023
7.	Date of Approval by the Audit Committee	30 th May, 2023

H).	Particulars	Remarks
1.	Name of the Related Party	Mrs. Asha Jain
2.	Name of the Director or KMP who is related	Mr. Swapnil Jain, Mrs. Asha Jain and Mrs. Priya Jain
3.	Nature of Relationship	Mr. Priya Jain is the Managing Director of PIL.
4.	Nature, material terms, monetary value and particulars of the contract or arrangement and maximum permissible Limit per annum	1.Loan is taken by PIL from Mr. Swapnil Jain of Rs.10 Crores Interest rate-As charged in compliance with the provisions of Companies Act, 2013 Nature-Unsecured Tenure- Five Years 2. Building Rent-Rs.0.10 Crores per annum. 3.Trademark Royalty- Upto Rs.1 Crores per annum 4.Lease Rent-Upto Rs.0.01 Crores per annum
5.	Justification for Related Party Transactions	1.Loan is taken to cater to the Working Capital requirements of the Company 2.Building Rent is provided to Mrs. Asha Jain. 3.Amount of royalty is given to Mrs.Asha Jain to use the Trademark registered in her name which is the identity of the Company. 4. Lease Rent is provided to Mrs. Asha Jain
6.	Date of Approval by the Board of Directors	30 th May, 2023
7.	Date of Approval by the Audit Committee	30 th May, 2023

The Board has recommended the resolution specified in Item 8 to be passed as Special Resolution

None of the Directors, Key Managerial Personnel or their relatives except Mrs. Asha Jain, Mr. Swapnil Jain and Mrs. Priya Jain are concerned or interested in the proposed resolution as set out in Item No.8 of this Notice.

By Order of the Board of Directors

Sd/-

Charu Singh

Company Secretary

Aligarh

September 1, 2023

Registered office:

Vimlanchal hari nagar Aligarh, Uttar Pradesh-202001,India

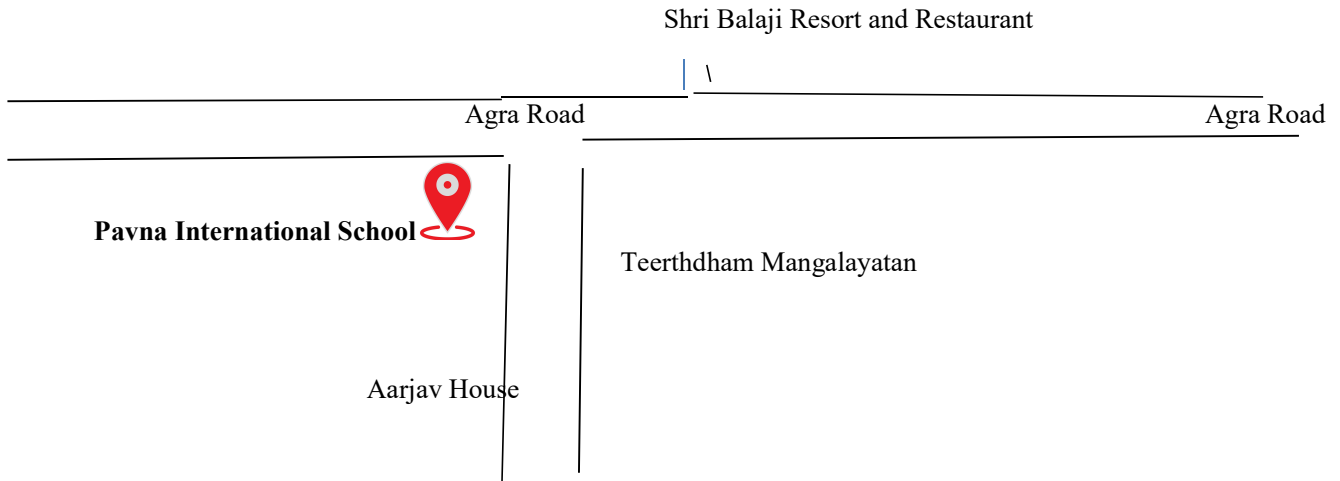
[Tel:+91-0571-2410010](tel:+91-0571-2410010)

Website: www.pavna.in, Email; cs@pavnagroup.com

CIN:L34109UP1994PLC016359

PAVNA

ROUTE MAP OF PAVNA INTERNATIONAL SCHOOL



ATTENDANCE SLIP

29TH ANNUAL GENERAL MEETING ON FRIDAY, 29TH SEPTEMBER, 2023

Client ID	
Name of Shareholder	
Address	
No. of Shares	

I hereby record my presence at the 29th Annual General Meeting of the Company at Pavna International School, Agra-Aligarh Highway near Mangalayatan Mandir, Aligarh-202001, Uttar Pradesh on Friday, 29th September, 2023 at 11.00 A.M.

Shareholder / Proxy name in block letters



Signature of the Shareholder or Proxy

Email Address:

Note:

- A) Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.
- B) Shareholder/Proxy holder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting.

FORM NO. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies Management and Administration Rules, 2014]

**PAVNA INDUSTRIES LIMITED
 CIN: L34109UP1994PLC016359
 VIMLANCHAL, HARI NAGAR
 ALIGARH 202001 UP IN**

Name of the Member(s)	
Registered address	
E-mail Id	
DP. Id	
Client Id	

I/We being a member / members of shares of the above named company, hereby appoint:

1. Name:
 Address:
 E-mail Id:
 Signature:....., or failing him

2. Name:
 Address:
 E-mail Id:
 Signature:....., or failing him

3. Name:
 Address:
 E-mail Id:
 Signature:....., or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual general meeting of the company, to be held on the Friday of September 29, 2023 At 11:00 a.m. at Pavna International School, Aligarh and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr.No	Description.	No. of shares held	FOR	AGAINST
1	To receive, consider and adopt the Standalone and consolidated Audited Balance Sheet as at March 31, 2023 and the Profit and Loss Account for the year ended on that date together with the Schedules thereon, along with the Reports of the Directors and Auditors thereon.			
2	To reappoint Mrs. Priya Jain (DIN: 03355623), who retires by rotation at this Annual General Meeting and being eligible, offers himself for reappointment.			
3	Appointment of Mr. Dhruv Jain (DIN: 09835701) as an Independent Director			
4	Appointment of Mrs. Priyanka Moondra Rathi (DIN: 09485101) as an Independent Director of the Company			
5	Appointment of Mrs. Himani Bhootra (DIN: 09811030) as an Independent Director of the Company			
6	Re-Appointment of Mr. Achyutanand Ramchandra Mishra (DIN: 08940098) as an Independent Director of the Company			
7	Disinvestment in Wholly Owned Subsidiary (Pavna Goyam Auto Private Limited)			
8	Approval of Related Party Transactions.			

Signed this day of..... 2023

Signature of shareholder

Signature of Proxy holder(s)

Notes: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

PAVHA
GROUP

enjoys a history of more than

52 YEARS

of Innovation, Technology, Manufacturing and market leadership,
as the most experienced automotive part solutions company in South Asia.

PASSENGER VEHICLE



COMMERCIAL VEHICLE

