

# PAVNA

## Industries Limited

(Formerly Known as Pavana Zadi Security Systems Limited)

Product Pageant PAVNA  
(On wooden motorcycle)



# ANNUAL REPORT

2020-21



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## ABOUT PAVNA GROUP

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.

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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 PAVAN

### GROUP VISION

PAVNA Group will be an institution in perpetuity that will build entrepreneurial organizations, making a difference to society through creation of value.

### GROUP MISSION

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

## CORE PRODUCT PORTFOLIO

### IGNITION SWITCHES



### FUEL TANK CAP



### FUEL COCKS AND PUMPS



### ENGINE COMPONENT





## MESSAGE FROM MANAGING DIRECTOR

“The last year has been a significant year for our company PAVNA. As during the year, the Company has come up with Initial Public Offer for 1800000 equity shares which includes Fresh Issue of 902400 equity shares and Offer for sale 897600 equity shares which have been successfully subscribed and the Company got listed on National Stock Exchange (Emerge Platform) on 09<sup>th</sup> March, 2021.”



Dear Shareholders,

It is my privilege to write to you and present the Annual Report for FY21.

Hope this letter finds you safe and in good health.

As you are aware FY2021 has been one of the most challenging years for corporates across the globe and Indian industry. The global auto industry has grappled with multiple issues during the year and the automotive sector has been no exception to this. Despite the above challenges, the Company reported revenue of Rs.17121.70 lakh and delivered positive net profit of Rs. 529.61 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 a post-virus 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 PAVNA 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

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sincere in our efforts in creating and delivering value for all stakeholders.

Best Regards  
Swapnil Jain  
Managing Director

Place- Aligarh, India  
Date- 03<sup>rd</sup> September, 2021



## CORPORATE INFORMATION

### BOARD OF DIRECTOR

Asha Jain	Chairperson, WTD
Swapnil Jain	Managing Director
Priya Jain	Executive Director
Pawan Jain	Non-Executive Director
Naozer Aibara	Independent Director
Achyutanand Mishra	Independent Director

### KMP

Makarand Mahajan	Chief Financial Officer
Divyani Koshta	Company Secretary & CO

### STATUTORY AUDITOR

Das Maheshwari & Company  
Chartered Accountants, Aligarh UP  
Firm Registration No.: 007259C  
Peer Review No: 010200

### SECRETARIAL AUDITOR

D. SAGAR & ASSOCIATES  
Practicing Company Secretary,  
Aurangabad, MH

### REGISTRAR & SHARE TRANSFER AGENT

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](mailto:pavna.ipo@linkintime.co.in)  
Website- [www.linkintime.co.in](http://www.linkintime.co.in)

### LISTED STOCK EXCHANGE

National Stock Exchange of India Limited (Emerge)

### BANKER

Bajaj Finance Limited  
Punjab National Bank  
HDFC Bank

### REGISTERED OFFICE

“Vimalanchal”, Hari Nagar, Aligarh 202001 UP  
CIN- U34109UP1994PLC016359  
Website- [www.pavnagroup.com](http://www.pavnagroup.com)

### SUBSIDIARIES

Pavna Auto Engineering Private Limited  
Swapnil Switches Private Limited  
Pavna Marketing Private Limited  
Pavna Sunworld Autotech Private Limited

### GROUP PLANTS

#### ALIGARH UP

-Plant at Palasahibad Road, Gopal Puri, Aligarh  
-Plant at 19/17, Gopal Puri, Hari Nagar, Aligarh  
-Plant at 9 KM G.T. Road, Bhankari, Aligarh  
-Plant at Khasra No. 29, Chauwali, Bhankari, Aligarh

#### AURANGABAD MH

-Plant at Gut 41, Ramrai, Gangapur, Aurangabad

#### PANTNAGAR, UTTARAKHAND

- Plant at PN. 14, Sector-4, SIDCUL, Udham Singh Nagar

### INVESTOR GRIEVANCE

Email- [pavna.ipo@linkintime.co.in](mailto:pavna.ipo@linkintime.co.in)  
Tel: +91 22 4918 6200

### ISIN- INE07S101020

### Symbol- PAVNAIND

## 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, 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 applications worldwide. All PAVNA units have been certified with IATF & OHSAS.

In 2020, India was the fifth-largest auto market, with 3.49 million units combined sold in the passenger and commercial vehicles categories. It was the seventh largest manufacturer of commercial vehicles in 2019.

India is also a prominent auto exporter and has strong export growth expectations for the near future. In addition, several initiatives by the Government of India and major automobile players in the Indian market are expected to make India a leader in the two-wheeler and four-wheeler market in the world.

Overall, production of passenger vehicles, three wheelers, and two wheelers reached 1,875,698 units in April 2021.

Two wheelers and passenger vehicles dominate the domestic Indian auto market. Passenger car sales are dominated by small and mid-sized cars. Two wheelers and passenger cars accounted for 80.8% and 12.9% market share, respectively, accounting for a combined sale of over 20.1 million vehicles in FY20. Two-wheeler sales stood at 995,097 units, while passenger vehicle sales stood at 261,633 units in April 2021.

Overall, automobile export reached 4.77 million vehicles in FY20, growing at a CAGR of 6.94% during FY16-FY20. Two wheelers made up 73.9% of the vehicles exported, followed by passenger vehicles at 14.2%, three wheelers at 10.5% and commercial vehicles at 1.3%.

EV sales, excluding E-rickshaws, in India witnessed a growth of 20% and reached 1.56 lakh units in FY20 driven by two wheelers. According to NITI Aayog and Rocky Mountain Institute (RMI) India's EV finance industry is likely to reach Rs. 3.7 lakh crore (US\$ 50 billion) in 2030. A report by India Energy Storage Alliance estimated that EV market in India is likely to increase at a CAGR of 36% until 2026. In addition, projection for EV battery market is forecast to expand at a CAGR of 30% during the same period.

Premium motorbike sales in India recorded seven-fold jump in domestic sales, reaching 13,982 units during April-September 2019. The luxury car market is expected to register sales of 28,000-33,000 units in 2021, up from 20,000-21,000 units sold in 2020. The entry of new manufacturers and new launches is likely to propel this market in 2021.

### OPPORTUNITIES AND THREATS

#### Opportunities

The global automotive industry is going through a rapid transition with a significant disruption caused by the introduction of new technologies. This has opened a gamut of opportunities for the component suppliers across

the globe. Auto component suppliers, with a culture of investing in R&D, and a vision to sense the new trends would be the major benefiter of this positive change.

The global concerns around the environment have led to stricter regulations for emission in the automotive industry. This has pushed the OEMs as well as the component suppliers to enhance the efficiency of the vehicles by improving the engine quality and also by reducing the weight of the vehicle.

Some of the recent/planned investments and developments in the automobile sector in India are as follows:

- In February 2021, the Delhi government started the process to set up 100 vehicle battery charging points across the state to push adoption of electric vehicles.
- During early September 2020, Mahindra & Mahindra signed a MOU with Israel-based REE Automotiveto collaborate and develop commercial electric vehicles.
- In April 2020, TVS Motor Company bought UK's iconic sporting motorcycle brand, Norton, for a sum of about Rs. 153 crores (US\$ 21.89 million), making its entry into the top end (above 850cc) segment of the superbike market.

The Government of India encourages foreign investment in the automobile sector and has allowed 100% foreign direct investment (FDI) under the automatic route. Some of the recent initiatives taken by the Government of India are –

- In Union Budget 2021-22, the government introduced the voluntary vehicle scrap policy, which is likely to boost demand for new vehicles after removing old unfit vehicles currently plying on the Indian roads.
- In February 2021, the Delhi government started the process to set up 100 vehicle battery charging points across the state to push adoption of electric vehicles.
- The Union Cabinet outlaid Rs. 57,042 cores (US\$ 7.81 billion) for automobiles & auto components sector in production-linked incentive (PLI) scheme under the Department of Heavy Industries.
- The Government aims to develop India as a global manufacturing centre and a Research and Development (R&D) hub.
- Under NATRiP, the Government of India is planning to set up R&D centers at a total cost of US\$ 388.5 million to enable the industry to be on par with global standards.
- The Ministry of Heavy Industries, Government of India has shortlisted 11 cities in the country for introduction of EVs in their public transport systems under the FAME (Faster Adoption and Manufacturing of (Hybrid) and Electric Vehicles in India) scheme. The Government will also set up incubation centre for start-ups working in the EVs space.

## **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 more than 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 and 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 is 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 as well as internal sources. 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 behavior 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 organization. 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 785 on roll 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 labor 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.



# **PAVNA INDUSTRIES LIMITED**

## **BOARD OF DIRECTORS' REPORT**

**FOR THE YEAR 2020-21**

## DIRECTORS' REPORT

To,  
The Members,

Your Directors are pleased to present 27<sup>th</sup> 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, 2021**.

### FINANCIAL RESULTS

Financial Performance of the Company for the year ended 31<sup>st</sup> March, 2021 is summarized below:

Particulars	(Rs. In Lakh)			
	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Revenue from Operations	17121.70	13620.11	21940.72	17969.47
Total expenditure	15593.94	12147.69	19954.02	16112.59
Operating profit	<b>1527.76</b>	<b>1472.41</b>	<b>1986.70</b>	<b>1856.88</b>
Other Income	<b>14.41</b>	<b>11.10</b>	<b>19.09</b>	<b>13.38</b>
Profit before interest, foreign exchange, depreciation, amortization, exceptional item and tax	<b>1542.17</b>	<b>1483.52</b>	<b>2005.79</b>	<b>1870.26</b>
Finance cost	445.10	321.31	536.77	381.13
Profit before depreciation, amortization, exceptional item, foreign exchange and tax	1097.07	1162.20	1469.02	1489.13
Depreciation, amortization and product development/engineering Expenses	<b>355.51</b>	<b>415.87</b>	<b>404</b>	<b>437.04</b>
Profit/(loss) before exceptional items and tax	741.55	746.33	1065.02	1052.09
Exceptional Items - loss (net)	<b>34.24</b>	<b>(133.82)</b>	<b>6.00</b>	<b>136.61</b>
Profit / (loss) before Tax	<b>775.80</b>	<b>609.72</b>	<b>1059.02</b>	<b>915.48</b>
Tax expenses / (credit) (net)	<b>246.18</b>	<b>204.05</b>	<b>338.28</b>	<b>284.52</b>
Profit / (loss) after Tax	<b>529.61</b>	<b>405.66</b>	<b>720.74</b>	<b>630.96</b>
Attributable to:				
- Shareholders of the Company	-	-	<b>623.13</b>	<b>426.10</b>
- Non-controlling interest	-	-	<b>97.61</b>	<b>204.86</b>
Earning Per Equity Share	<b>8.70</b>	<b>7.82</b>	-	-

### OPERATIONAL PERFORMANCE

#### **Standalone Operational Performance**

During the review, the Company has generated revenue from operation Rs. 17121.70 lakh which is 25.71% higher than Rs. 13620.11 lakh in FY 2019-20. The Company has shown its efficiency to perform in such Pandemic COVID-19 situation and maintained its operations even followed instruction during peak of COVID cases. Operating Expenses of the Company has also increased by 28.37% than to last FY.

The Company has booked Profit Before Tax (PBT) of Rs. 775.80 Lakh and Net Profit of Rs. 529.61 lakh compare to last year of Rs.609.72 lakh and Rs. 405.66 lakh respectively.

## Subsidiary Operational Performance

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

(Rs. In Lakh)

Particulars	SSPL		PAEPL		PSAPL		PMPL	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Revenue	1532.55	1467.46	3320.58	3225.26	28.69	14.94	4707.75	2002.76
Operational Exp.	1446.67	1382.41	3040.84	2966.21	16.95	13.01	4626.17	1964.31
Operational Profit	85.88	85.05	279.73	259.04	11.74	1.93	81.58	38.45

## Consolidated Operational Performance

During the year, under review, consolidated revenue from operations for the year ended as on March 31, 2021 is Rs. 21940.72 lakhs, while last year operational revenue was 17969.47 lakh. However the expenses have also been increased by 23.41% compare to last year. The Company has booked Net Profit of Rs. 720.74 Lakh which is nearly 15% increased compare to last year consolidate figures.

## DIVIDEND

To strengthen the financial position of the Company, your Directors are not recommending any dividend for the financial year 2020-21 under review.

## RESERVE & SURPLUS

The Company has transferred net profit of Rs. 529.61 lakh to the reserve and Surplus during the financial year.

## SHARE CAPITAL

The Paid Share Capital of the Company as on 01<sup>st</sup> April, 2020 was 25, 94, 000 equity shares of Rs.10/- each aggregating to Rs. 259.40 Lakh.

The Company made a bonus allotment of 25, 94, 000 bonus shares of face value of Rs. 10/- each in ratio of 1:1 (i.e. one equity share for every one equity share already held) to the Members on 12<sup>th</sup> June, 2020. With this allotment, the total issued and paid-up capital of the Company has increased to Rs. 518.80/- lakh comprising of 51,88,000 equity shares of face value of Rs. 10/- each.

Further, the Company made IPO allotment of 902400 equity shares of Rs. 10/- for Rs. 165/- each including premium of Rs. 155/- per Shares on 04<sup>th</sup> March, 2021. With this allotment, the total issued and paid-up capital of the Company as on 31<sup>st</sup> March, 2021 has increased to Rs. 609.04/- lakh comprising of 60, 90,400 equity shares of face value of Rs. 10/- each.

## INITIAL PUBLIC OFFERING

The Directors are pleased to inform that the Company's Initial Public Offering (IPO) by Fresh Issue of 9,02,400 (Nine Lakh Two Thousands Four Hundred Only) Equity Shares and Offer for Sale of 8,97,600 (Eight Lakh Ninety Seven Thousand Six Hundred) Equity Shares by Selling Shareholder Mrs. Asha Jain aggregating

to 18, 00,000 (Eighteen Lakh) Equity Shares of face value of Rs. 10/- (Rupee One only) at a price of Rs. 165 (Rupees One hundred and Sixty Five only) per share received a fair response from the investors. The issue was 100% underwritten by the underwriters. The Issue opened on 24<sup>th</sup> February, 2021 and closed on 01<sup>st</sup> March, 2021. The issue was subscribed 1.41 times (before rejection). After considering the Rejection cases (including bids not banked of 84,800 Shares for 106 applications), the Issue was subscribed to the extent of 1.34 times. The Company has registered its Prospectus dated February 16, 2021 with the Registrar of Companies, Kanpur.

The main object of the IPO was to achieve the benefits of listing the Equity Shares on the Stock Exchanges which includes enhanced visibility and brand image of your Company and also provide a public market for the Equity Shares in India. Your Company received Rs. 1488.96 (Fourteen Crore Eighty Eight Lakh Ninety Six Thousand Only) from the IPO and the offer proceeds were utilized to repayment of unsecured loans taken from directors and related corporate. IPO proceed against offer for sale share, directly transferred to selling shareholder i.e. Mrs. Asha Jain's bank account.

The Company received Listing and trading approval from NSE Emerge on 09<sup>th</sup> March, 2021.

The success of IPO reflects the trust, faith and confidence that investors, customers, business partners and markets have reposed in your Company.

### **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 Redressed of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressed) 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 2020-21, 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 91.61 lakh KVAH 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 2021, all Plants achieved significant reduction in fixed energy consumption on non-working days by administrative and process controls. Some of the major decision includes:

- 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 Machines interlock system in ADC dept. with timer that helps in control of waste of electricity.


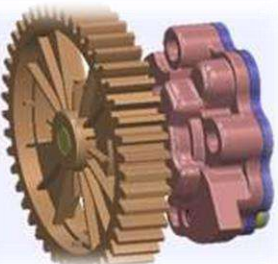
## B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

We have strong R&D capabilities including product design, reverse engineering virtual simulation / validation, prototyping and testing. During the year the Company has done following research and developments on our existing products-

Sl	Product Image	Product Name	Application of Product	Research & Development achieved
01		Brake Switch	2WH	<ul style="list-style-type: none"> <li>➤ More cost efficient</li> <li>➤ Compact in size</li> </ul>

02		Fuel Tank Cap with valve mechanism	Truck	<ul style="list-style-type: none"> <li>➤ Thread type fuel tank cap.</li> <li>➤ Pressure regulated cap thruvalves.</li> <li>➤ Only cap in thread type(Ø60mm) with valve mechanism.</li> <li>➤ Ergonomically Design.</li> </ul>
03		Fuel Tank Cap	2WH	<ul style="list-style-type: none"> <li>➤ Sealed Cap</li> <li>➤ Compact in Size</li> </ul>
04		Ignition Switch	2WH	<ul style="list-style-type: none"> <li>➤ Low cost Ign Switch</li> <li>➤ Compact in Size</li> <li>➤ Thread Mounted</li> </ul>
05		Ignition Switch	Tractor	<ul style="list-style-type: none"> <li>➤ High current Switch</li> <li>➤ Thread Mounted</li> <li>➤ High Reliability</li> </ul>
06		Rear Light Switch	2WH	<ul style="list-style-type: none"> <li>➤ Low Current switch</li> <li>➤ Compact in Design</li> <li>➤ Innovative design for contacts.</li> </ul>
07		Chain Tensioner	2WH	<ul style="list-style-type: none"> <li>➤ Using the tension of the spring to press the chain tightly.</li> <li>➤ Adjustable</li> </ul>



08		Valve Relief Assy	2WH	➤ New Development
09		Oil Pump Assy	2WH	<ul style="list-style-type: none"> <li>➤ Applied to 2 &amp; 4 stroke engine.</li> <li>➤ Application Motorcycles, snowmobile, ATV, water craft and etc..</li> </ul>

### C. FOREIGN EXCHANGE EARNINGS & OUTGO

During the year the Company has imported raw material out of India of Rs. 0.22 Lakh and Exported Store, Spare, Packing and Tools in Indian Rupees of Rs. 8.78 lakh which was in year 2019-20 of Rs.3.86 Lakh.

#### Foreign Exchange Earnings and Outgo

Particulars	EURO €	US \$
Import in Foreign currency	0	70005.47
Export in Foreign currency	220504.56	1240

### MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION

The impact of Covid-19 on the Company's financial statements has been given in the Notes to financial statements for the year ended 31<sup>st</sup> March, 2021 and the Company's response to the situation arising from this pandemic has been explained in the Management Discussion and Analysis, which forms part of the Annual Report.

### EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return for FY 2020-21 is available on Company's website at <https://www.pavnagroup.com/annual-report.html>.

### HOLDING, SUBSIDIARY, JOINT ARRANGEMENTS AND ASSOCIATE COMPANIES

The Company has 04 subsidiaries as at March 31, 2021 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 cocks 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

Your Company does not have any holding, joint venture and associate companies during the year under review.

### **CORPORATE SOCIAL RESPONSIBILITY**

During the year under review the Company has constituted CSR committee and spent Rs. 10.00 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**

### **DIRECTOR S AND KEY MANAGERIAL PERSONNEL**

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

#### **Appointment / Re-appointment**

In accordance with provisions of the Act and the Articles of Association of the Company, Mrs. Asha Jain, Whole Time Director (DIN: 00035024) 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, Mr. Achyutanand Ram Chandra Mishra (DIN: 0940098) and Mr. Naozer Firoze Aibara (DIN: 08759817) are the Independent Directors of the Company as on date of this report.

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 judgment 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.

As reported in the previous year, Mr. Naozer Firoze Aibara (DIN: 08759817) and Late Ashwani Kumar (DIN: 08759813) were appointed as Additional and Independent Directors on the Board for a tenure of 5 years with effect from 25<sup>th</sup> June, 2020. Pursuant to Section 161 of the Act, read along with Rules framed thereunder, the Members had vide Ordinary Resolution approved at the General Meeting held on 30<sup>th</sup> June, 2020 as an Independent Directors.

Due to sudden death of Mr. Ashwani Kumar, the Board has appointed Mr. Achyutanand Ram Chandra Mishra (DIN: 0940098) on 30<sup>th</sup> October, 2020 as Additional and Independent Director for a tenure of 5 years with effect from 08<sup>th</sup> October, 2020. Pursuant to Section 161 of the Act, read along with Rules framed thereunder, the Members had vide Ordinary Resolution approved at the General Meeting held on 27<sup>th</sup> November, 2020 as an Independent Directors.

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, the Company has appointment Mr. Makarand Mahajan (PAN: ABUPM4863G) Chartered Accountant as Chief Finance Officer and Ms. Geetika Varshney (PAN: AMGPV6412M) Company Secretary as Company Secretary and Compliance Officer of the Company at Board Meeting hold on 11<sup>th</sup> May, 2020 with effect from 01<sup>st</sup> June, 2020.

Due to personal her reason Ms. Geetika Varshney (PAN: AMGPV6412M) has resigned on 17<sup>th</sup> October, 2020 from the position of Company Secretary and Compliance officer of the Company and re-appointed as Compliance Officer for PAVNA GROUP.

Mrs. Divyani Koshta (PAN: BGYPK8182L) Company Secretary appointed as Company Secretary and Compliance Officer of the Company on Board Meeting hold on 17<sup>th</sup> October, 2020 with immediate effect.

### **MEETINGS OF THE BOARD**

During the year, the Board of Directors met 18 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 as **Annexure II**, 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 3 times. 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**.

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**

As per Section 186, the Company has neither made investment nor given loan or made guarantee or provided security to any person during the year.

## **CONSOLIDATED FINANCIAL STATEMENT**

The consolidated financial statements of the Company and its subsidiaries for FY 2020-21 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 statements 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.pavnagroup.com/subsidiary-financial.html>.

### **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**.

During the year, the Non-executive Directors of the Company had no pecuniary relationship or transactions with the Company other than sitting fees and reimbursement of expenses, as applicable.

### **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 behavior. 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 behavior, 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 redressed. 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 Das Maheshwari & Company, Aligarh (Firm's Regn No. 007259C)**, was appointed as the Statutory Auditors of the Company at Annual General Meeting held on 13<sup>th</sup> August, 2020 to hold office for 5 years until conclusion of AGM to be hold on year 2025. The Auditor has 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 31<sup>st</sup> March, 2021 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, 2021. The Report of the Secretarial Audit is annexed herewith as **Annexure IV**.

The said Secretarial Audit Report contains qualifications, reservations, adverse remarks or disclaimers. The management's response is as follows on each qualification:

**01. Qualification-** the Company is not able to identify the MSME venders and outstanding dues of MSME venders more than 45 days. Accordingly Company has not filed MSME 1 form in regarding outstanding payments to MSME venders.

**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. Qualification** The Company has transferred shares to PJ Wealth Management And Consultant Private Limited on 10th June 2020. As per provisions of section 90 the company has to file form BEN-2 for with respect to declaration of beneficial ownership with in the period of 30 days from the day of transfer. The Company has not filed declaration of beneficial ownership in form BEN-2 from PJ Wealth Management And Consultant Private Limited.

**Response-** the Company has sent notice to PJ Wealth Management And Consultant Private Limited in form BEN-4 to send complete detail of beneficial owner in form BEN-1 but didn't received any response.

## **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 2021.



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 31<sup>st</sup> March, 2021, 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 31<sup>st</sup> March, 2021 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**  
**(Formerly known as Pavna Zadi Security Systems Limited)**

SD/-

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

**Place: Aligarh**  
**Date: 03/09/2021**

## 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 Pavna group placed on the Company's website  
[https://www.pavnagroup.com/investor/policies/CSR\\_Policy.pdf](https://www.pavnagroup.com/investor/policies/CSR_Policy.pdf)

#### **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. 494.32 Lakh

**Prescribed CSR Expenditure (2% of Average Net Profit):** Rs. 9.88 Lakh

#### **Details of CSR Spend during the financial year:**

- Total amount spent during the year- Rs. 10.00 Lakh
- Amount unspent, if any: Not applicable
- Manner in which the amount spent during the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified	Sector in which the project is covered	Project - Local Area - Specify the state and district where projects or programs was undertaken	Amount outlay (Project wise)	Amount Spent on project Sub-Head- 1) Direct expenditure 2) Overhead	Cumulative expenditure upto the reporting period	Amount Spent: Direct or through implementing agency
1	Promoting Education	Promoting education, including special education especially among children, women, elderly and differently abled projects	New Delhi,	Rs. 9.88 lakh	Over head-Rs. 5.00 lakh	Rs. 5.00 lakh	through implementing agency (Tamana NGO)*
			State-Gujrat District-Jamnagar		Over head-Rs. 5.00 lakh	Rs. 5.00 lakh	through implementing agency (Oshwal Shikshan & Rahat Sangh, Charity Trust)*
			<b>Total</b>	<b>Rs. 9.88 lakh</b>	<b>Rs. 10.00 lakh</b>	<b>Rs. 10.00 lakh</b>	

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.

\* Oshwal Shikshan & Rahat Sangh, (Charity Trust Reg No. E-2019-Jamnagar, Gujrat) Education & Literacy, Health & Family Welfare, Vocational Training,

**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-**

- Not Applicable

### **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  
(Formerly known as Pavna Zadi Security Systems Limited)

SD/-

Mr. SWAPNIL JAIN  
MANAGING DIRECTOR  
(DIN: 01542555)

Place: Aligarh  
Date: 03/09/2021

## **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 6 Directors, out of which 2 Directors (33.33%) are Independent Directors.

<b>SL.</b>	<b>DIN</b>	<b>NAME OF DIRECTOR</b>	<b>DESIGNATION</b>
01	00035024	Mrs. Asha Jain	Chairman and Whole Time Director
02	01542555	Mr. Swapnil Jain	Managing Director
03	08759817	Mr. Naozer Firoze Aibara	Independent Director
04	08940098	Mr. Achyutanand Mishra	Independent Director
05	03355623	Mrs. Priya Jain	Executive Director
06	00035084	Mr. Pawan Jain	Non- Executive Director

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 Directors on 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, 18 Board Meetings were held on dates as per table-

01	Thursday, April 30, 2020	02	Friday, May 1, 2020	03	Monday, May 11, 2020
04	Monday, June 8, 2020	05	Wednesday, June 10, 2020	06	Saturday, June 13, 2020
07	Thursday, June 25, 2020	08	Saturday, June 27, 2020	09	Wednesday, July 1, 2020
10	Tuesday, August 11, 2020	11	Wednesday, September 2, 2020	12	Monday, October 5, 2020
13	Friday, October 9, 2020	14	Saturday, October 17, 2020	15	Friday, October 30, 2020
16	Wednesday, December 23, 2020	17	Tuesday, February 16, 2021	18	Thursday, March 4, 2021

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, 2021:

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	18	Yes	2910980	-
Mr. Swapnil Jain	18	Yes	678080	-
Mr. Naozer Firoze Aibara	02	Yes	-	-
Mr. Achyutanand Mishra	01	No	-	-
Mrs. Priya Jain	18	Yes	202000	-
Mr. Pawan Jain	18	Yes	200	-

### **COMMITTEES OF THE BOARD**

The Board has Three (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	Ashwani Kumar Independent Director Member	Swapnil Jain Managing Director Member
27/06/2020	Yes	-	Yes	Yes
10/08/2020	Yes	-	Yes	Yes
04/01/2021	Yes	Yes	-	Yes
	3	1	2	3

The role of the audit committee shall include the following:

- 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**

<b>Date of Meeting</b>	<b>Name of Director and Designation in Committee</b>			
	Achyutanand Mishra Independent Director Chairman	Naozer Firoze Aibara Independent Director Member	Ashwani Kumar Independent Director Chairman*	Pawan Jain (Non-Executive Director) Member
27/06/2020	-	Yes	Yes	Yes
17/10/2020	-	Yes	-	Yes
	-	<b>2</b>	<b>1</b>	<b>2</b>

\*Mr. Ashwini Kumar was Chairman of the Committee but due to his sad demise on 07<sup>th</sup> October, 2020 Mr. Achyutanand Mishra was appointed on 30<sup>th</sup> October, 2020 in his place and hold designation of Chairman of the said Committee.

#### **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

\*\* CSR Committee constituted on 25<sup>th</sup> June, 2020 but CSR eligible expenditure was not more than 50 Lakh hence considered in Board Meeting and no separate CSR Committee Meeting was conducted.

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		
	Pawan Jain (Non- Executive Director) Chairman	Swapnil Jain (Managing Director) Member	Priya Jain (Executive Director) Member

\*\* Stakeholders Relationship Committee constituted on 25<sup>th</sup> June, 2020 but did not meet during the year.

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**

<b>Type of Meeting</b>	<b>Date of Meeting</b>	<b>Place of Meeting</b>	<b>Number of present Members</b>
*Extra Ordinary General Meeting	Tuesday, 30 <sup>th</sup> June, 2020	Vimalanchal,	07
Annual General Meeting	Thursday, 13 <sup>th</sup> August, 2020	Hari Nagar,	07
**Extra Ordinary General Meeting	Friday, 27 <sup>th</sup> November, 2020	Aligarh 202001 UP	07

\*An EGM was convened on 30<sup>th</sup> June, 2020 during the financial year with following agenda –

- To take approval of shareholder for Initial Public Offer of 1800000 Equity Shares.
- To approve remuneration of Mr. Swapnil Jain (Managing Director) of Rs. 144.00 Lakh P A wef 01<sup>st</sup> July, 2020.
- To alter clause 60 of Article of Association of the Company.
- To appoint Mrs. Asha Jain as Chairperson and Whole Time Director of the Company w.e.f 01<sup>st</sup> July, 2020.
- To regularized appointment of Mr. Ashwani Kumar and Mr. Noazer Aibara, Independent Directors of the Company.

\*\*An EGM was convened on 27<sup>th</sup> November, 2020 to regularize appointment of Mr. Achyutanand Mishra as Independent Director of the Company for 5 Years.

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: 03/09/2021

### 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 2019-20:**

Sl	Name of Directors	Designation	Ratio of remuneration to median remuneration	% increase in the Remuneration*
01	Mr. Swapnil Jain	Managing Director	25.68	-
02	Mrs. Asha Jain	Chairperson- WTD	6.10	-
03	Mrs. Priya Jain	Executive Director	5.64	-
04	Mr. Pawan Jain	Non- Executive Director	-	-
05	Mr. Achyutanand Mishra	Independent Director	-	-
06	Mr. Noazer Aibara	Independent Director	-	-
07	Mr. Makarand Mahajan	Chief Financial Officer	2.85	-
08	Mrs. Divyani Koshta	Company Secretary & CO	1.91	-
09	Ms. Geetika Varshney	Company Secretary	0.72	-

\* During the year no increment has been done, hence not stated.

02 Mrs. Asha Jain has taken salary for only 3 months from April, 20 to June, 20.

03 Mrs. Priya Jain has taken salary for only 3 months from April, 20 to June, 20.

04 Mr. Pawan Jain is Non- Executive Director and not getting any remuneration or commission.

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

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

- b. **The number of permanent employees on the rolls of the Company as at March 31, 2021: 785**

- c. **Average percentile increase already made in the salaries of employees other than 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 no increment has been taken placed. Hence no comparison can be done.

**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: 03/09/2021

**ANNEXURE IV**  
**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021**

[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

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 conducts/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 31, 2021 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 31, 2020 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;  
*(The company was listed on 9<sup>th</sup> March 2021, Applicability of following laws and regulations to the company commences from 9<sup>th</sup> March 2021 till 31st March 2021. Hence we have checked and audited compliance of the laws from 9<sup>th</sup> March 2021 onwards)*
- 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 thereunder;
- 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’): -

*(The company was listed on 9<sup>th</sup> March 2021, Applicability of following laws and regulations to the company commences from 9<sup>th</sup> March 2021 till 31<sup>st</sup> March 2021. Hence we have checked and audited compliance of the laws from 9<sup>th</sup> March 2021 onwards.)*

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;  
*(No specific transaction was found during the reporting period, to which the above guideline shall applicable.)*
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;



- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;  
*(No specific transaction was found during the reporting period, to which the above guideline shall applicable.)*
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;  
*(No specific transaction was found during the reporting period, to which the above guideline shall applicable.)*
- f) 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.  
*(No specific transaction was found during the reporting period, to which the above guideline shall applicable.)*
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;  
*(No specific transaction was found during the reporting period, to which the above guideline shall applicable.)*
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.  
*(No specific transaction was found during the reporting period, to which the above guideline shall applicable.)*
- i) 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.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

- a. The company is not able to identify the MSME vendors and outstanding dues of MSME vendors more than 45 days. Accordingly Company has not filed MSME 1 form in regarding outstanding payments to MSME vendors.
- b. The company has transferred shares to PJ Wealth Management And Consultant Private Limited on 10<sup>th</sup> June 2020. As per provisions of section 90 the company has to file form BEN-2 for with respect to declaration of beneficial ownership with in the period of 30 days from the day of transfer. The Company has not filed declaration of beneficial ownership in form BEN-2 from PJ Wealth Management And Consultant Private Limited.

#### **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. Provision of section 173 of The Companies Act 2013 regarding notice of a meeting of the Board director has not been followed properly as there are 18 Board meetings held between the reporting periods some of the meetings of the Board may be called at shorter notice. However the documentation of short notices has not available with the Company hence I can conclude that inadequate notices are given to all Directors to schedule the Board Meetings.
- c. Majority decision is carried through while the dissenting members' views are not captured and recorded as part of the minutes.

- d. 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.

- e. The company has altered the Clause 60 of Article of Association of the company pursuant to which following directors are recognized as first directors of the company
- Asha Jain
  - Pawan Jain
  - Kailash chand Jain

Above amendment have been made by members of the company in its extraordinary general meeting held by the company dated 30<sup>th</sup> June 2020 by passing special resolution.

- f. During the period of reporting company has undergone listing on 9 March 2021 and made initial public offer of company, which was open for subscription on February 24, 2021 and closed on March 01, 2021 for all applicants, 1800000 equity shares of the face value of Rs. 10.00 each (equity shares) at a price of Rs. 165/- per equity shares, consisting fresh issue of 902000 equity shares by company and 8,97,000 equity shares by the selling shareholder were duly allotted in consultation with the Authorized Representative of designated stock exchange viz. NSE on 4<sup>th</sup> March 2021.

#### FOR D. SAGAR & ASSOCIATES

SD/-

CS SAGAR R.DEO  
(Practicing Company Secretaries)  
CP No: 11547  
UDIN: F009518C000810384  
Peer Review NO.:1192/2021

Place: Aligarh  
Date: 20/08/2021

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 noncompliance reported shall not be conclude as complete & final.

**FOR D. SAGAR & ASSOCIATES**

SD/-

CS SAGAR R.DEO  
(Practicing Company Secretaries)  
CP No: 11547  
UDIN: F009518C000810384  
Peer Review NO.:1192/2021

Place: Aligarh  
Date: 20/08/2021

## **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
01	Name of the subsidiary	Swapnil Switches Pvt. Ltd.	Pavna Auto Engineering Pvt. Ltd.	Pavna Sunworld Autotech Pvt. Ltd.	Pavna Marketing Pvt. Ltd.
02	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	FY 2021-21	FY 2021-21	FY 2021-21	FY 2021-21
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
04	Share capital (Rs.)	6090000.00	6090000.00	10000000.00	1000000.00
05	Reserves & surplus	35176109.00	149066793.02	304106.35	5567300.50
06	Total assets	98293363.00	283810781.03	12138273.36	141396747.13
07	Total Liabilities	98293363.00	283810781.03	12138273.36	141396747.13
08	Investments	0.00	0.00	0.00	0.00
09	Turnover	153255048.00	332057659.60	2869185.21	470775470.97
10	Profit before taxation	6006371.00	20390687.28	398702.32	4950958.26
11	Provision for taxation	1880593.00	5803663.62	94883.00	1430291.00
12	Profit after taxation	4125778.00	14587023.66	303819.32	3520667.26
13	Proposed Dividend	0.00	0.00	0.00	0.00
14	% of shareholding	50.74%	50.74%	71.50%	99.99%

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	Mr. Pawan Jain	Mrs. Asha Jain
Nature of relationship	Managing Director in the Company	Directorship in the Company	Directorship in the Company
Nature of contracts/arrangements/transaction	- Remuneration - Interest	- Remuneration - Building Rent - Trade Mark Royalty - Interest - Lease Rent	- Remuneration - Building Rent - Trade Mark Royalty - Interest
Duration of the contracts / arrangements/transactions	1 Year	1 Year	1 Year

<b>Salient terms of the contracts or arrangements or transactions including the value, if any</b>	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
<b>Date(s) of approval by the Board, if any</b>	30-April-2020	30-April-2020	30-April-2020
<b>Amount paid as advances, if any:</b>	NA	NA	NA

<b>Name(s) of the related party</b>	<b>Mrs. Priya Jain</b>	<b>Pawan Jain HUF</b>	<b>Swapnil Switches Pvt. Ltd.</b>
<b>Nature of relationship</b>	Executive Director in the Company	Director's HUF	Subsidiary Company
<b>Nature of contracts/arrangements/transaction</b>	- Remuneration - Interest	- Interest	- Purchase - Sale
<b>Duration of the contracts / arrangements/transactions</b>	1 Year	1 Year	1 Year
<b>Salient terms of the contracts or arrangements or transactions including the value, if any</b>	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
<b>Date(s) of approval by the Board, if any</b>	30-April-2020	30-April-2020	30-April-2020
<b>Amount paid as advances, if any:</b>	NA	NA	NA

<b>Name(s) of the related party</b>	<b>Pavna Auto Engineering Private Limited</b>	<b>Pavna Sunworld Autotech Pvt. Ltd.</b>	<b>Pavna Marketing Pvt. Ltd.</b>	<b>PJ Wealth Management &amp; Consultant Pvt. Ltd.</b>
<b>Nature of relationship</b>	Subsidiary Company	Subsidiary Company	Subsidiary Company	Group Company

<b>Nature of contracts/ arrangements /transaction</b>	- Purchase - Sale	- Purchase - Sale	- Purchase - Sale	Loan Taken
<b>Duration of the contracts / arrangements/transactions</b>	1 Year	1 Year	1 Year	1 Year
<b>Salient terms of the contracts or arrangements or transactions including the value, if any</b>	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	As approved by the Board of Directors from time to time
<b>Date(s) of approval by the Board, if any</b>	30-April-2020	30-April-2020	30-April-2020	30-April-2020
<b>Amount paid as advances, if any:</b>	NA	NA	NA	NA



## INDEPENDENT AUDITORS' REPORT

To the Members of

### PAVNA INDUSTRIES LIMITED

#### Report on the Audit of the Standalone Financial Statements

##### Opinion

We have audited the financial statements of PAVNA INDUSTRIES LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2021, and the statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the 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 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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, its profit/loss and its cash flows for the year ended on that date.

##### 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 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 financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

That Board of Directors is also responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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 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 adequate internal financial controls system 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

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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A', 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 so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

- 
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in ‘Annexure B’.
- g) With respect to the matter to be included in the Auditor’s Report under section 197(16), In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
  - 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.

For DAS MAHESHWARI & COMPANY  
**Chartered Accountants**  
**FRN: 007259C**

SD/-

**GHANSHYAM DAS MAHESHWARI**  
(Partner)  
**Membership No.076273**  
**UDIN: 21076273AAAADP4519**

**Place:-ALIGARH**  
**Date: 30/06/2021**

## Annexure ‘A’

### The Annexure referred to in paragraph 1 of Our Report on “Other Legal and Regulatory Requirements”.

We report that:

- i
  - a. The company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
  - b. As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
  - c. The title deeds of immovable properties are held in the name of the company.
- ii. As explained to us, inventories have been physically verified during the year by the management at reasonable intervals. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
- iii. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (a), (b) and (c) of the order are not applicable to the Company.
- iv. In respect of loans, investments, guarantees, and security, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- v. The company has not accepted any deposits from the public covered under sections 73 to 76 of the Companies Act, 2013.
- 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, 2013.
- vii. According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees’ State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, value added tax, cess and any other statutory dues to the extent applicable, have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2021 for a period of more than six months from the date they became payable.

- b. According to the information and explanations given to us, there is no amount payable in respect of income tax, service tax, sales tax, customs duty, excise duty, value added tax and cess whichever applicable, which have not been deposited on account of any disputes.
- vii. In our opinion and according to the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to an any of the financial institution and banks.
- viii. Based on our audit procedures, during the year the company has raised the money by way of initial public offer (IPO) amounting to Rs.14,88,96,000.00, and according to the information given by the management, the money raised by way of initial public offer have been applied for the purpose for which they were obtained.
- ix. According to the information and explanations given to us, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- x. According to the information and explanations given to us, we report that managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xi. The company is not a Nidhi Company. Therefore, clause (xii) of the order is not applicable to the company.
- xii. 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, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
- xiii. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xiv. The company has not entered into non-cash transactions with directors or persons connected with him.
- xv. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For DAS MAHESHWARI & COMPANY**  
**Chartered Accountants**  
**FRN: 007259C**

**SD/-**

**GHANSHYAM DAS MAHESHWARI**  
**(Partner)**  
**Membership No.076273**  
**UDIN: 21076273AAAADP4519**

**Place:-ALIGARH**  
**Date: 30/06/2021**

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

We have audited the internal financial controls over financial reporting of PAVNA INDUSTRIES LIMITED ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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



### Meaning of Internal Financial Controls over Financial Reporting

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

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

### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, 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.

**For DAS MAHESHWARI & COMPANY**

**Chartered**

**AccountantsFRN:**

**007259C**

**SD/-**

**GHANSHYAM DAS MAHESHWARI**

**(Partner)**

**Membership No. 076273**

**UDIN- 21076273AAAADP4519**

**Place:-ALIGARH**

**Date: 30/06/2021**

**Balance Sheet**

PARTICULARS	NOTE No.	AS AT MARCH 31, 2021 <u>Amount (Rs.)</u>	AS AT MARCH 31, 2020 <u>Amount (Rs.)</u>
<b>A) EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	60,904,000.00	25,940,000.00
Reserves & Surplus	4	395,204,496.77	228,310,832.55
		<b>456,108,496.77</b>	<b>254,250,832.55</b>
<b>Non-Current Liabilities</b>			
Long-term Borrowings	5	182,167,566.00	207,630,447.56
Deferred Tax Liabilities (Net)	6	11,454,657.00	3,380,304.00
Long-term provisions	7	9,888,000.00	12,473,000.00
		<b>203,510,223.00</b>	<b>223,483,751.56</b>
<b>Current Liabilities</b>			
Short-term Borrowings	8	246,079,008.37	176,129,055.04
Trade Payables	9	249,279,833.67	186,606,270.09
Other Current Liabilities	10	53,349,113.93	88,823,949.02
Short-Term Provisions	11	44,834,090.30	14,340,224.15
		<b>593,542,046.27</b>	<b>465,899,498.30</b>
<b>TOTAL</b>		<b>1,253,160,766.04</b>	<b>943,634,082.41</b>
<b>B) ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment			
(i) Tangible Assets	12	464,120,579.55	435,683,381.17
Non- Current Investments	13	96,402,670.00	78,174,470.00
Long-term Loans & Advances	14	37,538,100.00	10,172,100.00
		<b>598,061,349.55</b>	<b>524,029,951.17</b>
<b>Current Assets</b>			
inventories	15	292,548,800.00	181,165,850.00
Trade Receivables	16	279,460,935.37	192,293,971.33
Cash & Bank Balances	17	2,777,556.95	3,155,473.84
Short-term Loans & Advances	18	75,958,438.55	34,985,808.07
Other Current Assets	19	4,353,685.62	8,003,028.00
		<b>655,099,416.49</b>	<b>419,604,131.24</b>
<b>TOTAL</b>		<b>1,253,160,766.05</b>	<b>943,634,082.41</b>

**FOR DAS MAHESHWARI & COMPANY**  
**CHARTERED ACCOUNTANTS**  
 (Registration No 007259C)

SD/-

**GHANSHYAM DAS MAHESHWARI PARTNER**  
 M.No. 076273

**PLACE : ALIGARH**  
**DATE: 30.06.2021**

**FOR & ON BEHALF OF THE BOARD OF DIRECTOR**

SD/-

**(ASHA JAIN)**  
**DIN: 00035024**  
**WHOLE TIME DIRECTOR**

SD/-  
**MAKARAND MAHAJAN**  
**CFO**  
**PAN- ABUPM4863G**

SD/-

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

SD/-  
**DIVYANI KOSHITA**  
**CS & CO**  
**PAN- BGYPL8182L**

## Statement of Profit and Loss

PARTICULARS	NOTE No.	YEAR ENDED MARCH 31, 2021 Amount (Rs.)	YEAR ENDED MARCH 31, 2020 Amount (Rs.)
A) REVENUE FROM OPERATIONS (GROSS)	20	1,712,169,703.94	1,362,010,850.60
B) OTHER INCOME	21	1,441,464.14	1,110,538.83
C) <b>TOTAL REVENUE {(A)+(B)}</b>		<b>1,713,611,168.08</b>	<b>1,363,121,389.43</b>
D) <b>EXPENSES</b>			
1) Cost of materials consumed	22	1,207,078,048.05	898,757,170.05
2) Changes in inventories of work-in-progress	23	(72,136,050.00)	(84,706,050.00)
3) Employee benefits Expenses	24	172,492,360.17	163,784,741.22
4) Finance costs	25	44,510,303.14	32,131,536.69
5) Depreciation & amortization expense	11	35,551,878.00	41,587,804.00
6) Other Expenses	26	251,959,156.89	236,933,214.15
<b>TOTAL EXPENSES</b>		<b>1,639,455,696.25</b>	<b>1,288,488,416.11</b>
E) <b>PROFIT BEFORE EXTRAORDINARY ITEM{(C)-(D)}</b>		<b>74,155,471.83</b>	<b>74,632,973.32</b>
F) <b>EXTRAORDINARY ITEMS</b>			
Less: Profit/(Loss) on sale of Fixed Asset		3,424,079.00	(1,529,874.00)
Less: Profit/(Loss) on sale of Investment		-	(11,852,500.00)
<b>Prior Period Item</b>			
Less: Currency Fluctuation			(278,217.60)
E) <b>PROFIT AFTER EXTRAORDINARY ITEM{(E)-(F)}</b>		<b>77,579,550.83</b>	<b>60,972,381.72</b>
G) <b>TAX EXPENSES</b>	27		
1) Current Tax		16,543,533.61	17,951,638.00
2) Deferred Tax		8,074,353.00	2,454,059.00
H) <b>PROFIT FOR THE YEAR {(E)-(F)}</b>		<b>52,961,664.22</b>	<b>40,566,684.72</b>
I) <b>EARNING PER EQUITY SHARE (in Rs.)</b>	28		
1) Basic		8.70	7.82
2) Diluted		8.70	7.82

FOR DAS MAHESHWARI & COMPANY  
CHARTERED ACCOUNTANTS  
(Registration No 007259C)

SD/-

GHANSHYAM DAS MAHESHWARI PARTNER  
M.No. 076273

PLACE : ALIGARH  
DATE: 30.06.2021

FOR & ON BEHALF OF THE BOARD OF DIRECTOR

SD/-

(ASHA JAIN)  
DIN: 00035024  
WHOLE TIME DIRECTOR

SD/-  
MAKARAND MAHAJAN  
CFO  
PAN- ABUPM4863G

SD/-

(SWAPNIL JAIN)  
DIN: 01542555  
MANAGING DIRECTOR

SD/-  
DIVYANI KOSHTA  
CS & CO  
PAN- BGYPL8182L

## Cash Flow Statement

Particulars	Financial Year Ended	
	2021	2020
<b>Cash Flow From Operating Activities</b>		
Net Profit Before Tax	77,579,550.83	61,250,599.32
Adjustments for :		
Prior period adjustment	-	(278,217.60)
Depreciation/Amortisation	35,490,982.00	41,587,804.00
Loss/Profit on sale of asset	(3,424,079.00)	1,529,874.00
Loss on sale of shares	-	11,852,500.00
Interest Received	(100,039.00)	(97,039.00)
Finance cost	44,510,303.14	32,131,536.69
FBT Write off	80,313.00	-
<b>Operating Profit Before Working Capital Adjustment</b>	<b>154,137,030.97</b>	<b>147,977,057.41</b>
<b>Adjustment for Changes in Working Capital</b>		
Trade and other payable	62,673,563.58	9,983,791.86
Long-term provisions	(2,585,000.00)	2,049,000.00
Short-term provisions	30,493,866.15	(301,558.85)
Other Current Liabilities	(35,474,835.09)	47,621,898.55
Trade and other Receivables	(87,166,964.04)	(3,570,443.75)
Long Term Loans & Advances	(27,366,000.00)	2,072,000.00
Short Term Loans & Advances	(41,052,943.48)	(39,139.04)
Other Current Assets	3,649,342.38	(6,853,474.00)
Inventories	(111,382,950.00)	(130,641,100.00)
<b>Cash Flow Generated from Operations</b>	<b>(54,074,889.53)</b>	<b>68,298,032.18</b>
Taxes Paid	16,543,533.61	17,951,638.00
<b>Net Cash flow from Operating activities (A)</b>	<b>(70,618,423.14)</b>	<b>50,346,394.18</b>
<b>Cash Flow From Investing Activities</b>		
(Purchase)/Sale of Fixed Assets	(63,928,179.51)	(247,543,387.27)
Change in Current investment	(18,228,200.00)	34,930,530.00
Loss on sale of fixed asset	3,424,079.00	(13,382,374.00)
Interest Received	100,039.00	97,039.00
<b>Net Cash Flow from Investing Activities ( B )</b>	<b>(78,632,261.51)</b>	<b>(225,898,192.27)</b>
<b>Cash Flow From Financing Activities</b>		
Issue of Share Capital	148,896,000.00	-
Proceeds from/ (Repayment of ) Borrowing	44,487,071.77	205,585,915.76
Finance cost	(44,510,303.14)	(32,131,536.69)
<b>Net Cash Flow From Financing Activities (C)</b>	<b>148,872,768.63</b>	<b>173,454,379.07</b>
Net Increase/ ( Decrease) in Cash and Cash Equivalents ( A + B + C )	(377,916.02)	(2,097,419.02)
Cash & Cash equivalent at the beginning of the year	3,155,473.24	5,252,893.46
<b>Cash &amp; Cash Equivalent at the end of the year</b>	<b>2,777,557.22</b>	<b>3,155,474.44</b>

### Cash and cash equivalents comprise of:

Particulars	Year Ended March 31	Year Ended March 31,
	2021	2020
Cash-in-Hand	590,157.45	784,935.81
Balance with Banks	599,741.50	897,272.03
Balance in FD	1,587,658.00	1,473,266.00
<b>Total</b>	<b>2,777,556.95</b>	<b>3,155,473.84</b>

### 3. SHARE CAPITAL

PARTICULARS	AS AT MARCH 31, 2021		AS AT MARCH 31, 2020	
	Number	Amount (Rs.)	Number	Amount (Rs.)
<b>Authorized</b>				
61,00,000 Equity Shares of Rs. 10/- each (Previous year 61,00,000 Equity Shares of Rs @ 10/-each)	6,100,000	61,000,000.00	6,100,000	610,000,000.00
<b>Issued, subscribed and paid up</b>				
60,90,400 Equity Shares of Rs.10/- each (Previous year 2594000 Equity Shares of Rs @ 10/-each Fully paid shares)	6,090,400	60,904,000.00	2,594,000	25,940,000.00
<b>TOTAL</b>		<b>60,904,000.00</b>		<b>25,940,000.00</b>

#### a) Reconciliation of number of Equity Shares and amount outstanding

PARTICULARS	AS AT MARCH 31, 2021		AS AT MARCH 31, 2020	
	Number	Amount (Rs.)	Number	Amount (Rs.)
Shares outstanding at the beginning of year	2,594,000	25,940,000.00	259,400	2,594,000.00
Subdivision of shares			2,334,600	23,346,000.00
Bonus issue	2,594,000	25,940,000.00		
Shares issued through IPO	902,400	9,024,000.00		
Shares outstanding at the ending of year	6,090,400	60,904,000.00	2,594,000	25,940,000.00

#### b) Details of Shareholders holding (more than 5%) shares in the company

PARTICULARS	AS AT MARCH 31, 2021		AS AT MARCH 31, 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Smt. Asha Jain	2,910,980	47.80%	1,904,290	73.41%
Shri Mukesh Jain	-		249,260	9.61%
Shri Swapnil Jain	678,080	11.13%	339,040	13.07%
P.J. Wealth Management and Consultant Private Limited	498,520	8.19%		
Smt. Palak Jain	429,600	7.05%		

## NOTES

### Accounting Policies for the year ended March 31, 2021

#### 1. Corporate Information

Pavna Industries Limited ('PIL' or 'the Company'), having its registered office at Vimlanchal, Gopal Puri, Aligarh, India, was incorporated on April 19, 1994. The Company is engaged in business of manufacturing of Locks, Auto Locks and Auto Parts in India.

#### 2. Significant Accounting Policies

##### a. Basis of preparation of Financial Statements

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.

##### 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 capitalized 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 methods, useful lives and residual values are reviewed periodically, including at each financial year end. Subsequent expenditures relating to property, plant and equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the Statement of Profit and Loss when incurred. Depreciation is charged from the time asset is available for use. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

#### **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**

Revenue is recognized on mercantile basis.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included under the head 'Other income' 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 realizable value; whichever is lower. Net realizable 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 recognized 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 recognized only when there is a virtual certainty of their realization. Other deferred tax assets are recognized 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.

### **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 number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the number of shares outstanding during the period.

### **o. Segment Reporting**

The Company's only identifiable reportable segment is manufacturing of Auto Locks and Auto Parts and hence disclosure of Segment wise information is not applicable under Accounting Standard – 17 “Segment Information” (AS-17). There are no geographical segments to be reported.

### **3. Notes on Financial Statements for the year ended March 31, 2021**

- 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 as follows:-

Particulars	Year ended March 31,	
	2021	2020
Mr. Pawan Jain		30,00,000.00
Mrs. Asha Jain	6,82,500.00	39,00,000.00
Mr. Swapnil Jain	1,14,82,500.00	39,00,000.00
Mrs. Priya Jain	6,30,000.00	

- c. Trade receivables, Trade payables, Loans & Advances and Unsecured Loans have been taken at their book value subject to confirmation and reconciliation.
- d. 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.
- e. 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.
- f. Loans and Advances are considered good in respect of which company does not hold any security other than the personal guarantee of persons.
- g. 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.
- h. Payments to Auditors:

Particulars	Year ended March 31,	
	2021	2020
Audit Fees	22,500.00	22,500.00
Tax Audit Fees	7,500.00	7,500.00
G.S.T. (At the time of payment)	---	---
<b>Total</b>	<b>30,000.00</b>	<b>30,000.00</b>

**i. Related Party disclosure:**

The transactions with related parties are disclosed in Note No. 31.

- j.** Deferred Tax Liabilities (Net) of **Rs. 80, 74,353.00** have been created during the current year as per the provisions prescribed in AS-22 issued by The Institute of Chartered Accountants of India. Major components of Deferred tax:-

Particulars	As at 31.03.2021 (Rs.)	As at 31.03.2020(Rs.)
<b>A) Deferred Tax Liability</b>		-
Depreciation	1,22,70,760.00	42,38,796.00
Others		
<b>Total(A)</b>	<b>1,22,70,760.00</b>	<b>42,38,796.00</b>
<b>B) Deferred Tax Assets</b>		
Depreciation		
Others (Provision for Gratuity)	8,16,103.00	8,58,492.00
<b>Total(B)</b>	<b>8,58,492.00</b>	<b>8,58,492.00</b>
<b>Net Deferred Tax liabilities/(assets)</b>	<b>1,14,54,657.00</b>	<b>33,80,304.00</b>

**k. % of imported & indigenous raw material & consumables**

	2020-21		2019-20	
	%	Amount	%	Amount
Imported	0.36	44,64,431.74	0.08	7,52,778.41
Indigenous	99.64	123,24,03,165.05	99.92	92,52,50,604.87

**l. Value of Imports**

Raw Material & Consumables

Rs.44, 64,431.74

Rs 7, 52,778.41

Finished Goods

NIL

NIL

**m. Foreign Currency Transaction**

PARTICULARS	2020-21			2019-20		
	EURO	US \$		EURO	US \$	YEN
Import in Foreign Exchange		70005.47		500.00	985779.00	90930000.00
Expenditure in Foreign Exchange	11,000.00	1240.00		7500.00	3231.00	
Export in Foreign Exchange	220504.56	590035.91		259423.13	435269.58	

- n.** Previous year figures have been regrouped and reclassified whenever necessary to confirm to the current year classification.

## 4. RESERVES AND SURPLUS

PARTICULARS	AS AT March 31, 2021 Amount (Rs.)	AS AT MARCH 31, 2020 Amount (Rs.)
<b>a) General Reserve</b>		
Balance outstanding at the beginning of year	112,000.00	112,000.00

Add: Transferred from surplus in Statement of Profit  
And Loss

Balance outstanding at the end of the year

-	-
112,000.00	112,000.00

**b) Surplus in Statement of Profit and Loss**

Balance outstanding at the beginning of year

Less: Bonus Issue

Add : Transferred from Statement of Profit & Loss

228,198,832.55	198,056,147.83
-25,940,000.00	-
52,961,664.22	40,566,684.72
255,220,496.77	238,622,832.55
	(10,424,000.00)
255,220,496.77	228,198,832.55

Less: Provision for Gratuity

Balance outstanding at the end of the year

**c) Security Premium**

**TOTAL**

139,872,000.00	-
<b>395,204,496.77</b>	<b>228,310,832.55</b>

**5. LONG-TERM BORROWINGS**

PARTICULARS	AS AT	AS AT
	March 31, 2021	MARCH 31, 2020
	Amount (Rs.)	Amount (Rs.)
<b>a) Term Loan</b>		
Secured Loans		
from Bank	-	4,769,186.56
from Financial Institutions	82,806,025.00	69,425,233.00
<b>b) Loans and advances from related parties</b>		
from Directors	0.00	80,037,340.00
from Corporate entities	99,361,541.00	53,398,688.00
<b>TOTAL</b>	<b>182,167,566.00</b>	<b>207,630,447.56</b>

*Additional information*

- i) Loans taken from related parties have been treated as per AS-18. Interest on such loans has been duly credited in Interest account.

**6. DEFERRED TAX LIABILITIES (NET)**

PARTICULARS	AS AT	AS AT
	March 31, 2021	MARCH 31, 2020
	Amount (Rs.)	Amount (Rs.)
<b>a) Deferred Tax Liabilities</b>		
On difference between book balance and tax balance of fixed assets	11,454,657.00	3,380,304.00
<b>b) Deferred Tax Assets</b>		
<b>DEFERRED TAX LIABILITIES (NET)</b>	<b>11,454,657.00</b>	<b>3,380,304.00</b>
NET AMOUNT CHARGED TO STATEMENT OF		

PROFIT AND LOSS (AS PER AS-22)	8,074,353.00	(2,454,059.00)
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## **7. LONG TERM PROVISIONS**

PARTICULARS	AS AT March 31, 2021	AS AT MARCH 31, 2020
	Amount (Rs.)	Amount (Rs.)
Provision for Gratuity	9,888,000.00	12,473,000.00
	<b>9,888,000.00</b>	<b>12,473,000.00</b>

## **8. SHORT TERM BORROWINGS**

PARTICULARS	AS AT March 31, 2021	AS AT MARCH 31, 2020
	Amount (Rs.)	Amount (Rs.)
<b>a) Loans repayable in Short Term</b>		
Secured		
From Bank	62,121,745.37	53,995,722.04
From Financial Institutions	183,957,263.00	122,133,333.00
<b>TOTAL</b>	<b>246,079,008.37</b>	<b>176,129,055.04</b>

### *Additional information*

- i) Secured Loans by way of first charge by hypothecation on the entire stock of raw materials, work in progress, stores and spares, both present and future book debts, receivable.

## **9. TRADE PAYABLES**

PARTICULARS	AS AT March 31, 2021	AS AT MARCH 31, 2020
	Amount (Rs.)	Amount (Rs.)
For Goods & Services	249,279,833.67	186,606,270.09
<b>TOTAL</b>	<b>249,279,833.67</b>	<b>186,606,270.09</b>

### *Additional information*

- i) Trade Payables are subject to confirmation & reconciliation.

## **10. OTHER CURRENT LIABILITIES**

PARTICULARS	AS AT March 31, 2021	AS AT MARCH 31, 2020
	Amount (Rs.)	Amount (Rs.)
<b>a) Current maturities to Long Term Debt</b>		
From Banks	-	5,272,003.00
From Financial Institutions	25,704,439.00	23,537,084.00
From Unsecured Loan		
<b>b) Advance from Customers</b>	1,000,407.54	36,977,694.02
<b>c) Capital Receipt in Advance</b>	50,000.00	

**d) Other Payables**

Trade mark royalty	9,459,736.00	7,354,856.00
Salary payable	9,561,131.00	10,370,856.00
Statutory Dues payable	7,573,400.39	5,311,456.00

<b>TOTAL</b>	<b>53,349,113.93</b>	<b>88,823,949.02</b>
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**11. SHORT TERM PROVISIONS**

PARTICULARS	AS AT March 31, 2021	AS AT MARCH 31, 2020
	Amount (Rs.)	Amount (Rs.)
<b>a) Provision for employee benefits</b>		
Provision for Bonus	11,538,051.00	11,428,823.00
Provision for Gratuity	6,055,401.00	1,036,880.00
<b>b) Provision for Others</b>		
Provision for Audit Fees	13,875.00	30,000.00
Provision for Expenses	27,226,763.30	1,844,521.15
<b>TOTAL</b>	<b>44,834,090.30</b>	<b>14,340,224.15</b>

**13. NON-CURRENT INVESTMENT**

PARTICULARS	AS AT March 31, 2021	AS AT MARCH 31, 2020
	Amount (Rs.)	Amount (Rs.)
a) Shares of Swapnil Switches Pvt. Ltd.	19,776,064.00	19,776,064.00
b) Shares of Pavna Marketing Pvt. Ltd.	999,990.00	999,990.00
c) Shares of Pavna Sunworld Autotech Pvt. Ltd.	7,150,000.00	7,400,000.00
d) Shares of Pavna Auto Engineering Pvt. Ltd.	68,476,616.00	49,998,416.00
<b>TOTAL</b>	<b>96,402,670.00</b>	<b>78,174,470.00</b>

**14. LONG-TERM LOANS & ADVANCES**

PARTICULARS	AS AT March 31, 2021	AS AT MARCH 31, 2020
	Amount (Rs.)	Amount (Rs.)
a) Advance for Land	0.00	8,000,000.00
b) Other (Deposits)	37,538,100.00	2,172,100.00
<b>TOTAL</b>	<b>37,538,100.00</b>	<b>10,172,100.00</b>

**15. INVENTORIES**

PARTICULARS	AS AT March 31, 2021	AS AT MARCH 31, 2020
	Amount (Rs.)	Amount (Rs.)

a)	Finished Goods	-	-
b)	Raw Materials	86,278,500.00	54,349,500.00
c)	Work-in-Progress	189,894,100.00	117,758,050.00
d)	Store and Spares	16,376,200.00	9,058,300.00
<b>TOTAL</b>		<b>292,548,800.00</b>	<b>181,165,850.00</b>

*additional information*

- i) Detailed Inventories of Work in Progress  
RAW MATERIAL OF ZINC, ALUMINIUM, BRASS, POWDER AND OTHER CONSUMABLE AT  
DIFFERENT STAGE OF ITS PROCESSING TO FINAL PRODUCT
- ii) Valuation of Stocks  
FIFO METHOD LOWER OF COST OR NET REALIZABLE VALUE

**16. TRADE RECEIVABLES**

PARTICULARS	AS AT March 31, 2021	AS AT MARCH 31, 2020
	Amount (Rs.)	Amount (Rs.)
a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Doubtful	415,655.62	1,706,711.65
b) Other Trade receivables		
Unsecured, Considered Good	279,045,280.68	190,587,259.68
<b>TOTAL</b>	<b>279,460,936.30</b>	<b>192,293,971.33</b>

*Additional information*

- i) Trade Receivables (Unsecured, considered good) are subject to confirmation & reconciliation.

**17. CASH AND BANK BALANCES**

PARTICULARS	AS AT March 31, 2021	AS AT MARCH 31, 2020
	Amount (Rs.)	Amount (Rs.)
Cash and Cash Equivalents		
a) Cash in Hand	590,157.45	784,935.81
b) Balance with Banks in Current Accounts	599,741.50	897,272.03
Other Bank Balances		
a) Bank FDRs	1,587,658.00	1,473,266.00
<b>TOTAL</b>	<b>2,777,556.95</b>	<b>3,155,473.84</b>

*Additional information*

- i) Bank accounts have been reconciled attached to financial statement.

## 18. SHORT TERM LOANS AND ADVANCES

PARTICULARS		AS AT March 31, 2021	AS AT MARCH 31, 2020
			Amount (Rs.)
a)	Advance to suppliers	68,101,236.76	19,863,561.51
b)	Balances with government authorities	7,187,671.79	15,122,246.56
c)	TDS receivable	669,530.00	-
<b>TOTAL</b>		<b>75,958,438.55</b>	<b>34,985,808.07</b>

## 19. OTHER CURRENT ASSETS

PARTICULARS		AS AT March 31, 2021	AS AT MARCH 31, 2020
			Amount (Rs.)
a)	Advance money for Shares	-	3,800.00
b)	Prepaid Expense	1,522,356.35	1,586,714.00
c)	Advance Income Tax/TDS (Net)	2,831,329.27	6,412,514.00
<b>TOTAL</b>		<b>4,353,685.62</b>	<b>8,003,028.00</b>

## 20. REVENUE FROM OPERATIONS

PARTICULARS		AS AT March 31, 2021	AS AT MARCH 31, 2020
		Amount (Rs.)	Amount (Rs.)
a)	Sale of manufactured goods (Gross)	1,712,169,703.94	1,362,010,850.60
b)	REVENUE FROM OPERATIONS (NET)	<b>1,712,169,703.94</b>	<b>1,362,010,850.60</b>

### additional information

i)	Details of sale of products (Net)		
	Locks and Switch Parts	1,137,074,223.77	516,367,246.70
	M. V. Parts	507,567,091.23	845,643,603.90
	Others	67,528,388.94	-
<b>TOTAL</b>		<b>1,712,169,703.94</b>	<b>1,362,010,850.60</b>

ii) AS-9, Revenue Recognition, has been duly followed in recognition of revenue.

## 21. OTHER INCOME

PARTICULARS		AS AT March 31, 2021	AS AT MARCH 31, 2020
		Amount (Rs.)	Amount (Rs.)
a)	Other Non-Operating Income		
	Miscellaneous Income	12,886.14	89,349.00
	Interest on FDR	100,039.00	97,039.00
	Export incentive	1,268,539.00	839,260.00
	Rent received	60,000.00	60,000.00
	Foreign Currency Fluctuation	0.00	24,890.83
<b>TOTAL</b>		<b>1,441,464.14</b>	<b>1,110,538.83</b>



## 22. COST OF MATERIALS CONSUMED

PARTICULARS	AS AT	AS AT
	March 31, 2021	MARCH 31, 2020
	Amount (Rs.)	Amount (Rs.)
a) Opening Stock	54,349,500.00	15,046,500.00
b) Add: Purchases	1,239,007,048.05	938,060,170.05
	1,293,356,548.05	953,106,670.05
c) Less: Closing Stock	86,278,500.00	54,349,500.00
<b>Cost of Materials Consumed</b>	<b>1,207,078,048.05</b>	<b>898,757,170.05</b>

### Additional information

- i) Material Consumed comprises Zinc, Aluminum, Brass Sheet, CRC Sheet, Iron, Plastic Material etc.

## 23. CHANGES IN INVENTORIES OF WORK-IN-PROCESS

PARTICULARS	AS AT	AS AT
	March 31, 2021	MARCH 31, 2020
	Amount (Rs.)	Amount (Rs.)
a) Work in Process		
Inventories at the beginning of the year	117,758,050.00	33,052,000.00
Inventories at the end of the year	189,894,100.00	117,758,050.00
<b>TOTAL</b>	<b>(72,136,050.00)</b>	<b>(84,706,050.00)</b>

### Additional information

- i) Work in Progress includes Semi Finished Goods/Components lying at assembly shop.

## 24. EMPLOYEE BENEFIT EXPENSES

PARTICULARS	AS AT	AS AT
	March 31, 2021	MARCH 31, 2020
	Amount (Rs.)	Amount (Rs.)
a) Directors Remuneration	12,795,000.00	10,800,000.00
b) Salaries and Wages	118,741,883.07	128,957,172.00
c) Contributions to provident and other funds	9,208,838.00	7,704,303.00
d) Staff Welfare Expenses	17,673,888.28	2,207,376.22
e) Bonus	11,139,238.00	11,030,010.00
f) Gratuity	2,933,512.82	3,085,880.00
<b>TOTAL</b>	<b>172,492,360.17</b>	<b>163,784,741.22</b>

### Additional information

- i) Net of Recoveries

## 25. FINANCE COSTS

PARTICULARS	AS AT	AS AT
	March 31, 2021	MARCH 31, 2020
	Amount (Rs.)	Amount (Rs.)
a) Interest on:		
Borrowings	21,395,658.00	4,675,038.00
Secured Loans	4,395,728.56	19,089,853.00

	Unsecured Loans	16,307,884.00	4,150,385.00
	Car Loan/Other	689,752.53	1,063,440.25
b)	Other Borrowing Cost	1,721,280.05	3,152,820.44
	<b>TOTAL</b>	<b>44,510,303.14</b>	<b>32,131,536.69</b>

## **26. OTHER EXPENSES**

PARTICULARS	AS AT	AS AT
	March 31, 2021	MARCH 31, 2020
	Amount (Rs.)	Amount (Rs.)
a) Consumption of Stores, Spares, Packing and Tools	29,789,548.75	27,246,213.23
b) Commission paid		582,310.00
c) Communication expense	526,599.29	447,961.24
d) Die-casting/ job work charges	64,877,924.09	40,138,009.21
e) Donation & contribution	1,000,000.00	1,000.00
f) Electricity expense	1,059,985.94	2,796,740.39
g) Export promotion expense	56,109.00	43,256.00
h) Freight & forwarding expense	16,620,059.75	12,915,332.36
i) Insurance	1,559,901.03	1,433,000.04
j) Interest on late payments	38,520.00	9,035.00
k) ISO TS certification expense	241,300.00	152,000.00
l) Legal & Professional	6,633,251.86	9,518,712.36
m) Membership expense	209,088.00	74,107.00
n) Miscellaneous Expenses	2,610.92	42,560.65
o) Noncompetitive fee	12,500,000.00	12,500,000.00
p) Office expense	1,492,138.14	1,335,257.13
q) Power and fuel expense	57,217,482.00	47,259,364.74
r) Printing & stationery expense	1,240,643.00	1,257,261.65
s) Rate Difference		16,863,370.00
t) R & D expense	100,420.56	282,752.77
u) Rebate & Discount	582,015.00	1,899,779.00
v) IPO Exp	4,320,057.69	-
w) Rent (including lease rentals)	9,498,180.00	6,688,500.00
x) Repairs & maintenance- machinery	7,417,753.42	9,648,719.54
y) Repairs & maintenance- others	8,393,693.59	11,720,933.04
z) Sales Promotion expense	3,094,874.01	2,809,436.24
za) Sales tax/ GST/ROC	52,283.04	16,001.00
zb) Security expense	7,090,030.57	4,939,584.00
zc) Software Expenses	979,040.00	830,239.80
zd) Trade Mark royalty	8,560,848.00	6,810,054.00
ze) Travelling & conveyance expense	1,171,739.53	8,924,182.43
zf) Travelling & conveyance- foreign		28,040.00
zg) Vehicle running & maintenance expense	2,109,722.49	7,519,122.85
zh) Foreign Currency Fluctuation	805,912.65	-
zi) Bad Debts	430,439.37	-
zj) FBT Provision w/off	80,313.00	-
zk) Warranty claim/ Line rejection expense	2,176,672.20	170,378.48
zl) Payments to Auditors	30,000.00	30,000.00
<b>TOTAL</b>	<b>251,959,156.89</b>	<b>236,933,214.15</b>

### Additional information

i) Consumption of Stores, Spares, Packing and Tools		
Opening Stock	9,058,300.00	2,426,250.00
Add: Consumption of stores and spare parts	19,108,371.31	14,358,238.18
Consumption of loose tools	7,267,629.59	7,214,421.60
Consumption of packing materials	8,795,793.20	9,715,683.08
Polishing and Plating Material	1,935,654.65	2,589,920.37
	46,165,748.75	36,304,513.23
Less: Closing Stock	16,376,200.00	9,058,300.00
Net Consumption of Stores, Spares, Packing and Tools	29,789,548.75	27,246,213.23

## 27. TAX EXPENSES

PARTICULARS	AS AT	AS AT
	March 31, 2021	MARCH 31, 2020
	Amount (Rs.)	Amount (Rs.)
a) Current Tax	16,543,533.61	17,951,638.00
b) Deferred Tax	8,074,353.00	2,454,059.00
<b>TOTAL</b>	<b>24,617,886.61</b>	<b>20,405,697.00</b>

## 28. EARNING PER SHARE

PARTICULARS	AS AT	AS AT
	March 31, 2021	MARCH 31, 2020
	Amount (Rs.)	Amount (Rs.)
a) Net Profit after Tax	52,961,664.22	40,566,684.72
b) Weighted Average no. of equity shares outstanding during the year		
for Basic EPS (Nos.)	6,090,400	5,188,000
for Diluted EPS (Nos.)	6,090,400	5,188,000
c) Earning Per Share		
Basic (in Rs.)	8.70	7.82
Diluted (in Rs.)	8.70	7.82
d) Nominal Value Per Share (in Rs.)	10.00	10.00

## 29. EMPLOYER'S CONTRIBUTION

PARTICULARS	AS AT	AS AT
	March 31, 2021	MARCH 31, 2020
	Amount (Rs.)	Amount (Rs.)
a) Employer's Contribution to P.F.	6,947,616.00	5,183,014.00
a) Employer's Contribution to E.S.I.	2,261,222.00	2,521,289.00

## 30. IMPORTED AND INDIGENOUS MATERIALS CONSUMED

PARTICULARS	AS AT	AS AT
	March 31, 2021	MARCH 31, 2020
a) Raw Materials		

	Imported (in kg.)	22,417.00	
	Indigenous (in kg.)	1,895,955.00	1,712,138.03
b)	Stores, Spares, Packing and Tools		
	Imported (in Rs.)	878,050.00	386,181.96
	Indigenous (in Rs.)	28,911,498.75	26,860,031.27

**31. RELATED PARTY DISCLOSURES**

S.N.	NAME OF PERSON	RELATION	NATURE OF PAYMENT	AS ENDED March 31, 2021	AS ENDED MARCH 31, 2020
<b>Loan taken during the year</b>				Amount (Rs.)	Amount (Rs.)
1	SMT. ASHA JAIN	DIRECTOR	Loan taken	23,109,498.00	26,100,000.00
2	SHRI PAWAN JAIN	DIRECTOR	Loan taken	-	43,650,000.00
3	SMT. PRIYA JAIN	DIRECTOR	Loan taken	11,285,510.00	7,900,000.00
4	SHRI SWAPNIL JAIN	MANAGING DIRECTOR	Loan taken	2,400,000.00	57,100,000.00
5	PJ WEALTH MANAGEMENT & CONSULTANTS P. LTD.	SISTER CONCERN	Loan taken	109,523,360.00	53,000,000.00
<b>Loan Repaid during the year</b>					
1	SMT. ASHA JAIN	DIRECTOR	Repayment of Loan taken	48,558,656.00	3,100,805.00
2	SHRI PAWAN JAIN	DIRECTOR	Repayment of Loan taken	40,857,258.00	6,405,157.00
3	SMT. PRIYA JAIN	DIRECTOR	Repayment of Loan taken	11,567,419.00	9,761,986.00
4	SHRI SWAPNIL JAIN	MANAGING DIRECTOR	Repayment of Loan taken	22,945,870.00	39,985,280.00
5	PJ WEALTH MANAGEMENT & CONSULTANTS P. LTD.	SISTER CONCERN	Repayment of Loan taken	71,548,444.00	1,000,000.00
<b>Interest on Loans (Net of TDS)</b>					
1	SMT. ASHA JAIN	DIRECTOR	Interest(Net)	1,972,219.00	176,939.00
2	SHRI PAWAN JAIN	DIRECTOR	Interest(Net)	3,346,193.00	266,222.00
3	SMT. PRIYA JAIN	DIRECTOR	Interest(Net)		259,685.00
4	SHRI SWAPNIL JAIN	MANAGING DIRECTOR	Interest(Net)	1,496,534.00	1,633,811.00
5	PJ WEALTH MANAGEMENT & CONSULTANTS P. LTD.	SISTER CONCERN	Interest(Net)	7,987,937.00	1,398,688.00
<b>Remuneration</b>					
1	SMT. ASHA JAIN	DIRECTOR	Remuneration	682,500.00	3,900,000.00
2	SHRI PAWAN JAIN	DIRECTOR	Remuneration		3,000,000.00
3	SHRI SWAPNIL JAIN	MANAGING DIRECTOR	Remuneration	11,482,500.00	3,900,000.00
4	SMT. PRIYA JAIN	DIRECTOR	Remuneration	630,000.00	-
<b>Salary &amp; Other Expense</b>					
1	SMT. PRIYA JAIN	DIRECTOR	Salary		3,600,000.00
2	SHRI PAWAN JAIN	DIRECTOR	PROFESSIONAL CHARGES	300,000.00	
3	SMT. ASHA JAIN	DIRECTOR	Building Rent	420,000.00	420,000.00
4	SHRI PAWAN JAIN	DIRECTOR	Building Rent	432,000.00	420,000.00
5	SHRI PAWAN JAIN	DIRECTOR	Lease Rent	10,000.00	10,000.00
6	SHRI PAWAN JAIN	DIRECTOR	Trade Mark Royalty	4,280,424.00	3,405,027.00
7	SMT. ASHA JAIN	DIRECTOR	Trade Mark Royalty	4,280,424.00	3,405,027.00
<b>Sales &amp; Purchase</b>					
1	SWAPNIL SWITCHES PVT. LTD.	SISTER CONCERN	Purchase	7353178.61	10,091,131.78

2	PAVNA AUTO ENGINEERING PVT. LTD.	SISTER CONCERN	Purchase	5882826.15	6,300,196.64
3	SWAPNIL SWITCHES PVT. LTD.	SISTER CONCERN	Sale	51841728.80	2,255,873.64
4	PAVNA AUTO ENGINEERING PVT. LTD.	SISTER CONCERN	Sale	26633521.00	11,218,479.00
5	PAVNA SUN WORLD AUTOTECH PVT LTD	SISTER CONCERN	Sale	96110.56	36.00
6	PAVNA SUN WORLD AUTOTECH PVT LTD	SISTER CONCERN	Tool Sale	4,241,000	
7	PAVNA AUTO ENGINEERING PVT. LTD.	SISTER CONCERN	Tool Sale	13,355,000	
8	PAVNA MARKETING PVT LTD	SISTER CONCERN	Sale	217604477.75	138,220,257.48
9	PAVNA MARKETING PVT LTD	SISTER CONCERN	Purchase	15063749.53	
<b>Investment of Shares- Sales/ Purchase</b>					
1	PAVNA AUTO ENGINEERING PVT. LTD.	SISTER CONCERN	Advance for shares	-	3,800.00
2	PAVNA SUN WORLD AUTOTECH PVT LTD	SISTER CONCERN	Share Purchase		7,400,000.00
3	SWAPNIL SWITCHES PVT. LTD.	SISTER CONCERN	Share Purchase		19,776,000.00
4	PAVNA AUTO ENGINEERING PVT. LTD.	SISTER CONCERN	Share Purchase	18,474,400.00	68,474,400.00
5	PAVNA MARKETING PVT LTD	SISTER CONCERN	Share Purchase		999,990.00
6	SMT. ASHA JAIN	DIRECTOR	Share Purchase of SSPL		64.00
7	SHRI SWAPNIL JAIN	MANAGING DIRECTOR	Share Purchase of PAEPL		2,216.00
8	PJ WEALTH MANAGEMENT & CONSULTANTS P. LTD.	SISTER CONCERN	Sale of Shares		76,227,500.00
<b>Security Deposits</b>					
	SHRI PAWAN JAIN	DIRECTOR	Security Deposit	30,000,000.00	-
<b>Outstanding Balances</b>					
1	SMT. ASHA JAIN	DIRECTOR	Loan		23,476,939.00
2	SHRI PAWAN JAIN	DIRECTOR	Loan		37,511,065.00
3	SHRI SWAPNIL JAIN	MANAGING DIRECTOR	Loan		19,049,336.00
4	PJ WEALTH MANAGEMENT & CONSULTANTS P. LTD.	SISTER CONCERN	Loan	99,361,541.00	53,398,688.00
5	SWAPNIL SWITCHES PVT. LTD.	SISTER CONCERN	Advance to suppliers		759,389.80
6	PAVNA MARKETING PVT LTD	SISTER CONCERN	Debtors	7,703,914.02	6,082,930.00
7	PAVNA SUN WORLD AUTOTECH PVT LTD	SISTER CONCERN	Debtors		42.00
8	PAVNA AUTO ENGINEERING PVT. LTD.	SISTER CONCERN	Debtors	6,566,597.60	1,141,469.40
9	PAVNA AUTO ENGINEERING PVT. LTD.	SISTER CONCERN	Advance to supplier	2,007,783.60	2,794,298.40
10	SHRI PAWAN JAIN	DIRECTOR	Creditors	39,780.00	37,800.00

11	SMT. ASHA JAIN	DIRECTOR	Creditors	68,505.00	37,800.00
12	SWAPNIL SWITCHES PVT. LTD.	SISTER CONCERN	Creditors	8,983,564.72	-

**FOR DAS MAHESHWARI & COMPANY**  
**CHARTERED ACCOUNTANTS**  
 (Registration No 007259C)

**SD/-**

**GHANSHYAM DAS MAHESHWARI**  
**M.No. 076273**

**PLACE : ALIGARH**  
**DATE: 30.06.2021**

**FOR & ON BEHALF OF THE BOARD OF DIRECTOR**

**SD/-**

**(ASHA JAIN)**  
**DIN: 00035024**  
**WHOLE TIME DIRECTOR**

**SD/-**  
**MAKARAND MAHAJAN**  
**CFO**  
**PAN- ABUPM4863G**

**SD/-**

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

**SD/-**  
**DIVYANI KOSHITA**  
**CS & CO**  
**PAN- BGYPL8182L**



# INDEPENDENT AUDITORS' REPORT

To the Members of  
PAVNA INDUSTRIES LIMITED

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated 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")**, which comprise the consolidated Balance Sheet as at 31st March 2021, and the consolidated statement of Profit and Loss, 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 financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at 31st March 2021, of consolidated profit/loss 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 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.

### Information other than the financial statements and auditors' report thereon

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 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 financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed and based on the work done/ audit report of other auditor, 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 Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the 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 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 financial statements by the Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities is responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 financial statements.

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 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 adequate internal financial controls system 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 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 financial statements, including the disclosures, and whether the consolidated 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 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 financial statements of which we are the independent auditors. For the other entities included in the consolidated 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 financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

### **Other Matters**

- 1) (a) We did not audit the financial statements of four 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) whose financial statements reflect total assets of Rs.3,703.75 Lakhs as at 31st March 2021, total revenues of Rs.4,819.02 Lakhs and net cash flows amounting to Rs. (86.07) Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated 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 the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

Our opinion on the consolidated 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 the other auditors and the financial statements certified by the Management.

### **Report on Other Legal and Regulatory Requirements**

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 of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2021 taken on record by the Board of Directors of **the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies**, is disqualified as on 31st March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- g) With respect to the matter to be included in the Auditor's Report under section 197(16), In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.
- 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a. There were no pending litigations which would impact the consolidated financial position of the Group, its associates and jointly controlled entities.
  - b. The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India

**For DAS MAHESHWARI & COMPANY**  
**Chartered Accountants FRN: 007259C**

**SD/-**

**GHANSHYAM DAS MAHESHWARI**

(Partner)

**Membership No. 076273**

**UDIN: 21076273AAAADQ7235**

**Place:-ALIGARH**

**Date: 30/06/2021**

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

We have audited the internal financial controls over financial reporting of PAVNA INDUSTRIES LIMITED ("the Company") as of March 31, 2021 in conjunction with our audit of the consolidated financial statements of the Company, its subsidiary companies, its associates and joint ventures, which are companies incorporated in India, as of that date. For the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Parent, its subsidiary companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 ("ICAI"). 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 the respective 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 internal financial controls over financial reporting of the Parent, its subsidiary companies and joint ventures, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgments, 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 and the audit evidence obtained by auditors of the subsidiary companies and joint ventures, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies and joint ventures, which are companies incorporated in India.

### **Meaning of Internal Financial Controls over Financial Reporting**

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

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 over Financial Reporting**

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies and joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the respective companies 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.

### **Other Matters**



Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to four subsidiary companies which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

**For DAS MAHESHWARI & COMPANY**  
**Chartered Accountants FRN: 007259C**

**SD/-**

**GHANSHYAM DAS MAHESHWARI**

(Partner)

**Membership No. 076273**

**UDIN: 21076273AAAADQ7235**

**Place:-ALIGARH**

**Date: 30/06/2021**

## Consolidated Balance Sheet

(Rs. In lakhs)

Particulars	Note No	Financial Year Ended	
		2021	2020
<b>EQUITY AND LIABILITIES</b>			
<b>1. Shareholder's funds</b>			
a) Share Capital	2	609.04	259.40
b) Reserves and surplus	3	4,180.81	2,418.23
<b>Total Shareholder's Fund(1)</b>		<b>4,789.85</b>	<b>2,677.63</b>
<b>2. Minority Interest</b>		<b>905.92</b>	<b>814.69</b>
<b>3. Non-current liabilities</b>			
a) Long term borrowings	4	2,185.89	2,084.54
b) Deferred Tax Liabilities ( Net)	5	112.91	27.03
c) Other Long Term Liabilities	6	55.00	55.00
d) Long-term provisions	7	177.41	254.67
<b>Total(3)</b>		<b>2,531.21</b>	<b>2,421.24</b>
<b>4. Current liabilities</b>			
a) Short Term Borrowings	8	3,311.69	2,530.91
b) Trade payables	9	3,331.29	2,338.29
c) Other Current Liabilities	10	769.17	1,045.32
d) Short-term provisions	11	596.24	207.53
<b>Total(4)</b>		<b>8,008.38</b>	<b>6,122.05</b>
<b>TOTAL - 1+2+3+4</b>		<b>16,235.35</b>	<b>12,035.61</b>
<b>ASSETS</b>			
<b>1. Non - Current Assets</b>			
a) Fixed Assets			
i.) Tangible assets	12	5,235.56	4,499.42
ii.) Intangible assets	12	25.00	25.00
b) Long Term Loans and Advances	13	1,187.64	805.78
c) Other Non-current assets	14	7.16	2.09
<b>Total(1)</b>		<b>6,455.37</b>	<b>5,332.28</b>
<b>2. Current Assets</b>			
a) Inventories	15	4,635.25	2,789.22
b) Trade Receivables	16	3,845.61	2,958.77
c) Cash and Bank Balances	17	64.04	146.33
d) Short-term loans and advances	18	1,141.99	696.43
e) Other Current Assets	19	93.09	112.56
<b>Total(2)</b>		<b>9,779.98</b>	<b>6,703.32</b>
<b>TOTAL</b>		<b>16,235.35</b>	<b>12,035.61</b>

**FOR DAS MAHESHWARI & COMPANY  
CHARTERED ACCOUNTANTS  
(Registration No 007259C)**

**SD/-**

**GHANSHYAM DAS MAHESHWARI PARTNER  
M.No. 076273**

**PLACE : ALIGARH  
DATE: 30.06.2021**

**FOR & ON BEHALF OF THE BOARD OF DIRECTOR**

**SD/-**

**(ASHA JAIN)  
DIN: 00035024  
WHOLE TIME DIRECTOR**

**SD/-  
MAKARAND MAHAJAN  
CFO  
PAN- ABUPM4863G**

**SD/-**

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

**SD/-  
DIVYANI KOSHTA  
CS & CO  
PAN- BGYPL8182L**

# Consolidated Statement of Profit and Loss

(Rs. In lakhs)

Particulars	Note No	Financial Year Ended March 31, 2021	Financial Year Ended March 31, 2020
<b>REVENUE:</b>			
Revenue from Operations	20	21,940.72	17,969.47
Other Income	21	19.09	13.38
<b>Total revenue</b>		<b>21,959.81</b>	<b>17,982.84</b>
<b>EXPENSES:</b>			
Cost of Materials consumed	22	15,166.85	12,024.51
Change in inventories	23	(1,289.47)	(1,388.80)
Employee Benefit Expenses	24	2,352.78	2,216.62
Financial Cost	25	536.77	381.13
Depreciation & Amortization cost	26	404.00	437.04
Other Expenses	27	3,723.85	3,260.24
<b>Total expenses</b>		<b>20,894.79</b>	<b>16,930.76</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>1,065.02</b>	<b>1,052.09</b>
<b>Less: Extraordinary items</b>			
Loss on sale of Fixed Asset		0.00	(15.30)
Loss on sale of Investment		-	(118.53)
<b>Prior Period Item</b>			
Currency Fluctuation		-	2.78
Bonus		6.00	
<b>Net Profit / (Loss) before Tax</b>		<b>1,059.02</b>	<b>915.48</b>
<b>Less: Tax Expenses</b>			
(a) Current Tax		252.40	261.62
(b) Deferred Tax		85.88	85.88
<b>Total</b>		<b>338.27</b>	<b>347.50</b>
<b>Net Profit / ( Loss ) after tax</b>		<b>720.75</b>	<b>567.98</b>
<b>Net Profit Attributable to Minority</b>		94.18	198.22
<b>Net Profit transferred to Reserves</b>		<b>626.57</b>	<b>369.76</b>
<b>EARNING PER EQUITY SHARE (in Rs.)</b>	28		
Basic			
Diluted			

**FOR DAS MAHESHWARI & COMPANY  
CHARTERED ACCOUNTANTS  
(Registration No 007259C)**

**SD/-**

**GHANSHYAM DAS MAHESHWARI PARTNER  
M.No. 076273**

**PLACE : ALIGARH  
DATE: 30.06.2021**

**FOR & ON BEHALF OF THE BOARD OF DIRECTOR**

**SD/-**

**(ASHA JAIN)  
DIN: 00035024  
WHOLE TIME DIRECTOR**

**SD/-  
MAKARAND MAHAJAN  
CFO  
PAN- ABUPM4863G**

**SD/-**

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

**SD/-  
DIVYANI KOSHTA  
CS & CO  
PAN- BGYPL8182L**

## NOTES

Forming part of the consolidated financial statement for the year ended March 31, 2021

### 3. Corporate Information

The Group consists of 5 units i.e. Pavna Industries Limited (Holding Company) and its 4 subsidiaries Companies 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). 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.

### 4. Significant Accounting Policies

#### b. Basis of Consolidation

The Company consolidates 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, 2021
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%

### Basis of preparation of Consolidated Financial Statements

The Consolidated Financial Statements of the Company for the year ended March 31, 2021 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 (Indian GAAP) 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) (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 costs 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.

#### p. 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.

#### q. 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.

#### r. 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 capitalized 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 methods, useful lives and residual values are reviewed periodically, including at each financial year end. Subsequent expenditures relating to property, plant and equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the Statement of Profit and Loss when incurred. Depreciation is charged from the time asset is available for use. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

### **Intangible Assets**

#### **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.

#### **s. 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.

#### **t. Revenue Recognition**

Revenue is recognized on mercantile basis.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included under the head 'Other income' in the statement of profit and loss.

#### **u. 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.

#### **v. 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.

#### **w. 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.

#### **x. Inventories**

Inventories are valued at lower of cost and net realizable value; whichever is lower. Net realizable 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.

## y. Taxes on Income

- iii. 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 recognized 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.
- iv. 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 recognized only when there is a virtual certainty of their realization. Other deferred tax assets are recognized only when there is a reasonable certainty of their realization.

## z. 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.

### aa. 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.

### bb. 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.

## 5. Notes on Financial Statements

- o. There is no employee who is in the receipt of remuneration exceeding the limit prescribed in accordance with the provisions of Companies Act, 2013.
- p. Managerial Remuneration paid to directors is disclosed in Note No. 29 amounting to Rs. 3,06,53,435/-
- q. Trade receivables, Trade payables, Loans & Advances and Unsecured Loans have been taken at their book value subject to confirmation and reconciliation.

- r. 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 yearend together with interest payable as required under the said Act have not furnished.
- s. 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.
- t. Loans and Advances are considered good in respect of which company does not hold any security other than the personal guarantee of persons.
- u. 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.

**v. Payments to Auditors:**

Particulars	Year ended March 31, 2021
Audit Fees	97,000
Tax Audit Fees	25,000
G.S.T. (At the time of payment)	
<b>Total</b>	<b>1,22,000</b>

**w. Related Party disclosure:**

The transactions with related parties are disclosed in Note No. 29

- x. Deferred Tax Liability of Rs. 85, 87,776/- have been created during the current year as per the provisions prescribed in AS-22 issued by The Institute of Chartered Accountants of India. Major components of Deferred tax:-

Particulars	As at 31.03.2021 (Rs.)
<i>A) Deferred Tax Liability</i>	27,02,755.00
Depreciation	1,00,28,680.00
Others	-
<i>Total(A)</i>	1,27,31,435.06
<i>B) (Deferred Tax Assets)</i>	
Depreciation	-
Gratuity	(14,40,903.00)
<i>Total(B)</i>	
<b>Net Deferred Tax liabilities/(assets)</b>	<b>1,12,90,532.00</b>

**Information Regarding Foreign Exchange**

	<b>20-21</b>
Imports in Foreign Exchange	53,91,009.80
Expenditure in Foreign Exchange	10,53,295.00
Exports in Foreign Exchange	7,82,45,240.00

**Note 2**
**SHARE CAPITAL**

Particulars	Financial Year Ended	
	2021	2020
<b>SHARE CAPITAL</b>		
<b>Authorized Share Capital :</b> 61,00,000 Equity Shares of Rs. 10/- each	610.00	610.00
	<b>610.00</b>	<b>610.00</b>
<b>Issued Subscribed and Paid Up Equity Share Capital :</b> 25,94,000 Equity Shares of Rs.10/- each (Fully paid shares) 60,90,400 Equity Shares of Rs.10/- each (Fully paid shares)	609.04	259.40
<b>Total</b>	<b>609.04</b>	<b>259.40</b>

**Reconciliation of number of shares outstanding:**

Particulars	Financial Year Ended	
	2021	2020
<b>Equity Shares</b>		
At the beginning of the period	2,594,000	259,400
Subdivision of shares	-	2,334,600
Bonus Issue	2,594,000	-
Shares issued through IPO	902,400	-
<b>Outstanding at the end of the period</b>	<b>6,090,400</b>	<b>2,594,000</b>

Pursuant to EGM held on March 16, 2020, our Company has split the Equity Shares of Face Value of Rs 100/- each to Equity Shares of face value of Rs 10/- each.

**Name of Equity Shareholders holding more than 5% equity shares**

Name of Shareholder	As at March 31,		As at March 31,	
	2021		2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mrs. Asha Jain	2910980	47.80%	1,904,290	73.41%
Mr. Mukesh Jain	-	-	249,260	9.61%
Mr. Swapnil Jain	678080	11.13%	339,040	13.07%
P.J. Wealth Management and Consultant Private Limited	498250	8.18%	-	-
Smt. Palak Jain	429600	7.05%	-	-
<b>Total</b>	<b>4,516,910</b>	<b>74.16%</b>	<b>2,492,590</b>	<b>96.09%</b>

**Note 3**
**RESERVES AND SURPLUS**

Particulars	Financial Year Ended	
	2021	2020
<b>Securities Premium</b>		
Opening Balance	0.00	0.00
Add/(less): Received during the period	1398.72	

Add/(less): As a result of consolidation	0	0
<b>Total (a)</b>	<b>1,398.72</b>	<b>-</b>
<b>General Reserve</b>		
Opening Balance	1.12	1.12
Add/(less): As a result of consolidation	0.13	0.00
<b>Total (b)</b>	<b>1.25</b>	<b>1.12</b>
<b>Surplus</b>		
Balance as at the beginning of the year	2,246.08	1,980.56
<b>Add / (Less): Changes during the year</b>		
Less: Bonus issue	(259.40)	
Add: Profit After Tax	495.38	349.46
Add/(less): As a result of consolidation	131.19	20.30
Add/(less): Provision for gratuity	-	(104.24)
<b>Balance as at the end of the year (c)</b>	<b>2,613.26</b>	<b>2,246.08</b>
<b>Capital Reserve</b>		
Opening Balance	111.30	0
Add/(less): As a result of consolidation	0.00	111.30
<b>Total (d)</b>	<b>111.30</b>	<b>111.30</b>
<b>Total</b>	<b>4,124.53</b>	<b>2,358.51</b>

**Note 4**

**LONG TERM BORROWINGS**

Particulars	Financial Year Ended	
	2021	2020
<b>Secured Loans</b>		
From Banks	190.38	55.93
From Financial Institutions	1,001.90	694.25
<b>Unsecured Loans</b>		
Loan from Directors	-	800.37
Loan from Related Parties	-	-
Loan from Corporate entities	993.62	533.99
<b>Total</b>	<b>2,185.89</b>	<b>2,084.54</b>
Current Maturity to Long term debt	<b>357.83</b>	<b>295.54</b>

**Note 5**

**DEFERRED TAX LIABILITIES**

Particulars	Financial Year Ended	
	2021	2020
<b>Deferred tax liabilities/(assets) arising on account of timing difference in:</b>		
Opening Balance	112.91	27.03
Depreciation		100.29
Gratuity		-14.41
<b>Closing Balance</b>	<b>112.91</b>	<b>112.91</b>

**Note 6**

**OTHER LONG TERM LIABILITIES**

Particulars	Financial Year Ended	
	2021	2020
Dealership Deposit	55.00	55.00
<b>Total</b>	<b>55.00</b>	<b>55.00</b>

**Note 7**

**LONG TERM PROVISIONS**

Particulars	Financial Year Ended	
	2021	2020
Provision for gratuity	177.41	158.42
Provision for gratuity for earlier years	-	96.25
<b>Total</b>	<b>177.41</b>	<b>254.67</b>

**Note 8**

**SHORT TERM BORROWINGS**

Particulars	Financial Year Ended	
	2021	2020
<b>Secured Loans</b>		
From Banks	1,272.11	1,109.58
From Financial Institutions	2,039.57	1,421.33
<b>Total</b>	<b>3,311.69</b>	<b>2,530.91</b>

**Note 9**

**TRADE PAYABLE**

Particulars	Financial Year Ended	
	2021	2020
<b>Unsecured, considered goods</b>		
Dues to Micro, Small and Medium Enterprises	-	-
Dues to creditors other than Micro, Small and Medium Enterprises	3,331.29	2,338.29
<b>Total</b>	<b>3,331.29</b>	<b>2,338.29</b>



**Note 10**

**OTHER CURRENT LIABILITIES**

Particulars	Financial Year Ended	
	2021	2020
<b>Current Maturities to Long Term Debt</b>		
From Banks	100.78	52.72
From Financial Institutions	257.04	242.82
Advance from customers	24.83	438.88
Capital Advance	16.26	-
<b>Other Payables</b>		
Trade mark royalty	103.77	86.22
Salary payable	130.65	134.70
Statutory Dues payable	121.15	75.45
Other Expenses payable	14.69	14.53
<b>Total</b>	<b>769.17</b>	<b>1,045.32</b>

**Note 11**

**SHORT TERM PROVISIONS**

Particulars	Financial Year Ended	
	2021	2020
Provision for Employee Benefit expenses	205.16	132.32
Provision for audit fees	0.38	0.58
Provision for expense	272.27	18.45
Provisions for Income Tax	39.18	30.05
Provision for gratuity	79.25	18.14
Provision for gratuity for earlier years	-	7.99
<b>Total</b>	<b>596.24</b>	<b>207.53</b>

**Note 12**

**FIXED ASSETS**

Particulars	Financial Year Ended	
	2021	2020
<b>TANGIBLE ASSETS</b>		
<b>Land</b>		
Opening Balance	348.05	348.05
Addition during the year	-	-
<b>Closing Balance</b>	<b>348.05</b>	<b>348.05</b>
<b>Building</b>		
Opening Balance	990.69	659.89
Addition during the year	88.37	330.80
Depreciation during the year	17.45	16.09
Accumulated Depreciation	249.11	231.67
<b>Closing Balance</b>	<b>829.95</b>	<b>759.02</b>

<b>Plant and Machinery</b>		
Opening Balance	5,127.63	2,989.76
Addition during the year	799.40	2,137.87
Sale during the year	142.33	-
Depreciation during the year	337.55	362.84
Less: Disposal- depreciation	0.61	
Accumulated Depreciation	2,420.77	2,083.83
<b>Closing Balance</b>	<b>3,363.94</b>	<b>3,043.80</b>
<b>Furniture &amp; Fixture</b>		
Opening Balance	112.80	65.18
Addition during the year	11.90	47.62
Sale during the year	-	-
Depreciation during the year	4.68	5.01
Accumulated Depreciation	60.14	55.46
<b>Closing Balance</b>	<b>64.56</b>	<b>57.34</b>
<b>Vehicles</b>		
Opening Balance	360.18	448.44
Addition during the year	351.04	-
Sale during the year	-	88.26
Depreciation during the year	33.48	44.76
Less: Disposal- depreciation	-	54.96
Accumulated Depreciation	145.22	111.75
<b>Closing Balance</b>	<b>565.99</b>	<b>248.43</b>
<b>Office Equipment</b>		
Opening Balance	61.35	51.35
Addition during the year	7.22	10.00
Sale during the year	-	-
Depreciation during the year	3.13	3.56
Accumulated Depreciation	38.42	35.29
<b>Closing Balance</b>	<b>30.15</b>	<b>26.06</b>
<b>Computer</b>		
Opening Balance	165.64	159.05
Addition during the year	21.64	6.59
Sale during the year	-	-
Depreciation during the year	5.42	4.26
Accumulated Depreciation	154.36	148.94
<b>Closing Balance</b>	<b>32.93</b>	<b>16.71</b>
<b>INTANGIBLE ASSETS</b>		
Technical know how	25.00	25.00
<b>Net addition</b>	<b>1,138.45</b>	<b>2,524.58</b>
Total Tangible Assets	8,303.58	7,166.34
Depreciation- Tangible Assets	401.70	436.52

Amortization	-	0.52
<b>Total Depreciation Charged during the year</b>	<b>401.70</b>	<b>437.04</b>
<b>Total accumulated Depreciation on Tangible Assets</b>	<b>3,068.02</b>	<b>2,666.93</b>
<b>WDV Tangible Asset (Net)</b>	<b>5,235.56</b>	<b>4,499.42</b>
<b>WDV Intangible Asset</b>	<b>25.00</b>	<b>25.00</b>

**Note 13**

**LONG TERM LOANS AND ADVANCES**

Particulars	Financial Year Ended	
Advance for land	-	80.00
Deposits	1,187.54	725.78
FDR	0.10	-
<b>Total</b>	<b>1,187.64</b>	<b>805.78</b>

**Note 14**

**OTHER NON CURRENT ASSETS**

Particulars	Financial Year Ended	
	2021	2020
Preliminary Expense	7.16	2.09
<b>Total</b>	<b>7.16</b>	<b>2.09</b>

**Note 15**

**INVENTORIES**

Particulars	Financial Year Ended	
Raw Materials*	1,238.74	775.01
Work in progress	3,180.09	1,380.54
Store & spares	216.42	123.59
Finished goods-trading	-	510.08
<b>Total</b>	<b>4,635.25</b>	<b>2,789.22</b>

*\*raw materials include zinc, aluminum, brass, powder*

**Note 16**

**TRADE RECEIVABLES**

Particulars	Financial Year Ended	
<b>Trade receivables outstanding for a period exceeding six months from the date they were due for payment</b>		
Doubtful	11.79	100.61
<b>Trade receivables outstanding for a period of less than six months from the date they were due for payment</b>		
Unsecured, considered good	3,833.82	2,858.16
<b>Total</b>	<b>3,845.61</b>	<b>2,958.77</b>

**Note 17**

**CASH & BANK BALANCES**

Particulars	Financial Year Ended	
<b>Cash and Cash Equivalents</b>		
Cash-in-Hand	20.79	30.86
Balance with Banks	16.20	90.26
<b>Other Bank Balances</b>	-	-
Balance in FD	27.06	25.21
<b>Total</b>	<b>64.04</b>	<b>146.33</b>

**Note 18**

**SHORT TERM LOANS & ADVANCES**

Particulars	Financial Year Ended	
	2021	2020
Advance to suppliers	946.76	444.61
Balance with Government Authorities	172.44	233.21
Advance to employees	0.69	0.70
Tds receivable from BFL	6.70	1.40
Compensation receivable	-	7.65
Auto Expo expense	7.10	8.87
Fixed Deposit	0.10	-
Deposit	8.20	-
<b>Total</b>	<b>1,141.99</b>	<b>696.43</b>

**Note 19**

**OTHER CURRENT ASSETS**

Particulars	Financial Year Ended	
Advance money for Shares	0.12	-
Prepaid Expense	24.45	18.67
Advance Tax	68.52	88.08
Preliminary Expense	-	5.82
<b>Total</b>	<b>93.09</b>	<b>112.56</b>

\*Prepaid insurance

**Note 20**

**REVENUE FROM OPERATIONS**

Particulars	Financial Year Ended	
	2021	2020
Sale of manufactured goods	17,401.22	15,966.71
Sale of traded goods	4,539.50	2,002.76
<b>Total</b>	<b>21,940.72</b>	<b>17,969.47</b>
Local sales		17,490.25
Export Sales		479.22

**Note 21**

**OTHER INCOME**

Particulars	Financial Year Ended	
Interest on FDR	1.77	1.50
Export incentive	12.69	8.39
Rate difference	-	0.25
Rent received	0.60	0.60
Interest on late payment	2.29	1.75
Other Income	1.74	0.89
<b>Total</b>	<b>19.09</b>	<b>13.38</b>

**Note 22**

**COST OF MATERIALS, CONSUMED**

Particulars	Financial Year Ended	
Opening stock	775.0095	180.72
Add: Purchase	15,389.80	10,434.59
Freight & Carriage inward	4.09	2,064.77
Custom duty & clearing charges	0.11	1.20
Packing materials	236.59	118.23
	<b>16,405.59</b>	<b>12,799.52</b>
Less: Closing Stock	1,238.74	775.01
<b>Net Cost of Materials consumed**</b>	<b>15,166.85</b>	<b>12,024.51</b>

**Note 23**

**CHANGE IN INVENTORIES**

Particulars	Financial Year Ended	
Work in Progress		
Inventories at the beginning of the year	1,890.62	501.83
Less : Inventories at the end of the year	3,180.09	1,890.62
<b>Total</b>	<b>(1,289.47)</b>	<b>(1,388.80)</b>

**Note 24**

**EMPLOYEE BENEFIT EXPENSES**

Particulars	Financial Year Ended	
Director Remuneration	306.53	299.28
Salaries and wages	1,512.40	1,593.87
Contribution to PF & Others	120.87	97.81
Staff welfare expenses	219.78	53.29
Bonus/ ex-gratia	135.97	129.14
Gratuity	57.22	43.24
<b>Total</b>	<b>2,352.78</b>	<b>2,216.62</b>

**Note 25**

**FINANCIAL COST**

Particulars	Financial Year Ended	
Interest on:		
Borrowing	250.75	62.93
Secured Loan	66.89	211.74
Unsecured loan	165.62	58.23
Car Loan/ Other	28.88	10.63
Dealership Deposit	2.20	3.14
Interest on TDS	-	0.00
Bank commission and charges	1.21	34.45
Other Borrowing cost	21.23	-
<b>Total</b>	<b>536.77</b>	<b>381.13</b>

**Note 26**

**DEPRECIATION AND AMORTISATION**

Particulars	Financial Year Ended	
	2021	2020
Depreciation	401.70	436.52
Amortization	2.30	0.52
<b>Total</b>	<b>404.00</b>	<b>437.04</b>

**Note 27**

**OTHER EXPENSES**

Particulars	Financial Year Ended	
Consumption of Stores, Spares, Packing and Tools	329.65	333.37
Bad Debts	4.30	-
Business Promotion Expense	27.90	9.62
Commission paid	-	13.96
Communication Expense	5.85	4.80
Die-casting/ job work charges	754.85	502.49
Discount	94.91	6.00
Donation & contribution	22.53	5.01
Electricity expense	12.91	32.15
Export expense	0.56	0.43
FBT provision w/off	0.80	-
Freight & forwarding expense	247.46	196.04
Foreign currency Fluctuation expense	8.06	-
GST/Sales Tax/ Service Tax Expenses	6.21	0.04
Insurance	21.58	17.92
Interest on late payments	0.39	0.09
IPO Expense	43.20	-
ISO TS certification expense	3.57	1.77
Legal & Professional	117.27	139.69
Legal/ ROC	27.66	3.86
Marketing expense	7.31	24.43

Membership Fees	2.09	3.78
Miscellaneous expense	0.31	3.10
Noncompetitive fee	150.00	150.00
Office expense	20.32	19.39
Power and fuel Expenses	597.23	500.88
Printing & stationery expense	19.13	21.72
Rate difference	-	168.63
R&D expense	1.00	2.83
Rebate & Discount	7.39	19.00
Rent including lease rentals	139.39	105.14
Rent- Machine rent	1.68	1.12
Repairs and maintenance - Machinery	77.70	103.90
Repairs and maintenance - Others	89.38	136.94
Repairs & maintenance- Building	2.19	2.46
Sales Promotion expense	179.53	39.99
Sales tax/ service tax expense/ GST	0.52	0.16
Security expense	73.54	52.92
Software Expenses	9.79	8.30
Subcontracting /Die-casting Charges	423.20	333.78
Telephone/software/Postage & Courier Expenses	0.99	1.62
Trade Mark royalty	97.74	79.83
Travelling & conveyance	29.45	106.62
Travelling & conveyance- foreign	-	0.28
Vehicle running & maintenance expense	32.17	91.79
Warranty claim/ Line rejection expense	30.94	13.33
Payment to Auditors	1.22	1.09
<b>Total</b>	<b>3,723.85</b>	<b>3,260.24</b>

**Consumption of stores, spares, packing & tools**

Particulars	Financial Year Ended	
Opening stock	123.81	53.15
<b>Add:</b>		
Consumption of stores & spare parts	207.22	162.14
Consumption of loose tools	84.55	92.15
Consumption of packing materials	111.13	123.41
Polishing & plating materials	19.36	26.33
	546.06	457.18
<b>Less:</b>		
Closing stock	216.42	123.81
<b>Net consumption*</b>	329.65	333.37

**Note 28**

**EARNINGS PER SHARE (EPS)**

Particulars	Financial Year Ended	
Net Profit after Tax	626.57	369.76
Weighted Average no. of equity shares outstanding during the year	6,090,400	5,188,000
<b>Earnings Per Share*</b>		
Basic and Diluted (in Rs.)	10.29	7.13
Nominal Value Per Share (in Rs.)	10.00	10.00



**FOR DAS MAHESHWARI & COMPANY**  
**CHARTERED ACCOUNTANTS**  
(Registration No 007259C)

**SD/-**

**GHANSHYAM DAS MAHESHWARI**  
**PARTNER**  
**M.No. 076273**

**PLACE : ALIGARH**  
**DATE: 30.06.2021**

**FOR & ON BEHALF OF THE BOARD OF DIRECTOR**

**SD/-**

**(ASHA JAIN)**  
**DIN: 00035024**  
**WHOLE TIME DIRECTOR**

**SD/-**  
**MAKARAND MAHAJAN**  
**CFO**  
**PAN- ABUPM4863G**

**SD/-**

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

**SD/-**  
**DIVYANI KOSHTA**  
**CS & CO**  
**PAN- BGYPL8182L**



## NOTICE

(PURSUANT TO SECTION 101 OF THE COMPANIES ACT, 2013)

**NOTICE IS HEREBY GIVEN THAT THE 27<sup>th</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF PAVNA INDUSTRIES LIMITED (FORMERLY KNOWN AS PAVNA ZADI SECURITY SYSTEMS LIMITED) TO BE HELD AT “DPS, JUNIOR WING, MANDIR KA NAGLA, SASNI ROAD, ALIGARH 202001 UP IN” ON SEPTEMBER 29, 2021 WEDNESDAY AT 01:00 P.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, 2021 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 reappointment of Mrs. Asha Jain (DIN: 00035024), who retires by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment.

### **SPECIAL BUSINESS:**

3. **ADDITION IN OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY.**

To consider and if thought fit, to pass with or without modification(s), the following Resolution(s) as Special Resolution(s):

**“RESOLVED THAT** pursuant to the provisions of Section 13 and other applicable provisions, if any, of Companies Act, 2013, (including any statutory modifications or re-enactment thereof, for the time being in force), and the rules framed there under and subject to the approval of the concerned Registrar of Companies Ministry of Corporate Affairs, consent of the shareholders by way of Special Resolution be and are hereby accorded to append the following sub clauses of object clause after sub clause 2 of clause III (A) of the Memorandum of Association of Company:

**3. “To manufacture, buy, sell, supply, distribute, import, export and deal in all types of automobile Locks including but not limited to pad locks such as die cast locks, brass locks, cycle locks, door locks Sutter locks, telephonic locks and all other special types of locks, hand cuffs, safe deposit lockers and all kinds of safes and cash boxes made out of metals and non- metal such as plastic as well as electronic locks working with or without remote controls and accessories, ancillaries, stores and spares thereof.”**

**4 “To manufacture, buy, sell, supply, distribute, import, export, engineering, develop, design, assemble, and deal in all types of Automobile Parts including but not limited to electric auto switches their accessories, ancillaries, stores and spares and Ignition Switches, Fuel Tank Caps, Latches, Handles, Switches, Oil Pump, Carburettor, Throttle Body, Fuel Cocks, Injection System, Die Casting Components (with or without metal), tools makers, brass founders, metal workers, machine, iron and steel converter, box strapping and mild steel products such as cold and hot rolling materials, locks levers, metal bars, metal bars, metal handles, metal armlets, metal knobs, metal dusting, chilled and malleable castings, special alloys, casting, steel castings, gun metal, copper and brass and accessories,**

ancillaries, stores and spares thereof.”

“**RESOLVED FURTHER THAT** Board of Directors of the Company, be and is hereby authorized to take necessary steps to obtain confirmation of concerned Registrar of Companies, Ministry of Corporate Affairs under Section 13(9) of the Companies Act, 2013 in respect of the aforesaid alteration of Clause III of the Memorandum of Association and to agree to such modifications, terms & conditions in the new proposed sub clause as may be directed by the Registrar of Companies and to modify the same accordingly.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, Board of Directors of the Company be and is hereby authorized, on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary E-form with the Registrar of Companies, Kanpur.”

By Order of the Board of Directors

SD/-

Divyani Koshta  
Company Secretary  
ACS No: 41635

Date: 03/09/2021  
Place- Aligarh,

**Registered Office:**

PAVNA INDUSTRIES LIMITED  
“Vimalanchal”, Hari Nagar, Aligarh 202001  
UP INTel: +91 0571 2410010  
Email: [cs@pavnagroup.com](mailto:cs@pavnagroup.com)  
Website: [www.pavnagroup.com](http://www.pavnagroup.com)  
CIN: U34109UP1994PLC016359

## NOTES:

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. 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.
4. 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.
5. 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.
6. Members holding shares in dematerialized 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.
7. Members attending the meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting Venue.
8. 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.
9. 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.

10. No gifts shall be provided to members before, during or after the AGM.
11. 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 for 2019 is being sent to all the members whose Email IDs are registered with the Company/Depository Participant(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 for 2019 is being sent in the permitted mode.
12. 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](mailto:pavna.ipo@linkintime.co.in),

Website: [www.linkintime.co.in](http://www.linkintime.co.in)

Investor Grievance Email: [pavna.ipo@linkintime.co.in](mailto:pavna.ipo@linkintime.co.in)

13. 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.
14. 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.

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.pavnagroup.com](http://www.pavnagroup.com) 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](mailto:cs@pavnagroup.com)

15. The Board of Directors has appointed **CA Nitin Jain, partner of Serva Associates, Delhi** Practicing Chartered Accountant, as the Scrutinizer to scrutinize the remote e-voting process, in a fair and transparent manner.

16. A route map showing direction to reach the venue of the 27<sup>th</sup> AGM is given at the end of this notice as per the requirement of Secretarial Standards -2 on General Meeting.

## 20. 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 Sunday 26<sup>th</sup> September, 2021, at 09:00 A.M. and ends on Tuesday 28<sup>th</sup> September, 2021 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. Wednesday, 22<sup>nd</sup> September, 2021 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 Wednesday, 22<sup>nd</sup> September, 2021.

### 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 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
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ 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 “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> 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 <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</li> <li>Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol>



		<p><b>NSDL Mobile App is available on</b></p> <p>  App Store            Google Play         </p> <div>   </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easy / 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 Easy / Easiest is <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>	
Individual Shareholders (holding securities in demat mode) login through their depository participants	<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
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43

**B) Login Method for e-Voting 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 use 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](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?**” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://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](mailto: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 on NSDL e-Voting system.**

**How to cast your vote electronically 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
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting

period Now you are ready for e-Voting as the Voting page opens.

3. 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.
4. Upon confirmation, the message “Vote cast successfully” will be displayed.
5. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
6. 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](mailto:nitin@servamail.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
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](http://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](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Anubhav Saxena, Assistant Manager at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Process for those shareholders whose email ids are not registered with the depositories/ company 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](mailto: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](mailto: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 for Individual shareholders holding securities in demat mode.**

3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto: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 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](http://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).

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## ANNEXURE TO NOTICE

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

### Item – 3

The Company is intending to cover more area of business by including additional line of business related to automobile sector and expand its business. Considering the present scenario and for smooth functioning and expansion of the Company, additional business objects need to be included apart from existing object clause in Memorandum of Association.

In order additional Object clauses inserted in Memorandum of Association of the Company after Sub Clause 2 of Clause III (A) of the Memorandum of Association of the Company.

The approval of the members of the company is required, by way of special resolution pursuant to section 13 of the Companies Act, 2013; accordingly the Board recommended the relevant resolution for the approval of members.

None of the Directors of the Company or key managerial personnel or their relatives is, in any way, concerned or interested in the resolution.

By Order of the Board of Directors

SD/-

Divyani Koshta  
Company Secretary  
ACS No: 41635

Date: 03/09/2021  
Place- Aligarh,

#### **Registered Office:**

PAVNA INDUSTRIES LIMITED  
“Vimalanchal”, Hari Nagar, Aligarh 202001  
UP INTel: +91 0571 2410010  
Email: [cs@pavnagroup.com](mailto:cs@pavnagroup.com)  
Website: [www.pavnagroup.com](http://www.pavnagroup.com)  
CIN: U34109UP1994PLC016359

### ATTENDANCE SLIP

27<sup>TH</sup> ANNUAL GENERAL MEETING ON WEDNESDAY, 29<sup>TH</sup> SEPTEMBER, 2021

Client ID	
Name of Shareholder	
Address	
No. of Shares	

I hereby record my presence at the 27<sup>th</sup> Annual General Meeting of the Company at “**DPS, JUNIOR WING, MANDIR KA NAGLA, SASNI ROAD, ALIGARH 202001 UP IN**” ON SEPTEMBER 29, 2021 WEDNESDAY AT **01:00 P.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: U34109UP1994PLC016359**  
**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 27<sup>th</sup> Annual general meeting of the company, to be held on the ..... day of..... At..... a.m. / p.m. at..... (Place) 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, 2021 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 reappointment of Mrs. Asha Jain (DIN: 00035024), who retires by rotation at this Annual General Meeting and being eligible, offers herself for reappointment.			
3	To consider and approve addition in existing Object Clause of Memorandum of Association of the Company			

Signed this ..... day of..... 2021

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.