

# **ANNUAL REPORT 2018 - 2019**



**TWENTY SEVENTH ANNUAL REPORT 2018 - 2019**

## ANNUAL REPORT 2018 -19

MR. SURENDRA JAIN	-	<b>CHAIRMAN AND WHOLE TIME DIRECTOR</b>
MR. DEVENDRA JAIN	-	<b>MANAGING DIRECTOR</b>
MR. MUKESH JAIN	-	<b>WHOLE TIME DIRECTOR</b>
MR. NITIN DAFRIA	-	<b>INDEPENDENT DIRECTOR</b>
MR. SURAJMAL KUCHERIA	-	<b>INDEPENDENT DIRECTOR</b>
MR. RAMESH C KASHYAP	-	<b>INDEPENDENT DIRECTOR</b>
MRS. RAJNI JAIN	-	<b>INDEPENDENTDIRECTOR</b>

**CHIEF FINANCIAL & CHIEF OPERATING OFFICER**

MR. SHAILESH JAIN - CFO  
MR. ATIN JAIN- COO

**COMPANY SECRETARY**

MS. HANSIKA MITTAL

## STATUTORY AUDITORS

S N GADIYA & CO.  
Chartered Accountants  
241 Apollo Tower, 2 M.G. Road  
INDORE – (M.P.)

## BANKERS

STATE BANK OF INDIA  
SME Branch, INDORE – (M.P.)  
KOTAK MAHINDRA BANK LTD.  
580, M. G. Road, Palasia, INDORE — (M.P.)  
ICICI BANK LTD  
Malav Parisar Indore (M.P.)

## REGISTERED OFFICE & WORKS

CIN: L34300MP1992PLC006912  
Plot No. 209 & 215, Sector No. 1,  
Industrial Area, Pithampur, (M. P.) 454775  
Tel: 07292-405101  
Fax: 07292-405120  
E Mail: [admin@porwalauto.com](mailto:admin@porwalauto.com)  
[www.porwalauto.com](http://www.porwalauto.com)

## REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Pvt Ltd.  
C 101, 247 Park,  
LBS Marg, Vikroli West, MUMBAI - 400 083  
Tel: +91 22 49186000  
Fax: +91 22 49186060  
E Mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

## **NOTICE**

NOTICE is hereby given that Twenty Seventh Annual General Meeting of the Members of the **Porwal Auto Components Limited** will be held on Saturday, the 28<sup>th</sup> day of September, 2019 at 01:30 PM at the registered office of the Company at Plot No. 209 & 215, Sector No. 1, Industrial Area, Pithampur, District, Dhar, (M.P.) 454775 to transact the following business : -

### **ORDINARY BUSINESS:**

- 1. Adoption of Audited Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2019:**  
To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2019, together with the Reports of the Board of Directors and the Auditors thereon.
- 2. To declare Dividend on Equity Shares for the Financial year ended 31<sup>st</sup> March, 2019**
- 3. Appointment of Mr. Mukesh Jain (DIN: 00245111), as Whole Time Director, liable to retire by rotation.**  
To appoint a Director in place of Mr. Mukesh Jain (DIN: 00245111), Whole time Director who retires by rotation and being eligible, offers himself for re-appointment.

### **SPECIAL BUSINESS:**

- 4. Re-appointment of Mrs. Rajni Jain (DIN - 07140288) as the Independent Director of Company.**  
To consider and if thought fit, to pass the following resolution as a Special Resolution:  
“**RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) read with Schedule IV to the Companies Act, 2013, applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modification or amendment thereof, and pursuant to the recommendation of Nomination & Remuneration Committee and approval of Board, consent of the members be and is hereby accorded for the re-appointment of Mrs. Rajni Jain (DIN - 07140288) who was appointed as an Independent Director of the Company at the 23<sup>rd</sup> Annual General Meeting of the Company and who holds office of the Independent Director upto 29<sup>th</sup> March, 2020 and who has submitted a declaration that she meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for re-appointment, be and is hereby reappointed as an Independent Director of the Company for a second term of five consecutive years commencing from 30<sup>th</sup> March, 2020 upto 29<sup>th</sup> March, 2025 and she will not be liable to retire by rotation.

By the order of the Board of Directors  
**Porwal Auto Components Limited**

**Place: Pithampur**  
**Date: 10<sup>th</sup> August, 2019**

**Hansika Mittal**  
Company Secretary

### **NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT TO BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXIES IN ORDER TO BE EFFECTIVE MUST BE DULY COMPLETED, STAMPED, SIGNED AND DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. THE PROXY FORM FOR THE AGM IS ENCLOSED HERewith.
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

3. If the Company receives multiple proxies for the same holdings of a Member, the proxy which is dated last will be considered as valid. If such multiple proxies are not dated or they bear the same date without specific mention of time, all such proxies shall be considered as invalid.
4. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
5. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed and forms part of the Notice.
6. Brief details of Directors seeking re-appointment / appointment at the Annual General Meeting scheduled to be held on Saturday, the 28<sup>th</sup> September, 2019 [Pursuant to Regulation 36 (3) of the SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 and SS-2] forms part of the notice.
7. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is omitted vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the 25<sup>th</sup> Annual General Meeting, held on 28<sup>th</sup> September, 2017 to hold office for a period of 5 years for the Financial Year 2017-22.
8. The report on the Corporate Governance and Management Discussion and Analysis also forms part to the report of the Directors.
9. The Company has notified closure of register of members and share transfer books (For the purpose of AGM & Dividend) from **Saturday 21<sup>st</sup> September, 2019 to Saturday, 28<sup>th</sup> September, 2019 (both days inclusive)**.
10. The Members are requested to:
  - (i) Intimate changes, if any, in their registered addresses immediately.
  - (ii) Quote their ledger folio number in all their correspondence.
  - (iii) Hand over the enclosed attendance slip, duly signed in accordance with their specimen registered with the Company for admission to the meeting place.
  - (iv) Bring their Annual Report and Attendance Slips with them at the AGM venue.
11. Members seeking any information are requested to write to the Company by e-mail at [admin@porwalauto.com](mailto:admin@porwalauto.com) at least 7 days before the date of the AGM to enable the management to reply appropriately at the AGM.
12. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
13. Members who hold shares in physical form in multiple folios in identical names or joint holding in same order of names are requested to send the share certificates to Link Intime India Private Limited, RTA of the Company for consolidation into a single folio.
14. Members are requested to notify immediately any change in their address and E – Mail ID to their respective Depository Participants (DPs) in respect of their electronic share accounts, to the Registrar and Share Transfer Agent of the Company at Link Intime India Private Limited, C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai - 400083.
15. SEBI has vide its Notifications dated 8th June, 2018 and 30<sup>th</sup> November, 2018 mandated that securities of listed companies can be transferred only in dematerialized form from 1st April, 2019. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialize the shares held by them in physical form.
16. In accordance with the provisions of Section 101 of the Companies Act, 2013, Rule 18 of the Companies (Management and Administration) Rules, 2014 and Regulation 36 of the SEBI (LODR) Regulations, 2015, and the Ministry of Corporate Affairs, Government of India (vide its circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' by allowing paperless compliances and recognizing delivery of Notices/Documents/Annual Reports, etc., to the shareholders through electronic medium. In view of the above the Notice of the 27<sup>th</sup> Annual General Meeting along with the Annual Report 2018-19 will be sent by electronic mode to those Members whose e-mail addresses are registered with the

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Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies will be sent by the permitted mode. Accordingly, members are requested to support this initiative by registering their email addresses in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with the Company's Registrar and Transfer Agent, Link Intime India Private Limited to enable the Company to send all communications electronically.

17. Members may note that this Notice and the Annual Report 2018-19 will also be available on the Company's website viz. <http://www.porwalauto.com>
18. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's share transfer agent. In respect of shares held in electronic form, the nomination form may be filed with the respective depository participant.
19. Pursuant to Provisions of Section 91 of the Companies Act, 2013, the Register of Members and share transfer book of the Company will remain closed during the period from Saturday, 21<sup>st</sup> September, 2019 to Saturday, 28<sup>th</sup> September, 2019 (both days inclusive) for the purpose of payment of dividend to those members whose name stand on the Register of Members as on Friday, 20<sup>th</sup> September, 2019. The dividend, if declared at the Annual General Meeting, would be paid/dispached after 28<sup>th</sup> September, 2019 to those persons or their mandates.
  - The Dividend in respect of equity shares held in electronic form will be payable to the beneficial owner of the equity shares as at the end of business hours on Friday, 20<sup>th</sup> September, 2019, as per the details furnished by the depositories for this purpose.
  - The Dividend in respect of equity shares held in physical form after giving effect to all valid share transfers lodged with the Company before closing hours on Friday, 20<sup>th</sup> September, 2019.

The Register of Members and Share Transfer Books of the Company will be closed from Saturday, 21<sup>st</sup> September, 2019 to Saturday, 28<sup>th</sup> September, 2019 (both days inclusive).

- Last date for claiming unclaimed and unpaid dividends declared by the Company for the financial year 2015-2016, 2016-2017 and 2017-2018 and thereafter.

Financial Year Ended	Date of declaration of dividend	Last date for claiming unpaid/unclaimed dividend
31 <sup>st</sup> March 2016	28 <sup>th</sup> September 2016	26 <sup>th</sup> October 2023
31 <sup>st</sup> March 2017	28 <sup>th</sup> September 2017	26 <sup>th</sup> October 2024
31 <sup>st</sup> March 2018	29 <sup>th</sup> September 2018	27 <sup>th</sup> October 2025

Members who have not encashed the dividend warrants so far in respect of the aforesaid periods, are requested to make their claim to Link Intime India Pvt. Ltd. well in advance of the above due date.

- Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details and unclaimed amounts on the website of the Company [www.porwalauto.com](http://www.porwalauto.com).
- Pursuant to the provisions of section 124 and 125 of Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("The IEPF Rules") notified by the Ministry of Corporate Affairs with effect from 7th September, 2016, as amended, all unclaimed/unpaid dividend, application money, debenture interest and interest on deposits as well as principal amount of debentures and deposits remaining unpaid or unclaimed for a period of 7 years from the date they became due for payment, are required to be transferred to the Investor Education and Protection Fund ("IEPF") administered by the Central Government.
- Further, pursuant to the provisions of section 124 of Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 all shares on which dividend has been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

20. The Securities and Exchange Board of India (SEBI) vide its Circular No. SEBI/HO/MIRSD/DOP1/ CIR/P/2018/73 dated 20th April, 2018 has mandated registration of PAN and Bank Account Details for all security holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account details to Link Intime India Private Limited along with a self-attested copy of PAN Card and original cancelled cheque. The original cancelled cheque should bear the name of the Member. In the alternative Members are requested to submit a copy of bank passbook/statement attested by the bank. Members holding shares in Demat form are requested to submit the aforesaid information to their respective Depository Participant.
21. The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Companies Act, 2013 requires the Company/ Registrar and Transfer Agents to record additional details of Members, including their PAN details, e-mail address, etc. A form for compiling the additional details is being sent along with this Notice. Members holding shares in physical form are requested to submit the form duly completed to the Company or its Registrar and Transfer Agents. Members holding shares in electronic form are requested to submit the details to their respective Depository Participants.
22. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the registered office of the company on all working days, except Saturday, Sunday and Public holiday, during business hours up to the date of the meeting.
23. The route map showing directions to reach the venue of the **27<sup>th</sup> AGM** is annexed.
24. **Voting through electronic means**
  - (i) In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to exercise their right to vote on resolutions proposed to be considered at the ensuing Annual General Meeting (AGM) by electronic means. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by CDSL.
  - (ii) The facility for voting through polling paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their rights at the meeting through polling paper.
  - (iii) The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again. If a Member votes by both the modes, then the votes cast through remote e-voting shall prevail and the votes cast at the AGM shall be considered invalid.
  - (iv) The Board of Directors has appointed Ms. Shraddha Jain, Practicing Company Secretary (Membership No. ACS 39488) as the Scrutinizer to scrutinize the voting at the meeting and to conduct remote e-voting process in a fair and transparent manner.
  - (v) **The instructions for shareholders voting electronically are as under:**
    - a. The voting period begins on **25<sup>th</sup> September, 2019** (09:00 am) and ends on **27<sup>th</sup> September, 2019** (05:00 pm). During this period shareholders of the Company, holding shares either in physical form or dematerialized form, as on the cut off Date 20<sup>th</sup> September, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
    - b. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
    - c. Click on Shareholders/Members
    - d. Now Enter your User ID
      - For CDSL: 16 digits beneficiary ID,
      - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
      - Members holding shares in Physical Form should enter Folio Number registered with the Company
    - e. Next enter the Image Verification as displayed and Click on Login.
    - f. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

- g. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>➤ Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field.</li> <li>➤ In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>If both the details are not recorded with the depository or company, please enter the member id folio number in the Dividend Bank details field as mentioned in instruction (d).</p>

- h. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. **20<sup>th</sup> September, 2019** may obtain the login ID and password by sending a request to Link Intime India Private Limited at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).
- i. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again. If a Member votes by both the modes, then the after entering these details appropriately, click on "SUBMIT" tab.
- j. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- k. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- l. Click on the EVSN for the **PORWAL AUTO COMPONENTS LIMITED** on which you choose to vote.
- m. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- n. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- o. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- p. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- q. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- r. If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (vi) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(vii) **Note for Non – Individual Shareholders and Custodians**

- a. Non-Individual shareholders (i.e. other than Individuals, HUF, and NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - c. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - d. The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - e. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (viii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (ix) In case you have any grievances pertaining to e-voting, you may contact at below address:
- Name: Mr. Rakesh Dalvi  
Designation: Manager  
Address: A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Josh Marg, Lower Parel (E), Mumbai – 400013.  
Email id: [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com), Phone number: 1800225533
- (x) The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. **20<sup>th</sup> September, 2019**.
- (xi) Ms. Shraddha Jain (Membership No. 39488 CP no. 14717), Company Secretary in Practice has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (xii) At the AGM, at the end of discussion on the resolutions on which voting is to be held, the Chairman shall, with the assistance of Scrutinizer, order voting through poll for all those members who are present at the AGM but have not cast their votes electronically using the remote e-voting facility.
- (xiii) Immediately after the conclusion of voting at the AGM, the Scrutinizer shall first count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall prepare a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, not later than three days after the conclusion of the AGM. This report shall be made to the Chairman or any other person authorized by the Chairman, who shall declare the result of the voting forthwith.
- (xiv) The voting results declared along with the Scrutinizer's Report shall be placed on the Company's website <http://www.porwalauto.com> and on the website of CDSL immediately after the declaration of the result by the Chairman or a person authorized by the Chairman. The results shall also be immediately forwarded to BSE Limited.

**PLACE: Pithampur**  
**DATE: 10<sup>th</sup> August, 2019**

**Registered Office**  
Plot No. 209 & 215, Sector No. 1,  
Industrial Area,  
Pithampur (M.P.) 454775  
CIN: L34300MP1992PLC006912

By order of the Board of Directors  
**Porwal Auto Components Limited**

**Hansika Mittal**  
**Company Secretary**

**EXPLANATORY STATEMENT IN TERMS OF SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No. 04**

Mrs. Rajni Jain joined the Board on 30<sup>th</sup> March, 2015 as an Additional Director in the category of Independent Director of the Company. She has persuaded Bachelor of Arts (BA), which includes the study of humanities, social and cultural studies, languages and music. She has a great Social Service Background. Her extensive experience has helped Company to make critical decisions during challenges. She helps the company in improving corporate credibility and governance standards. The detailed profile of Directorship and Committee position held by her in other Companies are included separately in this Notice.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company has proposed to re-appoint Mrs. Rajni Jain (DIN - 07140288) as an Independent Director of the Company for the second term of five years commencing from 30<sup>th</sup> March, 2020 to 29<sup>th</sup> March, 2025, subject to consent by the Members of the Company at the ensuing Annual General Meeting ("AGM").

The Company has also received a declaration from Mrs. Rajni Jain (DIN - 07140288) confirming that she meets the criteria of independence as prescribed under the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The Company has received from Mrs. Rajni Jain (DIN - 07140288) consent in writing to act as Director in form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 and intimation in Form DIR-8 in terms of Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that she is not disqualified under sub-section (2) of section 164 of the Companies Act, 2013.

In the opinion of the Board, Mrs. Rajni Jain (DIN - 07140288) fulfils the conditions for her appointment as an Independent Director as specified in the Act and the Listing Regulations and she is independent of the management. Mrs. Rajni Jain (DIN - 07140288) is not related to any other Director and Key Managerial Personnel of the Company. None of the Directors, Key Managerial Personnel and their relatives, except Mrs. Rajni Jain (DIN - 07140288), are in any way, concerned or interested in the said resolution. The Board recommends to pass Special Resolution as set out in Item No. 4 of the notice.

**DETAILS OF THE DIRECTORS SEEKING RE-APPOINTMENT IN THE ENSUING ANNUAL GENERAL MEETING**

S.No	Name of Directors	Rajni Jain	Mukesh Jain
1.	DIN	07140288	00245111
2.	Date of Birth	19-09-1973	02-10-1956
3.	Date of first Appointment	30-03-2015	01-08-2011
4.	Qualification	BA	B.Com
5.	Expertise/Experience in specific functional areas	She has a great Social Service Background	39 Years experience specific functional areas of Business & Industry
6.	Terms and conditions of appointment/ re-appointment	Re-appointed as Independent Director not liable to retire by rotation	Re-appointed as Whole time Director of the company.
7.	Details of remuneration	NIL	36,00,000 P.A.
8.	No. & % of Equity Shares held	NIL	2,81,105 & 1.86%
9.	Relationship with other Directors, Manager and other Key Managerial Personnel of the company	NA	Shailesh Jain(Brother), Surendra Jain (Brother), Devendra Jain (Brother),

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10.	Number of Meetings of the Board attended during the year	5	5
11.	List of outside Company Directorships held	NA	NA
12.	Chairman / Member of the Committees of the Board of Directors of the Company	NA	Stakeholders Relationship Committee: Member Corporate Social Responsibility Committee: Member
13.	Chairman / Member of the Committees of the Board of Directors of other Companies in which he is director	NA	NA

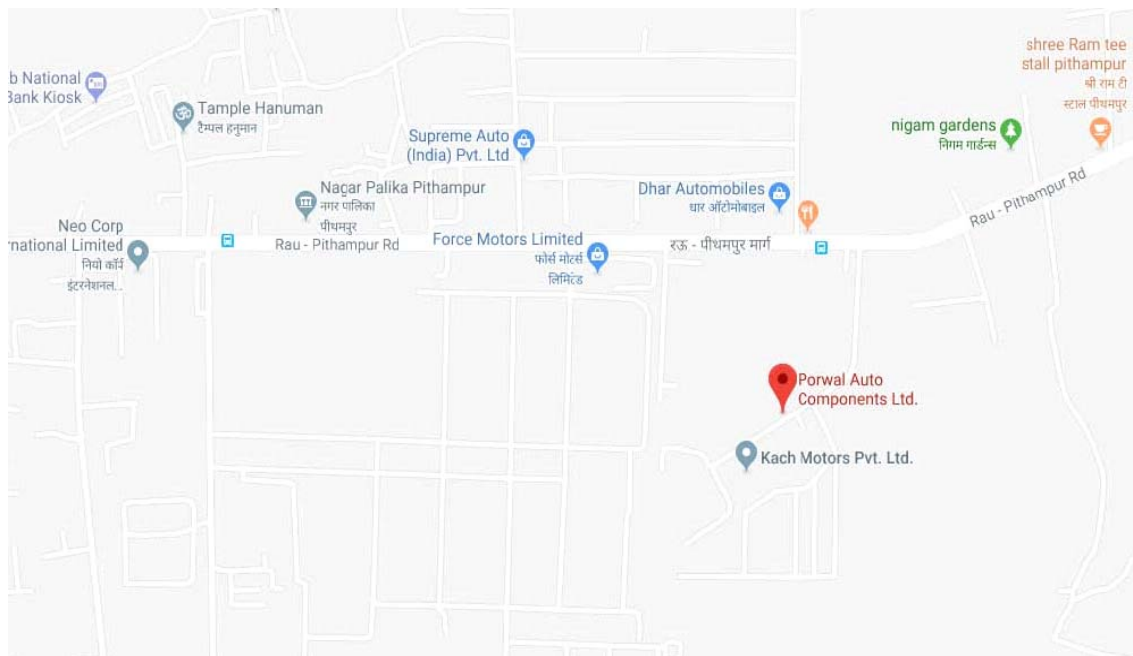
By order of the Board of Directors  
**Porwal Auto Components Limited**

**PLACE: Pithampur**  
**DATE: 10<sup>th</sup> August, 2019**

**Hansika Mittal**  
**Company Secretary**

**Registered Office**  
Plot No. 209 & 215, Sector No. 1,  
Industrial Area,  
Pithampur (M.P) 454775  
CIN: L34300MP1992PLC006912

Route Map for the Venue of AGM



## BOARDS' REPORT

To  
The Members of  
**Porwal Auto Components Ltd.**  
Pithampur-454775

Your Directors have immense pleasure in presenting 27th Boards' Report of **Porwal Auto Components Ltd.**, together with the audited financial statements for the year ended March 31, 2019.

### 1. STATE OF AFFAIRS, FINANCIAL PERFORMANCE AND FUTURE OUTLOOK :

#### a. Financial Performance

The financial highlights and summarized financial results of the company are given below:

(Rs. in lacs)

Particulars	As on 31.03.2019	As on 31.03.2018
<b>Revenue from Operations</b>	12,062.69	11,014.29
Other Income	0.86	121.34
Total Expenses [excluding interest & depreciation]	10,864.34	9,997.91
<b>Profit before Interest, Depreciation &amp; Tax</b>	<b>1199.21</b>	<b>1137.72</b>
<b>Less: Depreciation</b>	587.56	479.21
<b>Less: Interest</b>	92.35	21.90
<b>Profit / (Loss) Before Tax</b>	<b>519.30</b>	<b>637.42</b>
<b>Less: Tax Expenses</b>	-	-
Current Tax	106.91	129.97
Deferred Tax	70.46	2.23
<b>Net Profit / (Loss) after Tax</b>	<b>341.93</b>	<b>505.22</b>
<b>Add: Amount brought forward from Last Year</b>	864.28	496.80
<b>Balance carried forward to Balance Sheet</b>	<b>1206.21</b>	<b>1,002.02</b>
<b>Appropriations:</b>		
(a) Proposed Dividend on Equity Shares	-113.25	-113.25
(b) Tax on Proposed Dividend	-23.28	-23.05
(c) Income Tax/Wealth tax of earlier years	-9.40	-1.43
<b>Balance carried forward to Balance Sheet</b>	<b>1060.28</b>	<b>864.28</b>

Your Company's financial statements for the year ended March 31, 2019 are the financial statements prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as applicable.

During the year under review the Company has reported a turnover of Rs. 12,062.69 Lacs against the turnover of Rs. 11,014.29 Lacs in the Previous Financial Year, registering an increment of Rs. 1048.40 (approx). The overall expenses of the Company has also increased from Rs. 9,997.91 Lacs to Rs. 10,864.34 Lacs. The Company has earned a net profit of Rs. 341.92 Lacs as compared to profit of Rs. 505.22 Lacs in previous Financial Year.

#### b. Operations And Future Outlook

Indian auto component industry is expected to grow steadily at a moderate CAGR of around 19% by 2020. The mid to long term outlook for the Indian auto industry is positive. As per the Automotive Mission Plan 2026 (AMP 2026) the Indian auto industry is expected to grow at double digit CAGR between the period 2016-2026.

With an objective to sustain growth, your Company is pursuing several strategic initiatives in all key areas of business. The key elements of strategy include strengthening the product portfolio, refresh and update existing products and strengthen research & development (R&D) and technology capabilities.

Your Company is going to adopt new technology of casting i.e. "Lost Foam Casting" which will provide the better finish and cost effective production. The following are the benefits of this technology:

- This will lower operating costs.
- High levels of sand reuse are possible.
- Fettling and machining is minimized due to high dimensional accuracy and the absence of parting lines or core fins.
- Consistent casting quality.
- Multiple castings can be combined in one mold to increase pouring efficiency and other benefits as well.

Production capacity expansion outpacing domestic consumption will drive export-oriented growth in the coming years and will be one of the major factors that will have a positive impact on the component market growth in the coming years. Cost-efficient operations and acceptable quality have increased export volumes for the auto components to global OEMs (original equipment manufacturer).

We expect auto component demand to grow by 13-15% in fiscal 20 on account of strong growth across asset classes. As the BS VI emission norms are expected to come into effect in Financial Year 2021, this would result in a price increase across all automobile segments and pre-buying of cheaper BS IV vehicles in Financial Year 2020 is likely to drive volumes up. A strong domestic demand and a pick up in exports is expected to aid overall auto components growth in Financial Year 2020.

**c. Change in nature of Business**

During the year there was no change in business activity of the company.

**d. Changes in Share Capital**

During the Financial Year 2018-19 there is was no change in capital structure of the company. The paid up equity capital as on March 31, 2019 was Rs. 15,10,00,000. During the year under review, the company has not issued shares with differential voting rights nor has granted any stock option or sweat equity shares.

**e. Revision of Annual Financial Statements**

There was no case of revision in financial statement during the year.

**2. Transfer to Reserves, If Any**

During the year the Company has not transferred any amount to the reserves.

**3. Dividend**

The Directors has recommended a dividend of Rs. 0.75 per share (7.5%) on the Equity Shares of the Company (Previous year Rs. 0.75 per share). If the dividend, as recommended above, is declared by the Members at the Annual General Meeting ('AGM'), the total outflow towards dividend on Equity Shares for the year would be Rs. 1,13,25,000 (excluding dividend tax) (Previous Year Rs.1,13,25,000).

**4. Deposits**

During the year under review, your Company did not accept any deposits within the meaning of provisions of Chapter V – Acceptance of Deposits by Companies of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

**5. Material changes and commitments after the end of Financial Year**

There are no material changes and commitments affecting financial position of the company which have occurred between the end of the financial year of the company to which financial statements relate and date of the report.

**6. Subsidiary, Associate Companies or Joint Venture**

The Company does not have any subsidiary, joint venture or associate Company.

**7. Extract of Annual Return**

The extract of the Annual Return of the Company as on 31st March, 2019 in Form MGT-9 in accordance with Section 92(3), Section 134(3)(a) of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, are set out in the **Annexure-I** to this report.

Further, As per Section 134 (3) (a) of the Companies Act, 2013, the Annual Return of the Company as on 31<sup>st</sup> March, 2018 in Form MGT – 7, has been posted the website of the Company and can be accessed through Company's web link at <http://www.porwalauto.com/Other-shareholder-information.html> and Annual Return for the Financial Year 31<sup>st</sup> March 2019 will be posted on website of the Company once the same will be filed with Registrar of Companies.

## 8. Directors and Key Managerial Personnel

The details of changes in the directors and KMP are as follows:

## Appointments

The term of office of Mrs. Rajni Jain (DIN: 07140288) will expire on 29<sup>th</sup> March, 2020. Based on the recommendation of Nomination and Remuneration Committee, the Board in its meeting held on Saturday 10<sup>th</sup> August 2019, proposed the reappointment of Mrs. Rajni Jain (DIN: 07140288) as an Independent Director for a second term of five (5) years commencing from 30<sup>th</sup> March, 2020 to 29<sup>th</sup> March, 2025. The Board recommends the re-appointment of Mrs. Rajni Jain (DIN: 07140288) as Independent Director of the Company at the ensuing Annual General Meeting.

## Declaration by Independent Directors

All Independent Directors of your Company have given a declaration pursuant to Section 149(7) of the Companies Act, 2013 and Regulation 25(8) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 affirming compliance to the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Based on the declaration(s) of Independent Directors, the Board of Directors recorded its opinion that all Independent Directors are independent of the Management and have fulfilled the conditions as specified in the Companies Act, 2013 and the Rules made there under.

Independent Directors not liable to retire by rotation, in terms of Section 149(13) of the Act.

## Retire By Rotation

In accordance with the provisions of Section 152 of the Act and in terms of the Articles of Association of the Company, Mr. Mukesh Jain (DIN: 00245111), retires by rotation and being eligible, offers himself for reappointment at the ensuing 27<sup>th</sup> Annual General Meeting. The Board recommends his re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

## Disqualifications of Directors

During the year declarations received from the Directors of the Company pursuant to Section 164 of the Companies Act, 2013. The Board appraised the same and found that none of the director is disqualified for holding office as director.

Further the Certificate from Practicing Company Secretary has been obtained who certified that none of the directors of the company disqualified for holding office as director of the Company is enclosed with this Board Report.

## 9. Committees of the Board Of Directors

Your Company has four committees which have been constituted as a part of the good corporate governance practices and the same are in compliance with the requirements of the relevant provisions of applicable laws and statutes. Your Company has an adequately qualified and experienced Audit Committee with Mr. Nitin Dafria (Chairperson), Mr. Ramesh C Kashyap and Mr. Surajmal Birdichand Kucheria, as Members. The recommendations of the Audit Committee were duly approved and accepted by the Board during the year under review.

The other Committees of the Board are:

- i. Nomination and Remuneration Committee
- ii. Stakeholders Relationship Committee
- iii. Corporate Social Responsibility Committee

The details with respect to the composition, powers, roles, terms of reference, Meetings held and attendance of the Directors at such Meetings of the relevant Committees are given in detail in the Report on Corporate Governance of the Company which forms part of this Report.

**10. Meetings of the Board of Directors and its committees**

- a. **Board Meetings:** During the year under review the Board has met 5 (five) times viz. **May 18, 2018; August 11, 2018; November 13, 2018; February 13, 2019 and March 29, 2019.** The details of meetings of the Board and the attendance of Directors are provided in the Corporate Governance Report.
- b. **Committee Meetings:** During the year under review, the Committees duly met and the details of the the Meetings held and attendance of the Directors at such Meetings, are provided in the Corporate Governance Report.
- c. **Separate Meeting of Independent Director:** During the year under review, a separate meeting of Independent Directors was held on March 29, 2019.

**11. Nomination and Remuneration Policy**

Pursuant to the provisions of Section 178(3) of the Companies Act, 2013, and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee has formulated a policy relating to the remuneration for the Directors, key managerial personnel (KMP) and other employees which was approved and adopted by the Board. The Nomination and Remuneration Policy of the Company forms part of this report as **Annexure-VIII** and is also available on the website of the Company at <http://www.porwalauto.com/Other-shareholder-information.html>.

**12. Performance Evaluation of the Board**

Pursuant to the provisions of section 134(3)(p) of Companies Act 2013 and Regulation 17(10) & 25(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017, the Nomination and Remuneration Committee of the Company has defined the evaluation criteria and procedure for the Performance Evaluation process for the Board, its Committees and Directors.

The Board of Directors has carried out an annual performance evaluation of its own performance, Independent Directors, the Directors and the Committees. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors, who also reviewed the performance of the Board as a whole. The criteria on the basis which the evaluation has been carried out are explained in the Corporate Governance Report.

The performance of the board was evaluated by the board after seeking inputs from all the Directors on the basis of criteria such as board composition and structure, effectiveness of board processes, information and functioning, etc. as provided by the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India.

The performance of the committee was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of the committee, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual director on the basis of criteria such as the contribution of the individual directors to the board and committee meeting like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meeting, etc

**13. Directors' Responsibility Statement**

Pursuant to section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:

- a. In the preparation of the Annual Accounts, 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 at the end of the financial year and of the profit for the year ended on that period.
- c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- d. The Directors had prepared the annual accounts on a going concern basis.

- 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 system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

**14. Auditors:**

**a. Statutory Auditors**

Pursuant to the provisions of section 139 of the Act and the rules framed there under, at the 25<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> September 2017, S N Gadiya & Company, Chartered Accountants (ICAI Firm Registration No. 002052C) were appointed as Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2022.

The Company has received a certificate from the auditors confirming that their appointment is in accordance with Section 139 read with Section 141 of the Act.

**Explanation to Auditor's Remark**

The Auditors in their report have referred to the notes forming part of the Accounts which are self-explanatory and does not contain any qualification, reservation or adverse remark or disclaimer.

**Reporting of fraud by Statutory Auditors**

There was no fraud in the Company, which was required to be reported by statutory auditors of the Company under sub-section (12) of section 143 of Companies Act, 2013.

**b. Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the company has appointed Ms. Shraddha Jain, Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report for the financial year ended March 31, 2019 is annexed herewith marked as **Annexure-II** to this Report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

**c. Cost Record and Cost Audit**

Your company does not fall within the provisions of Section 148 of Company's Act, 2013 read with the Companies (Cost records & Audit) Rules, 2014, therefore no such records required to be maintained.

**d. Internal Auditor**

Pursuant to the provisions of Section 138 of the Act read with Rule 13(1)(a) of Companies (Accounts) Rules, 2014, the Board of Directors of the Company have appointed Vikas S Garg & Company to conduct internal audit reviews for the Company.

**15. Internal Financial Controls and its adequacy**

The Company has comprehensive Internal Financial Controls system for all major processes including financial statements to ensure reliability of reporting. The system also helps management to have timely data on various operational parameters for effective review. It also ensures proper safeguarding of assets across the Company and its economical use. The internal financial controls system of the Company is commensurate with the size, scale and complexity of its operations. The system and controls are periodically reviewed and modified based on the requirement.

The internal and operational audit is entrusted to Vikas S Garg & Company. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry. Based on the audit observations & suggestions, follow up & remedial measures are being taken on a regular basis.

**16. Particulars of loans, guarantees or investments**

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Note No. 5 and 6 to the financial statements.

**17. Particulars of contracts or arrangements with Related Parties**

All Related Party Transactions that were entered into during the financial year were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 ('the Act') and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

There are no material contracts or arrangements or transactions during the year. Thus, the disclosure in Form AOC-2 under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is not applicable.

Details of transactions with Related Parties are provided in the accompanying financial statements.

The Company has adopted a Related Party Transactions Policy and the same is uploaded on the Company's website <http://www.porwalauto.com/>.

Suitable disclosures as required under AS-18/Indian Accounting Standards (Ind AS 24) have been made in the Notes to the financial statements.

**18. Conservation of Energy, technology absorption, foreign exchange earnings and outgo**

The details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo Pursuant to the provisions of Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 is attached as **Annexure-III** to this report.

**19. Risk Management**

The Company recognizes that risk is an integral and unavoidable component of business and is committed to managing the risk in a proactive and efficient manner. The Company as part of business strategy has in place a mechanism to identify, assess, monitor risks and mitigate various risks with timely action.

**20. Significant and material orders passed by the regulators or courts**

There are no significant or material orders passed by the Regulators / Courts which would impact the future operations / going concern status of the Company.

**21. Vigil Mechanism/Whistle Blower Policy**

Pursuant to the provisions of Section 177 (9) & (10) of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI (LODR) Regulations, 2015, the Company has in place a Whistle Blower Policy, which provides for a vigil mechanism that encourages and supports its Directors and employees to report instances of illegal activities, unethical behaviour, actual or suspected, fraud or violation of the Company's Code of Conduct or Ethics Policy and also to report insider trading violations as well as reporting of instances of leak of unpublished price sensitive information. It also provides for adequate safeguards against victimization of persons who use this mechanism and direct access to the Chairman of the Audit Committee in exceptional cases. During the year under review, no protected disclosure concerning any reportable matter in accordance with the Vigil mechanism and Whistle Blower policy of the Company was received by the Company. The Whistle Blower Policy has been posted on the website of the company [www.porwalauto.com](http://www.porwalauto.com).

**22. Commission received by directors from holding/subsidiary Company**

The Company does not have any holding/ subsidiary company. Hence provisions of section 197 (14) of Companies Act, 2013 are not applicable to the Company.

**23. Disclosure of ratio of remuneration of Directors and Key Managerial Personnel**

The prescribed particulars of employees required under section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as **Annexure IV** and forms the part of this Board Report.

**24. Particulars of Employees**

During the year, there was no employee drawing remuneration in excess of Rs. 1,02,00,000/- p.a. or Rs. 8,50,000/- p.m. Accordingly, information required to be given pursuant to provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, has not been given here.

Further the particulars of top ten employees in terms of remuneration drawn required under section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended is enclosed as **Annexure V** and forms the part of this Board Report.

**25. Chief Financial Officer and Managing Director Certification**

As required under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Managing Director and Chief Financial Officer of the Company have certified to the Board regarding the Financial Statements for the year ended 31<sup>st</sup> March, 2019

**26. Voting Rights of employees**

During the year under review the Company has not given loan to any employee for purchase of its own shares as per section 67(3) (c) of Companies Act, 2013.

**27. Disclosure regarding issue of Employee Stock Options**

The Company has not issued shares under employee's stock options scheme pursuant to provisions of Section 62 read with Rule 12 of Companies (Share Capital and Debenture) Rules, 2014

**28. Disclosure regarding issue of Sweat Equity Shares**

The Company has not issued sweat equity shares pursuant to provisions of Section 54 read with Rule 8 of Companies (Share Capital and Debenture) Rules, 2014 & SEBI (issue of sweat equity) Regulations, 2002 during the Financial Year.

**29. Corporate Governance Report**

Your Company and its Board has been complying with Corporate Governance practices as set out in a separate report in pursuance of requirement of para C of Schedule V SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as **Annexure VI**.

Auditor's certificate obtained from S N Gadiya & Company, Chartered Accountants (ICAI Firm Registration No. 002052C), confirming compliance of the Corporate Governance as stipulated under the said Regulations is also enclosed herewith in the Report.

**30. Corporate Social Responsibility**

With a deeper understanding of societal issues and as per the Section 135 of Companies Act 2013, Your Company is contributing to society through the Corporate Social Responsibility. With its focus on driving positive change to enable communities to Rise, your Company's CSR initiatives are designed to support the Indian Army and other suitable areas of society. For the financial year 2017-18, the Company is required to spend on CSR Activities is Rs. 10,28,658/- out of which the Company has donated Rs. 2,01,000/- to Army Welfare Fund. Further, Company is in search of suitable areas for spending the CSR amount. For the financial year 2018-19, Company is required to spend on CSR Activities is Rs. 11,67,129/-. The Company is in search of suitable areas for spending the CSR amount and your company will spend the remaining unspent amount within the prescribed time limit specified in the Companies Act, 2013.

**31. Management Discussion and Analysis Report**

Management Discussion and Analysis Statement in pursuance of requirement of Regulation 34(2)(e) and para B of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to this report as **Annexure – VII**.

**32. Policies**

The details of the Key Policies adopted by the Company are mentioned in **Annexure IX** to the Board's Report.

**33. Listing at Stock Exchange**

The Equity shares of the Company are listed on Bombay Stock Exchange Limited, Mumbai and the Listing Fee for the year 2018-19 has been duly paid.

**34. Insurance**

The Company's assets are adequately insured against the loss of fire and other risks, as consider necessary by the Management from time to time.

**35. Business Responsibility Report**

The Business Responsibility Reporting as required by Regulation 34(2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, is not applicable to your Company for the financial year ending March 31, 2019.

**36. Depository System**

Your Company's shares are tradable compulsorily in electronic form and your Company has connectivity with both the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Service (India) Limited (CDSL). As per the SEBI (Listing Obligations & Disclosure Requirements) (Fourth Amendment) Regulations, 2018, vide Gazette notification dated June 8, 2018 & 30<sup>th</sup> November, 2018 mandated that Share transfer shall be mandatorily carried out in dematerialized form only w.e.f. from April 1, 2019. In view of the numerous advantages offered by the Depository System, members are requested to avail the facility of Dematerialization of the Company's shares on either of the Depositories mentioned as aforesaid.

**37. Environment and Safety**

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances environmental regulations and preservation of natural resources.

**38. Industrial Relations**

Industrial relations remained cordial throughout the year. Your Directors recognize and appreciate the sincere, hard work, loyal, dedicated efforts and contribution of all the employees in the growth and performance of the Company during the year.

The Company continues to accord a very high priority to both industrial safety and environmental protection and these are ongoing processes at the Company's plant and facilities to maintain high awareness levels. The Company as a policy re-evaluates safety standards and practices from time to time in order to raise the bar of safety for its people as well as users and customers.

**39. Disclosure as required under Section 22 of Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made there under. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment.

It may be noted that during the year 2018-19, no grievance/complaint from any women employee was reported.

**40. Compliance Of Secretarial Standard**

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

**41. Acknowledgements**

Your Directors place on record their gratitude to all the Government and semi government departments and Company's Bankers and all the stakeholders for their continuing assistance and co-operation and encouragement they extended to the Company. Your Directors also wish to place on record their sincere thanks and appreciation for the continuing support and unstinting efforts of Customer, Vendors, Employees and all other stakeholders in ensuring an excellent all around operational performance.

**Date:** 10.08.2019  
**Place:** Pithampur

**Registered office**  
 Plot No. 209 & 215, Sector No. 1,  
 Industrial Area,  
 Pithampur (M.P.) 454775  
 CIN: L34300MP1992PLC006912

For and on behalf of the Board of Directors  
**Porwal Auto Components Limited**

**Mukesh Jain**  
 Whole time Director  
 (DIN - 00245111)

**Devendra Jain**  
 Managing Director  
 (DIN - 00232920)

**ANNEXURE -I  
FORM NO. MGT 9**

**EXTRACT OF ANNUAL RETURN**

As on Financial Year ended on 31.03.2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014

**I REGISTRATION & OTHER DETAILS:-**

1	CIN	L34300MP1992PLC006912
2	Registration Date	03.02.1992
3	Name of the Company	Porwal Auto Components Ltd
4	Category/Sub-category of the Company	Public Company / Limited by shares
5	Address of the Registered office & contact details	Plot No. 209 & 215, Sector 1, Industrial Area, Pithampur, (M.P.) 454775
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt Ltd. C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 Tel: +91 22 49186000 Email Id : rnt.helpdesk@linkintime.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)**

S.No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	CI & SG Iron Automobile Components	29301	96.0663%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

S.No.	Name and Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable section
NA					

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**A) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year[As on 1- 04-2018]				No. of Shares held at the end of the year[As on 31-03-2019]				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	%Change during the year
A. Promoters									
1 Indian									
a Individual/HUF	28,09,442	0	28,09,442	18.6056	28,50,724	0	28,50,724	18.8790	0.2734
b Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c State Govt. (s)	0	0	0	0.00	0	0	0	0.00	0.00
d Bodies Corp.	27,50,000	0	27,50,000	18.2119	27,50,000	0	27,50,000	18.2119	0.00
e Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f Any other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (1):-	55,59,442	0	55,59,442	36.8175	56,00,724	0	56,00,724	37.0909	0.2734

**Porwal Auto Components Ltd.** **Annual Report 2018 - 2019**

Category of Shareholders	No. of Shares held at the beginning of the year[As on 1- 04-2018]				No. of Shares held at the end of the year[As on 31-03-2019]				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	%Change during the year
<b>2 Foreign</b>									
NRIs -	0	0	0	0	0	0	0	0	0
a Individuals	0	0	0	0	0	0	0	0	0
b Other -Individuals	0	0	0	0	0	0	0	0	0
c Bodies Corp.	0	0	0	0	0	0	0	0	0
d Banks / FI	0	0	0	0	0	0	0	0	0
e Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (2):-</b>	0	0	0	0	0	0	0	0	0
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	55,59,442	0	55,59,442	36.8175	56,00,724	0	56,00,724	37.0909	0.2734
<b>B Public Shareholding</b>									
<b>1 Institutions</b>	0	0	0	0	0	0	0	0	0
a Mutual Funds	0	0	0	0	0	0	0	0	0
b Banks / FI	0	0	0	0	0	0	0	0	0
c Central Govt	0	0	0	0	0	0	0	0	0
d State Govt(s)	0	0	0	0	0	0	0	0	0
e Venture Capital Funds	0	0	0	0	0	0	0	0	0
f Insurance Companies	0	0	0	0	0	0	0	0	0
g FIs	0	0	0	0	0	0	0	0	0
h Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	0	0	0	0	0	0	0	0	0
<b>2 Non-Institutions</b>									
<b>a Bodies Corp.</b>									
i Indian	35,55,886	1,95,700	37,51,586	24.8449	34,99,616	1,79,000	36,78,616	24.3617	-0.4832
ii Overseas	0	0	0	0	0	0	0	0	0
<b>b Individuals</b>									
i Individual share-holders holding nominal share capital upto Rs. 1 lakh	38,84,932	4,04,603	42,89,535	28.4075	38,14,639	3,86,403	42,01,042	27.8215	-0.5860
ii Individual share-holders holding nominal share capital in excess of Rs 1 lakh	9,74,544	44,700	10,19,244	6.7500	11,31,913	44,700	11,76,613	7.7921	1.0421
<b>c Others (specify)</b>									
Hindu Undivided Family	2,41,903	0	2,41,903	1.6020	2,47,995	0	2,47,995	1.6424	0.0404
Non Resident Indians (Repat)	77,865	0	77,865	0.5157	62,638	0	62,638	0.4148	-1.1009
Non Resident Indians (Non-Repat)	59,202	0	59,202	0.3921	59,885	0	59,885	0.3966	0.0045
NBFCs registered with RBI	0	0	0	0	1,500	0	1,500	0.0099	0.0099
Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0	0	0	0	0	0.00
Foreign Nationals	0	0	0	0	0	0	0	0	0
Market maker	0	0	0	0	0	0	0	0	0
Clearing Members	1,01,223	0	1,01,223	0.6704	70,987	0	70,987	0.4701	-0.2003
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies-D R	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2):-</b>	88,95,555	6,45,003	95,40,558	63.1825	88,89,173	6,10,103	94,99,276	62.9091	-0.2734
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	88,95,555	6,45,003	95,40,558	63.1825	88,89,173	6,10,103	94,99,276	62.9091	-0.2734

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Category of Shareholders	No. of Shares held at the beginning of the year[As on 1- 04-2018]				No. of Shares held at the end of the year[As on 31-03-2019]				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	%Change during the year
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	1,44,54,997	6,45,003	1,51,00,000	100.00	1,44,89,897	6,10,103	1,51,00,000	100.00	

**B. Shareholding of Promoter and Promoters Group-**

S. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2018)			Shareholding at the end of the year (As on 31-03-2019)			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in shareholding during the year
1	Surendra Jain	3,89,280	2.5780	0.00	3,89,280	2.5780	0.00	0.00
2	Devendra Jain	3,52,299	2.3331	0.00	3,52,299	2.3331	0.00	0.00
3	Mukesh Jain	2,81,105	1.8616	0.00	2,81,105	1.8616	0.00	0.00
4	Gajendra Utsavlalji Jain	2,75,989	1.8277	0.00	2,75,989	1.8277	0.00	0.00
5	Shailesh Jain	1,92,800	1.2768	0.00	2,19,716	1.4551	0.00	0.1783
6	Chandanbai Utsavlal Jain	1,64,000	1.0861	0.00	1,64,000	1.0861	0.00	0.00
7	Sunita Jain	1,14,600	0.7589	0.00	1,14,600	0.7589	0.00	0.00
8	Pramila Jain	1,10,000	0.7285	0.00	1,10,000	0.7285	0.00	0.00
9	Pushpa Jain	95,000	0.6291	0.00	95,000	0.6291	0.00	0.00
10	Manju Jain	94,900	0.6285	0.00	1,09,266	0.7236	0.00	0.0951
11	Premata Jain	92,000	0.6093	0.00	92,000	0.6093	0.00	0.00
12	Atin Jain	78,500	0.5199	0.00	78,500	0.5199	0.00	0.00
13	Santosh Aidasani	75,000	0.4967	0.00	75,000	0.4967	0.00	0.00
14	Arshi Jain	72,500	0.4801	0.00	72,500	0.4801	0.00	0.00
15	Devendra Jain HUF	69,000	0.4570	0.00	69,000	0.4570	0.00	0.00
16	Gajendra Jain HUF	66,000	0.4371	0.00	66,000	0.4371	0.00	0.00
17	Mukesh Jain HUF	59,000	0.3907	0.00	59,000	0.3907	0.00	0.00
18	Sejal Jain	34,500	0.2285	0.00	34,500	0.2285	0.00	0.00
19	Sonali Parekh	30,800	0.2040	0.00	30,800	0.2040	0.00	0.00
20	Parul Atin Jain	26,500	0.1755	0.00	26,500	0.1755	0.00	0.00
21	Richa Devendra Jain	24,000	0.1589	0.00	24,000	0.1589	0.00	0.00
22	Reema Devendra Jain	23,000	0.1523	0.00	23,000	0.1523	0.00	0.00
23	Shailesh Jain HUF	20,500	0.1358	0.00	20,500	0.1358	0.00	0.00
24	Surendra Jain HUF	19,500	0.1291	0.00	19,500	0.1291	0.00	0.00
25	Cherry Sanman Kapale	17,500	0.1159	0.00	17,500	0.1158	0.00	0.00
26	Rohan Mukesh Jain	17,500	0.1159	0.00	17,500	0.1159	0.00	0.00
27	Riti Dawra	9,000	0.0596	0.00	9,000	0.0596	0.00	0.00
28	Anish Jain	4,000	0.0265	0.00	4,000	0.0265	0.00	0.00
29	Shikha Gawade	669	0.0044	0.00	669	0.0044	0.00	0.00
30	Flag Vittawas Limited	27,50,000	18.2119	0.00	27,50,000	18.2119	0.00	0.00
	<b>TOTAL</b>	<b>55,59,442</b>	<b>36.8175</b>	<b>0.00</b>	<b>56,00,724</b>	<b>37.0909</b>	<b>0.00</b>	<b>0.00</b>

**C. Change in Promoters' Shareholding (please specify, if there is no change)**

S. No.	Particulars	Shareholding at the beginning of the year (As on 01-04-2018) end of the year (As on 31/03.2019)		Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	55,59,442	36.8173%	55,59,442	36.8173%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.) :	Note -1		Note -1	
	At the end of the year	56,00,724	37.0909%	56,00,724	37.0909%

**Note :** There is change in the total shareholding of promoters between 01-04-2018 and 31-03-2019 and the same details are given below.

**NOTE-I DETAILS OF INCREASE AND DECREASE IN PROMOTERS' SHARE HOLDING**

Sl. No.	Name	Shareholding					Cumulative Shareholding during the year (01-04-18 to 31-03-19)	
		No. of Shares at the beginning (01-04-18)/ end of the year (31-03-19)	% of total shares of Company	Date	Increase/ Decrease in share-holding	Reason	No. of Shares	% of total shares of Company
1.	Shailesh Jain	1,92,800	1.2768	01 Apr. 2018			192800	1.2768
				16 Nov 2018	7151	Transfer	199951	1.3242
				21 Dec. 2018	19765		219716	1.4551
		2,19,716	1.4551	31 Mar. 2019			219716	1.4551
2.	Manju Jain	94900	0.6285	01 Apr. 2018			94900	0.6285
				16 Nov. 2018	2000	Transfer	96900	0.6417
				31 Dec. 2018	12366		109266	0.7236
		109266	0.7236	31 Mar. 2019			109266	0.7236

**D. Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Name (For Each of the Top 10 Shareholders)	Shareholding at the beginning of the year (As on 01-04-2018)		Date	Increase/ Decrease in share-holding	Reason	Cumulative Shareholding during the year (01-04-18 to 31-03-19)	
		No. of Shares at the beginning (01-04-18)	% of total shares of Company				No. of Shares	% of total shares of Company
1	Porwal Finsec Pvt. Limited	3288300	21.78%	Nil movement during the year			3288300	21.78%
2	Padma Pirlamarla	296311	1.9623	Nil movement during the year			296311	1.9623
3	Aziz Yakub Shaikh	49420	0.3273	01 Apr 2018	0		49420	0.3273
				25 May 2018	35258	Transfer	84678	0.5608
				15 Mar 2019	1	Transfer	84679	0.5608
				29 Mar 2019	-25500	Transfer	59179	0.3919
				31 Mar 2019	0		59179	0.3919
4	Anil Kumar Chawla	2300	0.0152	01 Apr 2018	0		2300	0.0152
				27 Apr 2018	5500	Transfer	7800	0.0517
				13 Jul 2018	13148	Transfer	20948	0.1387
				27 Jul 2018	7412	Transfer	28360	0.1878
				10 Aug 2018	7000	Transfer	35360	0.2342
				29 Sep 2018	2300	Transfer	37660	0.2494
				19 Oct 2018	4281	Transfer	41491	0.2778
				16 Nov 2018	3100	Transfer	45041	0.2983

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Sl. No.	Name (For Each of the Top 10 Shareholders)	Shareholding at the beginning of the year (As on 01-04-2018)		Date	Increase/ Decrease in share-holding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
		No. of Shares at the beginning (01-04-18)	% of total shares of Company				No. of Shares	% of total shares of Company
				25 Jan 2019	200	Transfer	45241	0.2996
				01 Mar 2019	5556	Transfer	50797	0.3364
				31 Mar 2019	0		50797	0.3364
5	Keynote Industries Pvt. Ltd.	49000	0.3245	Nil movement during the year			49000	0.3245
6	Surana International Pvt. Ltd.	46900	0.3106	Nil movement during the year			46900	0.3106
7	Anil Kumar And Sons HUF	2240	0.0148	01 Apr 2018	0		2240	0.0148
				27 Apr 2018	5100	Transfer	7340	0.0486
				13 Jul 2018	7029	Transfer	14369	0.0952
				27 Jul 2018	7500	Transfer	21869	0.1448
				10 Aug 2018	7000	Transfer	28869	0.1912
				29 Sep 2018	2300	Transfer	31169	0.2064
				19 Oct 2018	4600	Transfer	35769	0.2369
				16 Nov 2018	3100	Transfer	38869	0.2574
				25 Jan 2019	200	Transfer	39069	0.2587
				01 Mar 2019	5600	Transfer	44669	0.2958
				31 Mar 2019	0		44669	0.2958
8	Meenakshi Chawla	2300	0.0152	01 Apr 2018	0		2300	0.0152
				27 Apr 2018	4950	Transfer	7250	0.048
				13 Jul 2018	6400	Transfer	13650	0.0904
				27 Jul 2018	7400	Transfer	21050	0.1394
				10 Aug 2018	6995	Transfer	28045	0.1857
				29 Sep 2018	2300	Transfer	30345	0.201
				19 Oct 2018	3600	Transfer	33945	0.2248
				16 Nov 2018	3100	Transfer	37045	0.2453
				25 Jan 2019	200	Transfer	37245	0.2467
				01 Mar 2019	5232	Transfer	42477	0.2813
				31 Mar 2019	0		42477	0.2813
9	Bhavna Ajit Vajani	0	0	01 Apr 2018	0		0	0
				18 May 2018	35000	Transfer	35000	0.2318
				14 Dec 2018	-35000	Transfer	0	0
				11 Jan 2019	35000	Transfer	35000	0.2318
				31 Mar 2019	0		35000	0.2318
10	Muthulakshmi M	32026	0.2121	Nil movement during the year			32026	0.2121
11	Edelweiss Broking Ltd	44294	0.2933	01 Apr 2018	0		44294	0.2933
				06 Apr 2018	-2635	Transfer	41659	0.2759
				13 Apr 2018	635	Transfer	42294	0.2801
				20 Apr 2018	-685	Transfer	41609	0.2756
				27 Apr 2018	900	Transfer	42509	0.2815
				04 May 2018	-400	Transfer	42109	0.2789

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Sl. No.	Name (For Each of the Top 10 Shareholders)	Shareholding at the beginning of the year (As on 01-04-2017)		Date	Increase/ Decrease in share-holding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
		No. of Shares at the beginning (01-04-17)	% of total shares of Company				No. of Shares	% of total shares of Company
				11 May 2018	95	Transfer	42204	0.2795
				18 May 2018	4500	Transfer	46704	0.3093
				25 May 2018	-45004	Transfer	1700	0.0113
				01 Jun 2018	250	Transfer	1950	0.0129
				08 Jun 2018	-750	Transfer	1200	0.0079
				15 Jun 2018	250	Transfer	1450	0.0096
				22 Jun 2018	912	Transfer	2362	0.0156
				30 Jun 2018	-912	Transfer	1450	0.0096
				03 Aug 2018	200	Transfer	1650	0.0109
				10 Aug 2018	-200	Transfer	1450	0.0096
				24 Aug 2018	-311	Transfer	1139	0.0075
				07 Sep 2018	2266	Transfer	3405	0.0225
				21 Sep 2018	523	Transfer	3928	0.026
				29 Sep 2018	500	Transfer	4428	0.0293
				12 Oct 2018	127	Transfer	4555	0.0302
				19 Oct 2018	-100	Transfer	4455	0.0295
				09 Nov 2018	200	Transfer	4655	0.0308
				16 Nov 2018	-44	Transfer	4611	0.0305
				23 Nov 2018	-1800	Transfer	2811	0.0186
				30 Nov 2018	150	Transfer	2961	0.0196
				07 Dec 2018	45	Transfer	3006	0.0199
				14 Dec 2018	1	Transfer	3007	0.0199
				28 Dec 2018	30	Transfer	3037	0.0201
				08 Feb 2019	-2322	Transfer	715	0.0047
				22 Feb 2019	-200	Transfer	515	0.0034
				01 Mar 2019	-100	Transfer	415	0.0027
				15 Mar 2019	-1	Transfer	414	0.0027
				29 Mar 2019	200	Transfer	614	0.0041
				31 Mar 2019	0		614	0.0041
12	Jatin Rasiklal Mansata	35867	0.2375	01 Apr 2018	0		35867	0.2375
				01 Jun 2018	-35867	Transfer	0	0
				15 Jun 2018	35867	Transfer	35867	0.2375
				06 Jul 2018	-35867	Transfer	0	0
				31 Mar 2019	0		0	0
13	Ajit Kakubhai Vajani	35000	0.2318	01 Apr 2018	0		35000	0.2318
				18 May 2018	-35000	Transfer	0	0
				31 Mar 2019	0		0	0

# **Porwal Auto Components Ltd.** **Annual Report 2018 - 2019**

## E. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name (For Each of the Directors and Key Managerial Personnel)	Shareholding at the beginning of the year (As on 01-04-2018)		Date	Increase/ Decrease in share- holding	Reason	Cumulative Shareholding during the year (01-04-18 to 31-03-19)	
		No. of Shares at the beginning (01-04-18)	% of total shares of Company				No. of Shares	% of total shares of Company
A. DIRECTOR								
1	Mr. Devendra Jain Managing Director	352299	2.3331	Nil movement during the year			352299	2.3331
2	Mr. Mukesh Jain Whole Time Director	281105	1.8616	Nil movement during the year			281105	1.8616
3	Mr. Surendra Jain Whole Time Director	389280	2.5780	Nil movement during the year			389280	2.5780
4	Mr. Nitin Dafria Independent Director	0	0	Nil Holding during the year			0	0
5	Mr. Surajmal Kucheria Independent Director	0	0	Nil Holding during the year			0	0
6	Mr. Ramesh kashyap Independent Director	0	0	Nil Holding during the year			0	0
7	Mrs. Rajni Jain Independent Director	0	0	Nil Holding during the year			0	0
B. KEY MANAGEMENT PRSONNEL								
1	Mr. Shailesh Jain-CFO	1,92,800	1.2768	01 Apr. 2018			192800	1.2768
				16 Nov. 2018	7151	Transfer	199951	1.3242
				21 Dec. 2018	19765	Transfer	219716	1.4551
				31 March 2019			219716	1.4551
2	Ms. Hansika Mittal-CS	0	0	01 Apr. 2018	0	Nil Holding during the year	0	0
				31 March 2019	0		0	0

## V INDEBTEDNESS – Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Rs. in Lacs)

SN	Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
	<b>Indebtedness at the beginning of the financial year (01.04.2018)</b>				
i)	Principal Amount	1777.89	-	-	1777.89
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	-	-	-
	<b>Total (i+ii+iii)</b>	<b>1777.89</b>	<b>-</b>	<b>-</b>	<b>1777.89</b>
	<b>Change in Indebtedness during the financial year</b>				
	*Addition	-	294.95	-	294.95
	*Reduction	(828.89)	-	-	(828.89)
	<b>Net Change</b>	<b>(828.89)</b>	<b>294.95</b>	<b>-</b>	<b>(533.94)</b>
	<b>Indebtedness at the end of the financial year (31.03.2019)</b>				
i)	Principal Amount	949.00	294.95	-	1243.95
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	-	-	-
	<b>Total (i+ii+iii)</b>	<b>949.00</b>	<b>294.95</b>	<b>-</b>	<b>1243.95</b>

**G REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**I. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SN	Particulars of Remuneration	Name of MD/WT/ Manager			Total Amount
		Mr. Devendra Jain	Mr. Mukesh Jain	Mr. Surendra Jain	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3600000	3600000	3600000	10800000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit-	-	-	-	-
	- others, specify...	-	-	-	-
5	Others, please specify-	-	-	-	-
	Total (A)	3600000	3600000	3600000	10800000
	Ceiling as per the Act	As per schedule V of Companies Act 2013			

**II. Remuneration to other directors**

SN	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Nitin Dafria	Mr. Surajmal Kucheria	Mr. Ramesh Kashyap	Mrs. Rajni Jain	
1	Independent Directors					
	Fee for attending board committee meetings	5000	5000	5000	5000	20000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	5000	5000	5000	5000	20000

Overall Ceiling as per the Act	The Company may pay sitting fees to the Directors for attending Board / Committee meetings as may be decided by the Board of Directors which shall not exceed one lakh rupees per meeting of the Board or committee. The Board has fixed 1000/- as sitting fees for Board meetings.
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**III. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD /MANAGER/ WTD**

SN	Particulars of Remuneration	Key Managerial Personnel		
		CFO	CS	Total Amount
		Shailesh Jain	Ms. Hansika Mittal	
1	Gross salary	2700000	258000	2958000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total (A)	2700000	258000	2958000

**VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:** There were no Penalties/ Punishment/ Compounding of Offences for the year ended 31<sup>st</sup> March 2019.

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>			NIL		
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

Note : Extract of Annual Return i.e. form MGT-9 can be also assessed on the weblink of the Company [http://www.porwalauto.com/pdf/MGT-9\\_PACL.pdf](http://www.porwalauto.com/pdf/MGT-9_PACL.pdf)

**Date:** 10.08.2019  
**Place:** Pithampur

**Registered office**

Plot No. 209 & 215 Sector No. 1,  
Industrial Area,  
Pithampur (M.P.) 454775  
CIN: L34300MP1992PLC006912

For and on behalf of the Board of Directors  
**Porwal Auto Components Limited**

**Mukesh Jain**  
Whole time Director  
(DIN - 00245111)

**Devendra Jain**  
Managing Director  
(DIN - 00232920)

**Annexure – II**  
**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2019**

**[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,  
**PORWAL AUTO COMPONENTS LIMITED**  
**(L34300MP1992PLC006912)**  
**Plot No. 209 & 215, Sector 1,**  
**Industrial Area, Pithampur**  
**M.P. - 454775**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by PORWAL AUTO COMPONENTS LIMITED, (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2019 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2019 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under (in so far as they are made applicable);
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder (in so far as they are made applicable);
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, in so far as they are made applicable from time to time;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; *which is not applicable to the company during audit period*
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; *which is not applicable to the company during audit period*
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; *which is not applicable to the company during audit period*

- 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; which is not applicable to the company during audit period
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; which is not applicable to the company during audit period
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; which is not applicable to the company during audit period
- i. The Securities and Exchange Board of India (Listing obligations And Disclosure Requirements) Regulations, 2015

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

I report that, during the year under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines and Standards mentioned above.

I further report that, during the Financial Year, the Company received a notice by BSE Ltd. for Non-compliance with the provision of Regulation 18(1), 19(1) of SEBI (LODR) Regulations, 2015 for the quarter ended September, 2018 which was then clarified by the Company and the penalty was waived off thereafter;

I further report that, the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

I further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent 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.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that, based on the information provided and the representation made by the Company, that there are adequate 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, and there were no other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc. having a major bearing on the Company's affairs.

Place: Indore  
Date: 10<sup>th</sup> August, 2019

**SHRADDHA JAIN**  
**PRACTICING COMPANY SECRETARY**  
**ACS No: 39488**  
**C P No: 14717**

**Annexure – III**

The information under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies(Accounts) Rules, 2014 for the year ended March 31, 2019 is given here below and forms part of the Board Report.

**A. Conservation of Energy:**

**i. The steps taken or impact on conservation of energy**

- Company ensures that the manufacturing operations are conducted in the manner whereby optimum utilization and maximum possible savings of energy is achieved.
- Upgradation of Machineries and installation of new machineries based on fuel or power efficiency.
- Monitoring the maximum demand and power load factor on daily basis.
- Replacement of inefficient motors with energy efficient motors.

**ii. The steps taken by the Company for utilizing alternate sources of energy**

During the year under review the Company utilized solar energy for electricity.

**iii. Capital Investment on Energy Conservation Equipments**

The Company acknowledges the fact that investment in energy conservation offers significant economic benefits in addition to climate change benefits.

The Company has setup solar power plant in the year 2013-14 for environment protection and conservation of energy. The Company has invested Rs. 11.97 crores as capital investment on energy conservation equipment. In the year 2017-2018 and 2018-2019, the Company has earned total receipt of Rs. 144.88 Lacs and Rs. 230.79 Lacs respectively from the solar power generation unit.

The Company has setup another solar power plant in the year 2017-18 of three mega watt for the captive consumption. The Company has invested Rs. 13.49 crores as capital investment. In the year 2017-18 and 2018-2019, the Company has earned total receipt of Rs. 96.02 Lacs and Rs. 243.71 Lacs respectively from the solar power generation unit.

**B. Technology Absorption**

**i. The efforts made towards technology absorption**

The Company has been continuously making efforts to achieve reduction in energy consumption and higher product recovery with consistent reviews of all processes and operations and consequent improvement actions such as Installation of solar power generation unit for electricity.

Further, the Company took one step ahead by changing the old furnaces with new one for the better power consumption and cost efficiency.

**ii. The benefits derived like product improvement, cost reduction, product development or import substitution**

The Company is committed to develop innovative technologies and creating a knowledge base for manufacturing high quality and economical products. The quality of the Company's products has improved and also there was reduction in the cost of the Company's products, whenever the Company took steps towards technology absorption. There is a perennial effect of technology absorption in the quality of and on the cost of the Company's products.

**iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) –**

The company is using manufacturing technology which is entirely indigenous.

**iv. Expenditure on Research & Development –**

Research & Development activities are being carried out as part of the Company's normal business activities. In order to maintain its position, your Company is continuously up grading its technology to meet the ever increasing demands of its customers. The Company is regular in adding new equipments for testing. During the year the Company has made an investment of Rs. 75 Lacs approximately towards Research and Development.

**C. Foreign exchange earnings and Outgo-**

Particulars	2018-19	2017-18
Foreign exchange earnings	—	—
Foreign exchange outgo:		
Travelling Expenses	5.28 lacs	9.48 lacs
Capital Goods	12.67 lacs	—

Date: 10.08.2019

Place: Pithampur

Registered office

Plot No. 209 & 215 Sector No. 1,

Industrial Area,

Pithampur (M.P.) 454775

CIN: L34300MP1992PLC006912

For and on behalf of the Board of Directors  
**Porwal Auto Components Limited**

**Mukesh Jain**  
Whole time Director  
(DIN - 00245111)

**Devendra Jain**  
Managing Director  
(DIN - 00232920)

**Annexure – IV**

**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018-19, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 and the comparison of remuneration of each key Managerial Personnel (KMP) against the performance of the Company are as under:

S. No.	Name of Director/ KMP and Designation	Designation	Remuneration of Director/ KMP for financial year 2018-19	% increase/ decrease in Remuneration in the Financial Year 2018-19	Ratio of Remuneration of each Director to median remuneration of employees
1.	Mr. Devendra Jain	Managing Director	36,00,000	0.00%	31.44:1
2.	Mr. Mukesh Jain	Whole Time Director	36,00,000	0.00%	31.44:1
3.	Mr. Surendra Utavla Jain	Whole Time Director	36,00,000	0.00%	31.44:1
4.	Mr. Surajmal Kucheria	Independent Non Executive Director	—	—	NA
5.	Mr. Nitin Dafria	Independent Non Executive Director	—	—	NA
6.	Mr. Ramesh C Kashyap	Independent Non Executive Director	—	—	NA
7.	Mrs. Rajni Jain	Independent Non Executive Director	—	—	NA
8.	Mr. Shailesh Jain	CFO	2700000	0.00%	—
9.	Ms. Hansika Mittal	Company Secretary	2,58,000	—	—

**NOTE:**

- None of the Independent Directors of the Company received any remuneration during the financial year 2018-19
- (ii) The percentage increase in the median remuneration of employees in the financial year - 6.52%
- (iii) The number of permanent employees on the rolls of Company as on March 31, 2019: 351 Employees
- (iv) Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2018-19 was 2% whereas there is no change in the managerial remuneration. There are no exceptional circumstances for increase/decrease in the managerial remuneration.
- (v) The key parameters for any variable component of remuneration availed by the directors are approved by the Board of Directors based on the recommendation of Nomination & Remuneration Committee.
- (vi) It is hereby affirmed that the remuneration paid is as per the Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

**Annexure – V**

**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) & 5 (3) OF CHAPTER XIII, THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND FORMING PART OF THE BOARDS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2019.**

S. No.	Name	Designation	Remuneration received	Qualification and Experience	Date of Joining	Age	Last Employment
1	Mr. Surendra Jain	Whole Time Director	36,00,000	B. E. (Mech), 43 Years experience of Business & Industry.	07.06.2005	67 Years	Triveni Conductors Limited, Pithampur
2	Mr. Devendra Jain	Managing Director	36,00,000	B. E. (Mech), 42 Years experience of Business & Industry	03.02.1992	65 years	Porwal Diesel Pvt. Ltd., Pithampur
3	Mr. Mukesh Jain	Whole Time Director	36,00,000	Graduate in commerce, 39 Years experience of Business & Industry	31.03.1998	63 years	Porwal Udhog
4	Mr. Shailesh Jain	C F O	27,00,000	B. Com ; 35 Years	01.04.1999	61 years	Porwal Diesels Pvt. Ltd., Pithampur
5	Mr. Atin Jain	Chief Operating Officer	24,00,000	MBA (Foreign), 17 Years	01.04.2014	42 Years	Porwal Diesel Pvt. Ltd., Pithampur
6	Mr. Anish Jain	Commercial Manager	21,31,952	BBA MBA, 11 Years	01.04.2008	32 years	.....
7	Mr. Praveen Sinha	Vice President (Oper.)	19,36,375	B. Tech , MCA ; 34 Years	25.11.2015	59 Years	Priyanshi Casting Pvt. Ltd., Pithampur
8	Mr. Nutan Joshi	Maintanance Manager	9,53,145	B. Sc , DME ; 35 Years	05.09.2015	59 Years	Pioneer Enginee. P. Ltd. Ujjain
9	Mr. Narendra Malakar	NPD Manager	9,37,837	B.E. (Mech), 18 Years	02.02.2010	39 Years	.....
10	Mr. Sunil Lanjewar	Quality Manager	9,35,760	B. E. (Mech), 19 Years	19.09.2006	42 Years	Raneka Industries Ltd., Pithampur
11	Mr. G. L. Tirole	Accounts & Finance Manager	7,89,683	M. Com., MBA Finance; 28 years	02.02.1995	53 Years	N. K. Machines Pvt. Ltd., Indore
12	Mr. Anil Mendiratta	Marketing Manager	7,31,760	B.A. ; 27 Years	01.05.2014	52 Years	Phooltas Temper Pvt. Ltd. New Delhi
13	Mr. R. K. Sahu	H R Manager	7,19,760	B. A. 21 years	02.02.2001	49 Years	Gomtesh Engineering, Pithampur
14	Neeraj Kumar Hundi	Assistant Manager	5,03,760	BE (Electronics);	01.04.2015	36 Years	Apicom Automation Pvt. Ltd. Bangalore
15	Mr. B. K. Gupta	Assistant Manager (IT Department)	4,73,760	MCA; 15 Years	01.03.2016	39 Years	Sonic Biochem Pvt. Ltd.

- None of the employees holds 2% or more of the paid up equity share capital of the Company as per clause (iii) of sub-rule (2) of Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014
- Mr. Surendra Jain, Mr. Devendra Jain, Mr. Mukesh Jain and Mr. Shailesh Jain are Brothers, Atin Jain and Anish Jain are relatives of KMP.
- All the above employees are permanent employees of the Company.

## ANNEXURE – VI

### CORPORATE GOVERNANCE REPORT 2018-19

#### (Forming part of the Board Report of Porwal Auto Components Limited)

The Directors present the Report on compliance with the Corporate Governance provisions as prescribed under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 ("SEBI (LODR) Regulations, 2015") for the year ended March 31, 2019.

Effective Corporate Governance practices constitute the foundations on which successful commercial enterprises are built to last. Corporate Governance is a set of principles, processes and systems which govern a company. The elements of Corporate Governance are independence, transparent, accountability, responsibility, compliance ethics, values and trust. Corporate Governance enables an organization to perform efficiently and ethically to generate long term wealth and create value for all its stakeholders.

The Company believes that sound Corporate Governance is critical for enhancing and retaining investor trust and your Company always seeks to ensure that its performance and goals are met with integrity. The Company has always worked towards building trust with shareholders, employees, customers, suppliers and other stakeholders based on the principles of good corporate.

#### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The fundamental principle of Corporate Governance is achieving sustained growth legally and ethically and in the best interest of all stakeholders. It is not mere compliance of laws, rules and regulations, but a commitment to values, best management practices and adherence to the highest ethical principles in all its dealings, to achieve the objects of the Company, enhance stakeholder value and discharge its social responsibility. Above all, it is a way of life, rather than merely a legal compulsion.

The Company's philosophy on Corporate Governance strives for attaining the optimum level of transparency and accountability in all phases of its operation and dealing with its shareholders, employees, lenders, creditors, customers and the government. These policies seek to focus on enhancement of long-term shareholder value without compromising on integrity, social obligations and regulatory compliances. The Company operates within accepted standards of fair play and justice and aims at creating a culture of openness in relationships between itself and its stakeholders. It has set up a system which enables all its employees to voice their concerns openly and without any fear or inhibition. The Board of Directors of your Company, by considering itself as trustee of its shareholders, aims at maximizing shareholders wealth and protecting the interest of all stakeholders.

In India, Corporate Governance Standards for listed companies are regulated by the Listing Regulation. Your Company is in compliance with the requirements of Corporate Governance stipulated in the Listing Regulations. The Company has adopted best practices mandated in SEBI (LODR) Regulations, 2015.

#### 2. BOARD OF DIRECTORS

##### a. **Composition & Category:**

The Composition of Board of Directors is governed by the SEBI (LODR) Regulations, 2015 and the Companies Act, 2013.

Name of Director	Category
Mr. Devendra Jain	Managing Director, Chairman
Mr. Mukesh Utsavlal Jain	Whole Time Director
Mr. Surendra Utsavlal Jain	Whole Time Director
Mr. Nitin Dafria	Independent Non Executive Director
Mr. Ramesh C Kashyap	Independent Non Executive Director
Mrs. Rajni Jain	Independent Non Executive Director
Mr. Surajmal Birdichand Kucheria	Independent Non Executive Director

In accordance with the compliances, Board has an optimum combination of Executive & Non-Executive Directors. The Board comprised of:

Category	No. of Directors	Percentage
Executive Directors	3	42.86%
Non Executive Directors	-	-
Independent Non Executive Directors	4	57.14%
<b>TOTAL</b>	<b>7</b>	<b>100%</b>

All Directors possess relevant qualifications and experience in general corporate management, marketing, finance and other allied fields which enable them to effectively contribute to the Company in their capacity as Directors.

All Independent Directors of the Company have been appointed as per the provisions of the SEBI (LODR) Regulations, 2015 and the Companies Act, 2013. Independent Directors play an important role in deliberations at the Board Meetings and bring to the Company their wide experience in the field of Business and Industry.

The Company has issued formal letter of appointment to all the Independent Directors on their appointment explaining inter-alia, their roles, responsibilities, term of appointment, code of conduct, functions and duties. The terms and conditions of their appointment are disclosed on the Company's website at <http://www.porwalauto.com/>

All the Independent Directors of the Company, have given a declaration affirming compliance to the criteria of independence pursuant to Section 149 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

**Key Board Qualifications, Expertise and Attributes**

The Board comprises qualified members who bring in the required skills, competence and expertise that allow them to make effective contribution to the Board and its committees. In view of the objectives and activities of our Business, the Company requires skills/expertise/ competencies in the areas of Finance, Regulatory, Strategy, Business Leadership, Technology, Sales & Marketing, Hospitality, Human Resources and Risk & Governance. The Board is satisfied that the current composition reflects an appropriate mix of knowledge, skills, experience, diversity and independence required for it to function effectively. The Board periodically evaluates the need for change in its composition and size.]

**Details of Directors who holds Directorship in another Listed Company:**

Director Name	Name of the Company	Designation
Mr. Surajmal Birdichand Kucheria	Prestige Agro-Tech Limited	Independent Director

**b. Board Procedure and its Meetings :**

The Board meets at least once in every quarter to review the results and other items on the agenda. The agenda is circulated well in advance to the Board/Committee members, along with comprehensive background information on the items in the agenda to enable the Board and Committees to arrive at appropriate decisions.

The Board in its meeting reviews the existing policies and programmes and also formulates various strategies for the betterment of the Company and enhancement of stakeholder's value. The Board considers matters relating to business, production, finance, marketing, personnel, materials and general administration also. The maximum gap between any two Board meetings was not more than one hundred and twenty days. During the Financial year, the Board met Five times on:

- i. **18<sup>th</sup> May, 2018;**
- ii. **11<sup>th</sup> August, 2018;**
- iii. **13<sup>th</sup> November, 2018;**
- iv. **13<sup>th</sup> February, 2019;**
- v. **29<sup>th</sup> March, 2019;**

**c. Details of attendance of each Director at Board Meetings and at the last year's Annual General Meeting with particulars of their other Directorships and Chairman/Membership of Board Committees showing the position as at 31<sup>st</sup> March, 2019 are given in the following table:**

Name of the Director	Category	Attendance at Board meeting	Attendance at last AGM	No. of Directorship (including this Company)	No. of Committee membership position (including this company)		Share-holding of Non Executive Director
					Chairman	Member	
1. Mr. Devendra Jain DIN : 00232920	Managing Director	5	Yes	2	1	-	-
2. Mr. Mukesh Jain DIN : 00245111	Whole time Director	5	Yes	1	-	2	-
3. Mr. Surendra Jain DIN : 00245154	Whole time Director	5	Yes	1	-	-	-
4. Mr. Surajmal Kucheria DIN : 00027661	Independent Non-Executive Director	5	Yes	2	1	5	-
5. Mr. Nitin Dafria DIN : 01560804	Independent Non-Executive Director	5	Yes	1	2	2	-
6. Mr. Ramesh Kashyap DIN : 06593723	Independent Non-Executive Director	5	Yes	1	-	2	-
7. Mrs. Rajni Jain DIN : 07140288	Independent Non-Executive Director	5	Yes	1	-	-	-

**d. Separate Meeting of Independent Directors:**

Pursuant to the Regulation 25(3) of the SEBI (LODR) Regulations, 2015 and Schedule IV of the Companies Act, 2013, a separate meeting of the Independent Directors of the Company was held on 29th March, 2019, without the attendance of non-independent directors and members of management. They discussed following at the meeting:

- Reviewed and evaluated performance of Non-Independent Directors and Board of Directors as a whole.
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive Directors.
- Assessed the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and necessarily perform its duties.

Attendance of Independent Directors in Independent Directors meeting:

Name of Director	No. of Meetings held	No. of Meetings Attended
Mr. Surajmal Birdichand Kucheria	1	1
Mr. Nitin Dafria	1	1
Mr. Ramesh C Kashyap	1	1
Mrs. Rajni Jain	1	1

**e. Familiarization Programme:**

The Company has an orientation programme upon induction of new Directors.

The Company also has a familiarization programme for its Independent Directors, with the objective of familiarizing them with the Company, its operations, business model, nature of the industry and environment in which it operates, the regulatory environment applicable to it, and also the roles, rights and responsibilities of Independent Directors.

Details of familiarization programme are available on the Company's website and can be accessed through web link <http://www.porwalauto.com/pdf/FamiliarizationProgramme.pdf>

**f. Inter-se relationship among directors:**

Mr. Surendra Jain, Mr. Devendra Jain and Mr. Mukesh Jain are Brothers.

**g. Note on Directors Appointment/ Re-appointment**

In accordance with the provisions of Section 152 of the Act and in terms of the Articles of Association of the Company, Mr. Mukesh Utsavlal Jain (DIN: 00245111) retires by rotation and being eligible, offers himself for reappointment at the ensuing 27th Annual General Meeting. The Board recommends his re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

The term of office of Mrs. Rajni Jain (DIN: 07140288) will expire on 29th March 2020. Based on the recommendation of Nomination and Remuneration Committee, the Board in its meeting held on Saturday 10th August 2019, proposed the re-appointment of Mrs. Rajni Jain (DIN: 07140288) as an Independent Director for a second term of five (5) years commencing from 30th March, 2020 upto 29th March, 2025. The Board recommends the re-appointment of Mrs. Rajni Jain (DIN: 07140288) as Independent Director of the Company at the ensuing Annual General Meeting.

Mr. Surajmal Birdichand Kucheria (DIN- 00027661) has been re-appointed as Independent Director of the Company for the second term of five consecutive years commencing from 01st April, 2019 upto 31st March, 2024.

Mr. Nitin Kumar Dafria (DIN- 01560804) has been re-appointed as Independent Director of the Company for the second term of five consecutive years commencing from 01st April, 2019 upto 31st March, 2024.

Mr. Ramesh C Kashyap (DIN- 06593723) has been re-appointed as Independent Director of the Company for the second term of five consecutive years commencing from 01st April, 2019 upto 31st March, 2024.

Mr. Shailesh Jain and Ms. Hansika Mittal are the Chief Financial Officer (CFO) and Company Secretary (CS) of the Company respectively.

**h. Performance Evaluation of Independent Director:**

The evaluation of independent directors has been done by the entire board of directors which included-

- (a) performance of the directors; and
- (b) fulfillment of the independence criteria as specified in these regulations and their independence from the management

Further, the Directors who was subject to evaluation has not participated in the Performance Evaluation.

**3. COMMITTEES OF THE BOARD:**

**Board has four Committees, viz.**

- a. Audit Committee;
- b. Nomination and Remuneration Committee;
- c. Stakeholder Relationship Committee;
- d. CSR Committee

The above said Committees consist of appropriate number of Executive Directors, non-executive and Independent Directors. The quorum for the Meetings is either two directors or one third of the members of the Committee, whichever is higher.

**a. AUDIT COMMITTEE:**

A qualified and independent Audit Committee has been set up by the Board in compliance with the requirements of Regulation 18 of the SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013. All the members of the committee are financially literate and have accounting and financial management expertise.

**i. Terms of reference**

The terms of reference of the Audit Committee includes the matters specified in Part C of Schedule II to the SEBI (LODR) Regulations, 2015 and also as required under Section 177 of the Companies Act, 2013 which includes oversight of the Company's financial reporting process and disclosure of its financial information, review of financial statements, review of systems and controls, approval or any subsequent modification of transactions of the Company with related parties, review report of the internal auditor etc.

**ii. Composition and Meetings:**

The Audit Committee comprised of three Directors, out of which all the Directors are Independent Directors. The Audit Committee is chaired by Mr. Nitin Dafria, who is an Independent Director.

During the financial year ended 31st March, 2019, Five Audit Committee Meetings were held and the dates on which the said meetings were held are as follows:

- (i) **18<sup>th</sup> May, 2018;**
- (ii) **11<sup>th</sup> August, 2018;**
- (iii) **13<sup>th</sup> November, 2018;**
- (iv) **13<sup>th</sup> February, 2019.**
- (v) **29<sup>th</sup> March, 2019**

The Composition and attendance record of the members at the meeting is as under:

Name	Category	Number of Meetings during the year 2018-19	
		Held	Attended
Mr. Nitin Dafria	Chairman, Independent Director	5	5
Mr. Ramesh C Kashyap	Member, Independent Director	5	5
Mr. Surajmal Birdichand Kucheria	Member, Independent Director	5	5

**b. NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee is constituted in accordance with the provisions of Regulation 19 of the SEBI (LODR) Regulations, 2015 and the provisions of Section 178(1) of the Companies Act 2013.

**i. Terms of reference**

The terms of reference of the Nomination and Remuneration Committee includes the matters specified in Part D of Schedule II to the SEBI (LODR) Regulations, 2015 which broadly includes determination and recommendation for appointment/removal of Executive, Non-Executive and Independent Directors to the Board etc.

**ii. Composition and Meetings**

The Nomination and Remuneration Committee comprised of three Directors, out of which all the Directors are Independent Director. The Committee is chaired by Mr. Surajmal Birdichand Kucheria, who is an Independent Director.

During the financial year ended 31st March, 2019, two meetings of Nomination and Remuneration Committee were held and the dates on which the said meetings were held are:

- (i) **18<sup>th</sup> May, 2018;**
- (ii) **29<sup>th</sup> March, 2019**

The composition and attendance record of the members at the meeting is as under:

Name	Category	Number of Meetings	
		Held	Attended
Mr. Surajmal Birdichand Kucheria	Chairman, Independent Director	2	2
Mr. Ramesh C Kashyap	Member, Independent Director	2	2
Mr. Nitin Dafria	Member, Independent Director	2	2

**iii. Criteria for Performance Evaluation**

The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of Executive Directors, Non-Executive Directors including Independent Directors and Board as a Whole.

The criteria for Performance Evaluation are as under:

**For Executive Directors, Non-Executive Directors including Independent Directors:**

An indicative list of criteria for evaluation of Executive Directors, Non-Executive Directors including Independent Directors includes Qualifications and Competency, Commitment towards Board, Fulfillment of functions, Ability to function as a team, Attendance at Board, Committee and General Meeting, Prepares in advance for board and committee meetings, Maintains confidentiality, Abides by the legal obligations and code of conduct, Reports concerns about unethical behavior, actual and suspected fraud, the amount of time spent on discussions on strategic and general issues is sufficient, Whether person is independent from the entity and the other directors and there if no conflict of interest, Whether the person exercises his/ her own judgment and voices opinion freely.

**For Board as a whole:**

The criteria for evaluation of the Board, inter alia, includes- Proper mix of competencies and experience, composition and diversity, induction programme, team work, integrity Understanding of the legal requirements, setting of goals, Compliances with corporate governance regulations and guidelines, Adequacy of attendance and participation by the board members, Frequency of Board Meetings, Understanding of the risk attached with the business structure, Monitoring the company's internal controls and compliance, Appropriateness of effective vigil mechanism, Succession plan for the Management.

**For Board Committee:**

The criteria for evaluation of the Board Committee, inter alia, includes-Constitution of Committee, the terms of reference, Independence of the Committee, Reporting the Committees to the Board, Reviews its mandate and performance, Proactive measures to perform its functions, Suggestion and recommendation of committee, Fulfillment of its functions as assigned by the Board, frequency of the Committee meetings, Adequacy of attendance and participation in the Committee meetings, discussions and decision making.

**iv. REMUNERATION OF DIRECTORS**

➤ **Transactions with Non-executive Directors/ Independent Directors**

The non-executive directors of the Company do not have any material pecuniary relationship or transactions vis-à-vis Company. The Company is not paying any remuneration to the Non-Executive/Independent Directors except sitting fees for attending the Board meetings.

➤ **Criteria for making payment**

As per the Nomination and Remuneration Policy of the Company which is placed on the Company's website.

➤ **Remuneration to Executive Directors**

During the financial year, there were only three directors who are in the whole time employment of the company and drawing remuneration. The details of remuneration for the year ended March 31, 2019 to the Executive Directors are as follows

Name of Directors	Designation	Remuneration
Mr. Devendra Jain	Managing Director	36,00,000/- pa
Mr. Mukesh Utsavlal Jain	Whole Time Director	36,00,000/- pa
Mr. Surendra Utsavlal Jain	Whole Time Director	36,00,000/- pa

- The company does not pay any fixed component and performance linked incentives any of its Directors.
- The company does not have any service contract with any of its directors.
- The company has not granted any stock option to any of its Director/employees.
- The Company has not paid any fees or compensation to the Executive Directors except the remuneration mentioned above.

**c. STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Stakeholders Relationship Committee is constituted in accordance with the provisions of Regulation 20 of the SEBI (LODR) Regulations, 2015 and the provisions of Section 178 of the Act.

i. **Terms of reference**

The board has set up a Stakeholders Relationship Committee to consider and resolve the grievances of the security holders including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends etc.

ii. **Composition and Meetings**

The Stakeholders Relationship Committee comprised of three Directors, out of which majority of the Directors are Independent Directors. The Committee is chaired by Mr. Nitin Dafria, who is an Independent Director.

During the financial year ended 31st March, 2019, four meetings of Stakeholders Relationship Committee were held and the dates on which the said meetings were held are

**May 18, 2018;**

**August 11, 2018;**

**November 13, 2018;**

**February 13, 2019.**

The composition and attendance record of the members at the meeting is as under:

Name	Category	Number of Meetings	
		Held	Attended
Mr. Nitin Dafria	Chairman, Independent Director	4	4
Mr. Surajmal Birdichand Kucheria	Member, Independent Director	4	4
Mr. Mukesh Utsavlal Jain	Member, Executive Director	4	4

Details of Complaints received during the year are given in table below and all were solved to the satisfaction of the shareholders.

S.NO	PARTICULARS OF INVESTOR GRIEVANCES	NUMBER OF INVESTORS GRIEVANCES
1.	Complaints received during the Year	2
2.	Complaints disposed of during the Year	2
3.	Complaints pending at the end of the year	0

**Compliance Officer**

Ms. Hansika Mittal, Company Secretary is the general compliance officer of the Company except specifically provided otherwise for specific purposes.

Ms. Hansika Mittal,

Plot No. 209 & 215, Sector No. 1,

Industrial Area, Pithampur, (M. P.) 454775

Email: admin@porwalauto.com

Telephone: 07292-405101, Fax: 07292-405120, [www.porwalauto.com](http://www.porwalauto.com)

d. **CSR COMMITTEE**

The CSR Committee is constituted in accordance with the provisions of Section 135 of the Companies Act, 2013 and any other rules and regulations made thereunder.

i) **Terms of reference**

The Board has set up a CSR Committee to consider and approve the CSR policy and to monitor and maintain the details regarding expenditure related to the CSR Activity as prescribed under the act and the policy.

ii) **Composition and Meetings**

The CSR Committee comprised of three Directors, out of which one of the Director is Independent Director. The Committee is chaired by Mr. Devendra Jain, who is a Managing Director.

During the financial year ended 31<sup>st</sup> March, 2019, two meetings of CSR Committee were held and the dates on which the said meetings were held are

**August 11, 2018;**

**February 13, 2019.**

The composition and attendance record of the members at the meeting is as under:

Name	Category	Number of Meetings	
		Held	Attended
Mr. Devendra Jain	Chairman, Independent Director	2	2
Mr. Nitin Dafria	Member, Independent Director	2	2
Mr. Mukesh Utsavlal Jain	Member, Executive Director	2	2

#### 4. **GENERAL BODY MEETINGS**

a. Details of the General Body Meetings held during last three years:

AGM/EGM	Date	Venue	Time
AGM-2016	28 <sup>th</sup> September, 2016	Registered office of the Company	01:30 PM
AGM-2017	28 <sup>th</sup> September, 2017	Registered office of the Company	01:30 PM
AGM-2018	29 <sup>th</sup> September, 2018	Registered office of the Company	01:30 PM

b. Details of Special Businesses Transacted in last three years General Body Meetings are as under:

AGM/EGM	Date	Special Business Transacted
AGM-2016	28 <sup>th</sup> Sept. 2016	<ul style="list-style-type: none"> <li>■ Increase in the remuneration of Mr. Surendra Jain, Whole Time Director of the Company from Rs.2,00,000/- pm to Rs.3,00,000/- pm.</li> <li>■ Increase in the remuneration of Mr. Devendra Jain, Managing Director of the Company from Rs. 2,00,000/-pm to Rs.3,00,000/-pm.</li> <li>■ Increase in the remuneration of Mr. Mukesh Jain, Whole-Time Director of the Company from Rs. 2,00,000/-pm to Rs.3,00,000/-pm.</li> <li>■ To make investment under section 186 of the Companies Act, 2013.</li> <li>■ Adoption of new set of Article of Association of the Company.</li> </ul>
AGM-2017	28 <sup>th</sup> Sept. 2017	<ul style="list-style-type: none"> <li>■ Re-appointment of Mr. Devendra Jain (DIN- 00232920) as the Managing Director of Company</li> <li>■ Re-appointment of Mr. Mukesh Jain (DIN- 00245111) as the Whole-Time Director of Company</li> <li>■ Re-appointment of Mr. Surendra Jain (DIN- 00245154) as the Chairman and Whole time director of Company</li> <li>■ To Approve the Expenses for Service of Documents to Members</li> </ul>
AGM-2018	29 <sup>th</sup> Sept. 2018	<ul style="list-style-type: none"> <li>■ Re-appointment of Mr. Nitin Dafria as an Independent Director:</li> <li>■ Re-appointment of Mr. Surajmal Birdichand Kucheria as an Independent Director</li> <li>■ Re-appointment of Mr. Ramesh C Kashyap as an Independent Director</li> </ul>

- No Extra-ordinary General Meeting of the shareholders was held during the year.
- No special resolutions were passed nor proposed to be passed during 2018-19 through postal ballot.

## 5. **MEANS OF COMMUNICATION**

- a. **Quarterly and Annual Financial Results:** The Board of Directors of the Company approves and takes on record the Quarterly, Half Yearly and Yearly Financial Results in the performance prescribed by SEBI (LODR) Regulations, 2015 within 45/60 days of the end of the respective quarter.
- b. **Newspaper publications on Financial Results:** The Quarterly/ Half yearly/ Annual Results of the Company are published in accordance with the SEBI (LODR) Regulations, 2015 in newspapers viz. "Free Press", (English) and "Chhotha Sansar" (Hindi).
- c. **Website:** The Company's website [www.porwalauto.com](http://www.porwalauto.com) contains a dedicated segment called 'Investors Corner', where all the information as may be required by the Shareholders is available including quarterly results, shareholding pattern, stock exchange disclosures, Annual Reports, Policies, additional disclosures, etc. in accordance with Regulation 46 of Listing Regulations.
- d. **Official Media releases and presentations made to Institutional Investors/Financial Analysts:** No official media releases and presentations made are made by the Company.

## 6. **GENERAL SHAREHOLDERS INFORMATION**

- a. **Annual General Meeting**  
Date, Time & Venue of Annual General Meeting on Saturday, the 28<sup>th</sup> day of September 2019 at 1:30 PM at the Registered Office of the Company.
- b. **Financial Year:** The financial year covers the period from 1<sup>st</sup> April, to 31<sup>st</sup> March.
- c. **Financial Calendar** **(Tentative)**

Results for the Quarter ending 30th June, 2019	: First Fortnight of August, 2019
Results for the Quarter ending 30th Sept, 2019	: First Fortnight of November, 2019
Results for the Quarter ending 31st Dec, 2019	: First Fortnight of February, 2020
Results for the Quarter ending 31st Mar, 2020	: Last week of May, 2020
- d. **Dividend**  
The Board of Directors of the Company has proposed a dividend of Rs. 0.75 per equity share for the financial year 2018-19, subject to the approval by the shareholders at the ensuing annual general meeting. The same shall be dispatched to the shareholders within 30 days from the date of AGM.
- e. **Book Closure**  
Saturday, 21st September 2019 to Saturday, 28th September 2019 (both days inclusive) for the purpose of AGM and Dividend.
- f. **Listing**
  - **Stock Exchange:** Bombay Stock Exchange Limited
  - **Stock Code:** 532933
  - **ISIN No.:** INE386I01018
  - Listing Fees has been paid for 2019-20.
- g. **Plant Location**  
Plot No. 209 & 215, Sector No. 1, Industrial Area,  
Pithampur, Distt. DHAR (M.P.) 454775  
Tel: 07292-405101, Fax: 07292-405120  
[admin@porwalauto.com](mailto:admin@porwalauto.com), [www.porwalauto.com](http://www.porwalauto.com)
- h. **Investor Correspondence Address**
  - **Registrars and Share Transfer Agents**  
Link Intime India Pvt Ltd.  
C 101, 247 Park, LBS Marg, Vikhroli West, Mumbai 400 083  
Tel: +91 22 49186000, Fax: +91 22 49186060  
E Mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

➤ **Compliance Officer**

**Porwal Auto Components Limited**

Plot No. 209 & 215, Sector No. 1,  
Industrial Area, Pithampur, (M. P.) 454775  
Tel: 07292-405101  
Fax: 07292-405120  
E Mail: [cs@porwalauto.com](mailto:cs@porwalauto.com)  
[www.porwalauto.com](http://www.porwalauto.com)

i. **Stock Market Data:**

**High/Low/Close during each month in the last Financial Year**

### Monthly highs and lows Quotes at the BSE 2018-19

Year	High(Rs.)	Low(Rs.)	Close(Rs.)
Mar 2019	34.70	25.00	29.00
Feb 2019	38.00	25.00	28.15
Jan 2019	39.90	32.10	33.50
Dec 2018	39.70	33.30	36.20
Nov 2018	40.00	35.05	36.45
Oct 2018	42.45	33.55	37.45
Sep 2018	54.45	35.15	35.85
Aug 2018	57.65	38.00	50.45
Jul 2018	43.30	36.00	41.40
Jun 2018	52.00	39.00	41.15
May 2018	53.60	46.65	47.55
Apr 2018	58.20	47.30	52.50

j. performance in comparison to broad-based indices such as BSE sensex, CRISIL Index etc;



**k. Registrars and Share Transfer Agents**

Link Intime India Pvt Ltd.

C 101, 247 Park,

LBS Marg, Vikhroli West,

Mumbai 400 083

Tel: +91 22 49186000

Fax: +91 22 49186060

E Mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

**l. Share Transfer System:**

All the transfers received are processed by the Registrar and Share transfer Agent. Transfers are registered and confirmed within 30 days from the date of receipt, if the documents are in order in all respects. The details of share transfers during the quarter are also placed before the Stakeholders Relationship Committee meetings to take the same on record.

**m. Distribution of shareholding as on 31st March, 2019:**

SHAREHOLDING OF NOMINAL SHARES	NUMBER OF SHAREHOLDERS	PERCENTAGE OF TOTAL	SHARE AMOUNT RS.	PERCENTAGE OF TOTAL
1 – 5000	7573	78.7705	14200310	9.4042
5001 – 10000	1042	10.8384	8358110	5.5352
10001 – 20000	536	5.5752	7997050	5.2961
20001 – 30000	140	1.4562	3598230	2.3829
30001 – 40000	71	0.7385	2565460	1.6990
40001 – 50000	59	0.6137	2757800	1.8264
50001 – 100000	98	1.0193	7143520	4.7308
100001 – *****	95	0.9881	104379520	69.1255
<b>TOTAL</b>	<b>9614</b>	<b>100.0000</b>	<b>151000000</b>	<b>100.0000</b>

**n. Dematerialization of shares as on 31.03.2019:**

CATEGORY	NO. OF SHARES	PERCENTAGE (%)
Total number of Demated shares with NSDL	89,89502	59.53
Total number of Demated shares with CDSL	55,00,395	36.43
PHYSICAL	6,10,103	4.04
<b>TOTAL</b>	<b>1,51,00,000</b>	<b>100</b>

**Shareholding Pattern as on 31st March, 2019**

Sr. No.	Category	No. of Shares Held	Percentage of Shareholding
1.	Promoters & Promoter Group	56,00,724	37.0909%
2.	Corporate Bodies	3678616	24.3617%
3.	Indian Public	56,98,137	37.7360%
4.	NRIs/OCBs	1,22,523	0.8114%
		<b>15100000</b>	<b>100</b>

- o. Outstanding GDR's/ADR's/Warrant's/Convertible instruments and their impact on equity:**The Company has not issued any GDRs/ADRs/Warrants or any convertible Instruments.
- p. Commodity price risk or foreign exchange risk and hedging activities:**Your Company does not deal in any commodity or foreign exchange; hence it is not directly exposed to any commodity price risk or foreign exchange risk and hedging activities.
- q. List of Credit Ratings:** Your Company does not have any securities other than equity shares thus it does not obtain any credit ratings.

**7. DISCLOSURES:**

**a. Related Party Transactions**

There are no materially significant related party transactions of the Company which have potential conflict with the interest of the Company at large. Further details of related party transactions are as per Accounting Standard 18 and are presented in Notes to Accounts in the Annual Report.

Your Company has formulated a Policy on Related Party Transactions which has been posted on the website of the Company and can be accessed through web link [www.porwalauto.com](http://www.porwalauto.com).

**b. Details of non-compliance by the Company, penalties, structures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets during the last three years:**

The Company received a notice by BSE Ltd. for Non-compliance with the provision of Regulation 18(1), 19(1) of SEBI (LODR) Regulations, 2015 for the quarter ended September, 2018 which was then clarified by the Company and the penalty was waived off thereafter.

**c. Vigil Mechanism/ Whistle Blower Policy**

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal activities, unethical behavior, actual or suspected, fraud or violation of the Company's Code of Conduct or Ethics Policy and also to report insider trading violations as well as reporting of instances of leak of unpublished price sensitive information. The Company has a Vigil Mechanism Policy under which the employees are free to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or policy. The same is posted on the website of the Company at [www.porwalauto.com](http://www.porwalauto.com). It is hereby affirmed by the Board that No personnel have been denied access to the Audit Committee to lodge their grievances.

**d. Compliance with mandatory requirements**

The Company has complied with all the mandatory requirements of the SEBI (LODR), 2015 during the year. The Company has not adopted any of the non-mandatory requirements of SEBI (LODR) Regulations, 2015.

**e. Web link where policy for determining 'material' subsidiaries is disclosed.**

Your Company has no Material Subsidiaries.

**f. Disclosure of commodity price risks and commodity hedging activities.**

Your Company does not deal in any commodity and hence is not directly exposed to any commodity price risk.

**g. Disclosure of Accounting Treatment**

The Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 and other relevant provisions of the Act.

**Details of Utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A)**

Your Company did not raise funds in any manner during the financial year.

**h. Certificate by Practicing Company Secretary**

Your Company has obtained a Certificate from Ms. Shraddha Jain, Practicing Company Secretary certifying that none of the directors on the board of the company as on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority and the same has been annexed to this report.

**i. Acceptance of recommendations of any committee of the board**

During the year, your Company had accepted all the recommendations made by the committees of Board.

j. **Payment of Fee for services by the Company**

Your Company has paid the fee of Rs. 75,000 for services provided by the Statutory Auditor during the year.

k. **Anti Sexual Harassment Policy**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the sexual harassment of women at the workplace (Prevention, Prohibition & Redressal) Act 2013. An Internal Complaint Committee has been set up to redress complaints received regarding sexual harassment. During the year no complaints of Sexual Harassment were received.

**Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

- a. Number of complaints filed during the financial year: Nil
- b. Number of complaints disposed off during the financial year: Nil
- c. Number of complaints pending as on end of the financial year: Nil

l. **Disclosure of Subsidiaries**

Your Company does not have any material subsidiary.

**8. MANAGEMENT DISCUSSION AND ANALYSIS:**

The Management Discussion and Analysis is a part of the Annual report and annexed separately.

**9. DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT:**

The Company does not have any shares in the demat suspense account/unclaimed suspense account

**10. Non-compliance of any requirement of corporate governance report of sub-para (2) to (10) of Schedule V (c) of the Listing Regulations: NIL**

**11. Extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted. NIL**

**12. The Company has duly complied with the requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of sub regulation (2) of Regulation 46 of the Listing Regulations.**

**13. Code of Conduct**

Regulation 17(5) of the SEBI (LODR) Regulations, 2015 requires listed companies to lay down a Code of Conduct for its directors and senior management, which shall suitably incorporate the duties of Independent directors as laid down in the Companies Act, 2013.

In accordance with Regulation 17(5) of the SEBI (LODR) 2015, the Company has adopted Code of Conduct for all the Board Members and senior management team and the code of conduct for Independent Directors separately and both the codes are available on Company's website at [www.porwalauto.com](http://www.porwalauto.com). All Directors and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct, for the Financial Year ended March 31<sup>st</sup>, 2019.

A declaration signed by the Managing Director to this effect is annexed separately to this report.

**14. Code of Conduct for prohibition of Insider Trading**

In compliance with the SEBI (Prevention of Insider Trading) Regulations, 2015 which came into effect from May 15, 2015, the Company has placed on its website [www.porwalauto.com](http://www.porwalauto.com) Code of Conduct for prohibition of Insider Trading along with the Policy for Determination of Legitimate Purposes.

The code ensures that the employees deal in the shares of the Company only at a time when any price sensitive information that could be known to the employee is also known to the public at large. This code is applicable to every employee and director of the Company.

Further the Policy for determination of legitimate purposes sets out the procedures and precautions related to sharing of Unpublished Price Sensitive Information for legitimate purposes.

**Registered office**

Plot No. 209 & 215, Sector No. 1,  
Industrial Area,  
Pithampur (M.P.) 454775  
CIN: L34300MP1992PLC006912

**Date:** 10.08.2019

**Place:** Pithampur

For and on behalf of the Board of

**Porwal Auto Components Limited**

**Mukesh Jain**  
Whole time Director  
(DIN - 00245111)

**Devendra Jain**  
Managing Director  
(DIN - 00232920)

**DECLARATION**

This is to confirm that for the year 2018-19, all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct applicable to all the Directors and Senior Management of the Company. The Code of Conduct is displayed on the website of the Company at [www.porwalauto.com](http://www.porwalauto.com).

**Devendra Jain**  
**Managing Director**  
**(DIN- 00232920)**

**MD / CFO CERTIFICATION**

To,  
The Board of Directors,  
**Porwal Auto Components Ltd.**  
Pithampur

Dear Sir/Madam,

- (a) We have reviewed the audited Financial Statements for the financial year ended 31<sup>st</sup> March 2019 and that to the best of their knowledge and belief:
- i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) We further certify that, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violate the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee that there is
- i. No significant change in internal control over financial reporting during the year
  - ii. No significant change in accounting policies during the year under review and
  - iii. No instance of any fraud in the company in which the management has any role.

**Shailesh Jain**  
Chief Financial Officer

**Devendra Jain**  
Managing Director  
(DIN: 00232920)

**Date:** 25.05.2019  
**Place:** Pithampur

**Annexure – VII**

**MANAGEMENT DISCUSSION AND ANALYSIS**

**Industry structure and developments**

As one of the major pillars of economic development and growth, with a huge bearing on GDP and employment generation, the Indian automobile industry, today, is on the cusp of a major disruption due to technological innovation, new business models and changing regulations. The Indian auto-components industry has experienced healthy growth over the last few years. The auto-component industry of India has expanded by 18.3 per cent to reach at a level of US\$ 51.2 billion in FY 2017-18. The auto-components industry accounts for 2.3 per cent of India's Gross Domestic Product (GDP) and employs as many as 1.5 million people directly and indirectly each. A stable government framework, increased purchasing power, large domestic market, and an ever increasing development in infrastructure have made India a favourable destination for investment.

The Foreign Direct Investment (FDI) inflows into the Indian automotive industry during the period April 2000 – March 2019 were recorded at US\$ 21.38 billion, as per data by the Department for Promotion of Industry and Internal Trade (DPIIT). The Indian auto-components industry is set to become the third largest in the world by 2025. Indian auto component makers are well positioned to benefit from the globalisation of the sector as exports potential could be increased by up to US\$ 30 billion by 2021.

The Government of India's Automotive Mission Plan (AMP) 2006–2026 has come a long way in ensuring growth for the sector. Indian Automobile industry is expected to achieve a turnover of \$300 billion by the year 2026 and will grow at a rate of CAGR 15 per cent from its current revenue of \$74 billion. Government has come out with Automotive Mission Plan (AMP) 2016-26 which will help the automotive industry to grow and will benefit Indian economy in the following ways:-

- Contribution of auto industry in the country's GDP will rise to over 12 per cent
- Around 65 million incremental number of direct and indirect jobs will be created
- End of life Policy will be implemented for old vehicles

The auto component demand is expected to grow by 13-15% in upcoming years on account of strong growth across asset classes. As the BS VI emission norms are expected to come into effect in upcoming years, this would result in a price increase across all automobile segments. A strong domestic demand and a pick-up in exports is expected to aid overall auto components growth in Financial Year 2019-20.

**Company's Overview:**

Porwal Auto Components Ltd is a diversified auto-components company with presence across many processes/ product lines and customers and involved in manufacturing and marketing of S.G. (Ductile) Iron, Grey Cast Iron and Steel Castings and Components for the Automobile, Engineering & Railway Applications for past 26 years. It should also be noted that your company is focused to be preferred supplier in the castings technology on the global front, while being accountable to all our stakeholders and shareholders. Your Company is constantly push the boundaries of possibilities to create products and technology led services, that enable our customers and stakeholders to Rise. By focusing on customer centricity, delivering accessible technology, innovation and enhancing people capabilities, we continue to drive growth in the domestic market while pursuing global expansion.

**Opportunities and Threats**

**1. Opportunities :**

The Indian auto-components industry has experienced healthy growth over the last few years. Some of the factors attributable to this include: a buoyant end-user market, improved consumer sentiment and return of adequate liquidity in the financial system.

Our industry is at the core of a huge transition and is looking forward to positive policy announcements and implementation that will set a good tone for the development agenda and contribute to a better economy.

Given the increase in electronic content, OEMs need to collaborate with suppliers and experts outside the traditional auto industry. Accomplishing this will require changes in the way OEMs function. OEMs will be looking to their top suppliers to co-invest in new global platforms & this will be the driving force in the future.

Production capacity expansion outpacing domestic consumption will drive export-oriented growth in the coming years and will be one of the major factors that will have a positive impact on the component market growth in the coming years. Factors such as the rising vendor consolidation, faster replacement market growth, increasing

localization, export-oriented growth, and growing electronic content per vehicle have induced the Indian auto component segment to continue to grow much faster than the OEM segment. This, in turn, will invite more exports to OEMs from auto component manufacturers.

Increasing need for advanced technologies in the vehicles, competitive intensity and ever spiraling customer expectations - calls for increased R&D, closer working with suppliers, shorter product life cycles and rigorous monitoring of costs.

## **2. Threats :**

Due to entry of new players and expansion plans of existing ones the Automobile Industry results into extensive competition, every company eating into others share leaving little scope for new players. Due to the fact that mature markets are already over crowded, industry is shifting towards emerging markets by building facilities, R & D centres in these markets. But the ROI out of these decisions is yet to be capitalized.

The automotive industry is facing an unprecedented slowdown. Considering the facts that the auto component industry grows on the back of vehicle industry, a current 15-20 percent cut in vehicle production has led to a crisis-like situation. This will also result in significant job losses. Therefore, a stable technology-agnostic e mobility policy is the need of the hour to ensure a smooth transition and creation of a strong local supply base.

Moreover, in the automobile industry, vehicles cannot be kept in the store for long unlike consumer durables, as automobiles lose value with time. The model gets old and the customer would not be willing to pay for it.

Macro economic uncertainty, recession, unemployment, volatility in the fuel prices, labour productivity, high fixed cost and investments in research and development etc. are the economic factors which will daunt the automobile industry for a long period of time.

Technical up-gradation would be essential for the Company in meeting the expectations of the customers in future. In order to maintain its leadership position, your company is continuously focused on upgrading its products and manufacturing technology as well as acquiring new and advanced technology to meet the emerging expectations of the customers.

### **Segment - wise or product - wise performance**

The company is engaged in automobile Components manufacturing only and there are no separate reportable segments.

### **Outlook**

Indian auto component industry is expected to grow steadily at a moderate CAGR of around 19% by 2020. The mid to long term outlook for the Indian auto industry is positive. As per the Automotive Mission Plan 2026 (AMP 2026) the Indian auto industry is expected to grow at double digit CAGR between the period 2016-2026.

With an objective to sustain growth, your Company is pursuing several strategic initiatives in all key areas of business. The key elements of strategy include strengthening the product portfolio, refresh and update existing products and strengthen research & development (R&D) and technology capabilities.

Your Company is going to adopt new technology of casting i.e. "Lost Foam Casting" which will provide the better finish and cost effective production. The following are the benefits of this technology:

- This will lower operating costs.
- High levels of sand reuse are possible.
- Fettling and machining is minimized due to high dimensional accuracy and the absence of parting lines or core fins.
- Consistent casting quality.
- Multiple castings can be combined in one mold to increase pouring efficiency and other benefits as well.

Production capacity expansion outpacing domestic consumption will drive export-oriented growth in the coming years and will be one of the major factors that will have a positive impact on the component market growth in the coming years. Cost-efficient operations and acceptable quality have increased export volumes for the auto components to global OEMs (original equipment manufacturer).

We expect auto component demand to grow by 13-15% in fiscal 20 on account of strong growth across asset classes. As the BS VI emission norms are expected to come into effect in Financial Year 2021, this would result in a price increase across all automobile segments and pre-buying of cheaper BS IV vehicles in Financial Year 2020 is likely to drive volumes up. A strong domestic demand and a pick up in exports is expected to aid overall auto components growth in Financial Year 2020.

**Risks and concerns**

Today auto industry is enjoying the benefits while the auto component sector is in its gloom despite of hard efforts of survival. The factors making the differences are unavailability of resources like skilled labour and technology, high cost of production due to inflation and Government policies of Indirect Tax.

Today the international markets are so saturated and the cut throat competition is spread all over the globe as the whole world has become a single market. The rule of 'survival of the fittest' is applied at every stage and in all the sectors. This enabled Indian auto industry to grow at certain extent. The threat of other competitive countries and the internal country policies affecting the sector directly or indirectly, the loop holes are stretching the limbs behind and withdrawing its roots of development. On one side the automobile industry is flourishing while on the other side the Indian auto component/ parts which is a spine of Indian automobile industry is shrinking.

The cut throat competition makes it difficult for companies to pass on increases in raw material prices to the customer. Due to high operating leverage, a small increase in input prices adversely affects margins by a significant percentage. Compliance to stringent fuel emission standards and fuel efficiency requirements resulted in significant structural costs for companies as well. The Company is aware of the increasing competition and is taking measures to remain competitive in the market place.

**Internal control systems and their adequacy**

The Company has a proper and adequate internal control system to ensure that all the assets of the Company are safeguarded and protected against any loss. It ensures that all transactions are authorised, recorded and reported correctly and all the transactions are properly authorized and recorded. It monitors compliance to internal processes and provide timely and reliable information to management.

**Material development in human resources/industrial relations front, including number of people employed**

During the year, the Company has taken several initiatives to further strengthen its human resource base to meet its current & future growth plans. There was unity of purpose among the employees to continuously strive for all round improvements in work practices & productivity Industrial relations were cordial throughout the year at all locations. As on 31st March, 2019, there were 351 employees on the roll of the Company.

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations are as follows:

Ratio	Ratio in Year 2018	Ratio in Year 2019	% of Change	Reason for Change
Debtors Turnover	8.22	13.70	Increase by 66%	Debtors turnover ratio gone to 13.70 times in 2019 as compared to 8.22 in 2018. This shows that the company has better debtor's turnover in 2019 as compared to 2018.
Debt Equity Ratio	0.64	0.47	Decrease by 27%	Debt equity ratio was 0.47 in 2019 as compared to 0.64 in 2018. This is because of no new loan has been taken by the company and old loan payment has been made as per the payment schedule.
Net Profit Margin	4.58	2.83	Decrease by 38%	The Net profit margin 2.83 in 2019 as compared to 4.58 in 2018. This is because of the reduction in profit before tax and also the deferred tax has gone up by 68 lakhs. However, the company performance in 2019 in terms of manufacturing was better as compared to 2018, since in 2018 the other income was 121 lakhs as compared to 0.78 lakhs in 2019.
Return on networth and Compared to immediately previous financial year	8.92	5.83	Decrease by 34%	Return on net worth was 5.83% in 2019 as compared to 8.92% in 2018 these is because of the Low net profit in 2019. Net profit has gone down because in 2018 other income was 121 lakh while in 2019 it is 0.87 Lakhs and deferred tax liability which was 2.23 lakh in 2018 which is gone to 70.46 lakh in 2019.

#### Disclosure of Accounting Treatment

Your Company's financial statements for the year ended 31<sup>st</sup> March, 2019 are the financial statements prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as applicable. During the Financial Year, there was no change in the Accounting Treatment in preparation of Financial Statements.

### **Annexure – VIII**

#### **PORWAL AUTO COMPONENTS LIMITED NOMINATION AND REMUNERATION POLICY**

##### **1. INTRODUCTION:**

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

##### **2. OBJECTIVES OF THE COMMITTEE:**

The Committee shall:

- i. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees;
- ii. Formulate the criteria for evaluation of Independent Directors and the Board of directors
- iii. To specify manner for effective evaluation of performance of Board, its committees and individual directors which is to be carried out either by the Board or by the NRC and also to review its implementation and compliance;
- iv. Devise a policy on Board diversity;
- v. Identify persons who are qualified to become Directors and persons who may be appointed in Senior Management positions in accordance with the criteria laid down in this policy;
- vi. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.
- vii. Determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- viii. recommend to the board, all remuneration, in whatever form, payable to senior management

##### **3. DEFINITIONS:**

- **"Committee"**:- Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.
- **"Company"**:- Company means 'Porwal Auto Components Limited'.
- **"Key Managerial Personnel"**:- Key Managerial Personnel (KMP) means-
  - (i) the Chief Executive Officer or the Managing Director or the Manager or the whole-time director;
  - (ii) the Company Secretary;
  - (iii) the Chief Financial Officer.
- **"Independent Director"** means a Director referred to in Section 149(6) of the Companies Act, 2013, rules made thereunder and as defined under Regulation 16 of the SEBI (LODR), 2015.
- **"Senior Management"**:- The expression "senior management" means officer/personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the [chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.].

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

##### **4. APPLICABILITY:-**

The Policy is applicable to:

- Directors (Executive and Non Executive)
- Key Managerial Personnel
- Senior Management Personnel

**5. CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE:-**

The Board has the power to constitute/ reconstitute the Committee from time to time in order to make it consistent with the Company's policy and applicable statutory requirement.

**6. GENERAL APPOINTMENT CRITERIA:-**

The Committee shall consider the following criteria and qualifications as follows:

- i. The Committee shall identify, ascertain and consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.
- ii. The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made thereunder, Listing Regulations or any other enactment for the time being in force.
- iii. The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder, Listing Regulations or any other enactment for the time being in force.
- iv. The Committee has the discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

**7. ADDITIONAL CRITERIA FOR APPOINTMENT OF INDEPENDENT DIRECTORS:**

The Nomination and Remuneration Committee shall satisfy itself with regard to the Independent nature of the Directors so as to enable the Board to discharge its function and duties effectively. Independent Director shall meet all criteria specified under the provisions of the Companies Act, 2013 and rules made there under and Listing Regulations. The Committee shall consider qualifications for Independent Directors as mentioned in herein earlier under the head 'Definitions'.

**8. TERM / TENURE:**

The Term / Tenure of the Directors shall be governed as per provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Companies Act, 2013 and other rules and act made applicable there under as amended from time to time.

**9. POLICY ON BOARD DIVERSITY:**

The Board of Directors shall have the optimum combination of Directors from the different areas / fields like production, Management, Quality Assurance, Finance, Sales and Marketing, Supply Chain, Research and Development, Human Resources etc. or as may be considered appropriate.

**10. REMUNERATION POLICY FOR REMUNERATION TO DIRECTORS/KEY MANAGERIAL PERSONNEL/SENIOR MANAGEMENT PERSONNEL:-**

**A. Non-Executive Directors:**

The Company doesn't pay any remuneration and/or Commission to the Non-Executive Directors.

The Company doesn't pay sitting fee for attending meeting of the Board of directors including committee meetings thereof.

The Company does not provide any ESOP, etc to its directors.

If the Company decides to pay sitting fees then the amount of sitting fees shall be subject to limits as provided under the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

**B. Executive Directors & Key Managerial Personnel:**

- i. The objective of the policy is directed towards having a compensation philosophy and structure that will reward and retain talent. The Remuneration Policy of the Company for Director & Key managerial personnel is primarily based on the following criteria:
  - Overall Performance of the Company, its divisions and units.
  - Track record, potential and performance capacity and capability of individual.

- ii. The Nomination and Remuneration Committee will recommend the remuneration to be paid to the Managing Director, Whole-time Director, Key Managerial Personnel and Senior Management Personnel to the Board for their approval.
- iii. The remuneration shall be governed as per provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and rules made there under or any other enactment for the time being in force.
- iv. The remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate directors, Key Managerial Personnel and Senior Management of the company and to provide quality required to run the company successfully.
- v. The relationship of remuneration and performance should be clear and meet appropriate performance benchmarks.
- vi. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- vii. The Company doesn't pay sitting fee for attending meeting of the Board of directors including committee meetings thereof. The Company do not provides any ESOP, etc to its directors.
- viii. The Company shall pay remuneration to its CS and CFO as per the terms of the appointment as approved by the Nomination and Remuneration Committee and they shall also entitled for the annual increments based on their performance, evaluated by the Nomination and Remuneration Committee and Board on annual basis.

**11. CRITERIA FOR EVALUATION OF PERFORMANCE OF INDEPENDENT DIRECTORS AND THE BOARD OF DIRECTORS:-**

**A. For Executive Directors:**

The criteria for evaluation of Executive Directors, inter alia, includes his ability to conduct meetings, ability to elicit inputs from all members, ability to table and openly discuss challenging matters, attendance at meetings, assistance to board in formulating policies and setting standards, accessibility, ability to analyze strategic situations, ability to protect positive image of the Company, compliance with regulatory requirements, monitor the performance of management and satisfy himself with integrity of the financial controls.

**B. For Non-Executive Directors (including Independent Directors):**

The criteria for evaluation of Non-Executive Directors, inter alia, includes attendance and contribution of Directors at Board and Committee meetings, study of agenda and active participation, discharge of other function and responsibilities prescribed under law, Monitoring the effectiveness of corporate governance practice, contribution to discussion on strategy, participate constructively and actively in committees of the Board, exercise of skills and diligence with due and reasonable care and to bring independent judgment to the Board, ability to bring in best practices from his/her experience, adherence to the code of conduct.

**C. For Board as a whole:**

The criteria for evaluation of the Board, inter alia, includes composition and diversity, induction programme, No. of meetings held, team work, performance culture, risk management and financial controls, integrity, credibility, trustworthiness, active and effective participation by members.

**12. REMOVAL:-**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable law, rules and regulations or any other reasonable ground, the Committee may recommend to the Board for removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

**13. AMENDMENT:-**

Any change in the Policy shall, on recommendation of Nominations and Remuneration Committee, be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

## ANNEXURE-IX

### Corporate Policies

We seek to promote and follow the highest level of ethical standards in all our business transactions guided by our value system. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 mandate the formulation of certain policies. The Corporate Governance Policies are available on the website of the Company at [www.porwalauto.com](http://www.porwalauto.com). The policies are reviewed periodically by the Board and updated as needed. During the year, the Board revised and adopted some of the policies:

Key policies that have been adopted and revised are specified below:

Name of the Policy	Brief Description	Summary of Key Changes
Whistle Blower Policy (Policy on Vigil Mechanism)	The policy was adopted in order to report the concerns about unethical behaviour, actual or suspected fraud, or violation of Company's Code of Conduct.	The Whistle Blower Policy was amended in line with amendments made through SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 enabling employees to report instances of leak of Unpublished Price Sensitive Information.
Insider Trading Policy/ Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information	The policy was adopted by the Company in order to disseminate UPSI universally and not selectively. The purpose of this Code of Practices and Procedures is to clearly outline procedures and practical guidelines that would be followed by Company for consistent, transparent, regular and timely public disclosure and dissemination of UPSI.	The Insider Trading Policy was revised by the Company in accordance with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, inter alia including the key changes such as Change in the Definition of Designated Persons, Compliance Officer and insertion of new policy for determination of "Legitimate Purposes".
Policy for terms and conditions of Appointment of the Independent Directors	The policy aims at defining terms and conditions, roles, responsibilities and duties of the Independent Directors appointed and proposed to be appointed by the Company.	The Policy was revised in line with the related amendments in SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, inter alia including changes such as change in the Definition of Independent Directors.
Related Party Transactions Policy	This Policy applies to transactions between the Company and one or more of its Related Parties. It provides a framework for governance and reporting of Related Party Transactions including material transactions. The Company has formulated this policy on materiality of Related Party Transactions and on dealing with Related Party Transactions.	The Policy was revised in line with the related amendments in SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, inter alia including key changes such as revision in threshold limits for determining Materiality and other related amendments.
Nomination and Remuneration Policy	The policy determines the criteria for qualifications, positive aspects, competencies required for appointment of the Director (executive and non-executive) and also criteria for determining the remuneration of the Directors, KMPs, Senior Management and other employees of the Company.	The Policy was revised in line with the related amendments in SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, inter alia including the revision in various criteria for appointment, remuneration and performance evaluation of the Directors and KMPs and other employees.

Name of the Policy	Brief Description	Summary of Key Changes
Code of Conduct of Board of Directors, Independent Directors and Senior Management Personnel	The Code of Conduct is formed by the Company to comply with all the applicable laws, rules and regulations and with highest standards of business ethics. Each Director and Senior Management Person (herein after "Officers" / "officer") of the company is expected to comply with letter and spirit of this Code and to act in good faith, responsibility, with due care and diligence without misrepresenting the material facts.	The Policy was revised in line with the related amendments in SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Companies Act, 2013 inter alia revising the duties, responsibilities, and ethical standards to be complied by each officer of the Company.

### CERTIFICATE

**[Pursuant to Regulation 34(3) and sub-clause (i) of clause (10) of Paragraph C of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

To,  
The Members,  
**PORWAL AUTO COMPONENTS LIMITED**  
**(L34300MP1992PLC006912)**  
Plot No. 209 & 215, Sector 1,  
Industrial Area, Pithampur, M.P. – 454775

I have examined the relevant registers, returns and records maintained by Porwal Auto Components Limited ("the Company") having CIN:L34300MP1992PLC006912 and registered office at Plot No. 209 & 215, Sector 1, Industrial Area, Pithampur, M.P. – 454775, forms and disclosures received from the Directors of the Company, produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with sub-clause (i) of clause (10) of Paragraph C of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors' Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company and its Officers, I certify that none of the Directors on the Board of the Company for the Financial year ended on March 31, 2019 has been debarred or disqualified from being appointed or continuing as Director of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory Authority.

Ensuring eligibility for appointment / continuity of every director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Indore  
Date: 10.08.2019

**SHRADDHA JAIN**  
**PRACTICING COMPANY SECRETARY**  
**ACS No: 39488**  
**C P No: 14717**

**CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE**

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019**  
**[Pursuant to Part E of Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015]**

To,  
The Members,  
**PORWAL AUTO COMPONENTS LIMITED**  
**(L34300MP1992PLC006912)**  
Plot No. 209 & 215, Sector 1, Industrial Area, Pithampur, M.P. - 454775

We have examined the compliance of conditions of Corporate Governance by PORWAL AUTO COMPONENTS LIMITED (hereinafter called the Company), for the year ended on 31st March, 2019 as specified in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraph C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from 1st April, 2018 to 31st March, 2019.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India which requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31 March, 2019.

In our opinion and to the best of my information and according to the explanations given to me, I report that the Company has complied with the conditions of Corporate Governance.

We further state that such compliance is neither an assurance as to the future viability of the company nor efficiency or effectiveness with which the management has conducted the affairs of the company.

**For S N Gadiya & Co.**  
**Chartered Accountants**  
**Firm Reg. No. 002052C**

**Date: 25.05.2019**  
**Place: Indore**

**CA S. N. Gadiya**  
**Proprietor**  
**M.No. 071229**

## **INDEPENDENT AUDITORS' REPORT**

To the Members of

**PORWAL AUTO COMPONENTS LIMITED**

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

### **Opinion**

We have audited the accompanying standalone financial statements of Porwal Auto Components Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### **Basis For Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### **Information Other than the Standalone Financial Statements and Auditor's 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 Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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.

### **Management's Responsibility for the Standalone Financial Statements**

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone 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 standalone 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 standalone 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 Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS 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 March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
    - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies(Auditor's report)Order,2016("the Order") issued by the Central Government in terms of section 143(11) of the Act, we give in "Annexure B" a statement of the matters specified in paragraph 3 and 4 of the order.

**For S N Gadiya & Co.**  
Chartered Accountants  
Firm Reg. No. 002052C

**(CA Satyanarayan Gadiya)**  
Proprietor  
M.No.071229  
Place: Indore  
Date 25/05/2019

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

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

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

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Major items of fixed assets have been physically verified by the management during the year in accordance with a programmed of verification, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The management, during the year under review, has conducted physical verification of inventory and no material discrepancies were noticed on such verification.
- (iii) The company has granted loans to one body corporate covered in the register maintained under section 189 of the Companies Act, 2013. The said loan was squared off during the year.
  - (a) The rate of interest and other terms and conditions on which the loans had been granted to the body corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the company.
  - (b) In the case of loans granted to the body corporate listed in the register maintained under section 189 of the Act, the borrower has been regular in payment of the principal and interest as stipulated.
  - (c) There are no overdue amount in respect of the loans granted to a body corporate listed in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from public within the meaning of Section 73 and 74 of the Act and the rules framed there under to the extent notified.
- (vi) The Central Government has not prescribed maintenance of cost records under of sub- section (1) of Section 148 of the Act, for the nature of industry in which the Company is doing business.
- (vii) (a) Undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess (as applicable) have generally been regularly deposited with the appropriate authorities.
- (b) No disputed amounts payable in respect of Wealth Tax, Income Tax, Service Tax, Custom Duty, Excise Duty and Cess were in arrears as at 31<sup>st</sup> March 2019 except the following.

Name of the Statute	Nature of Dues	Amount Disputed	Period to which the amount relates	Forum where dispute is pending
Employee Provident Fund & Mis. Provisions Act 1952	Provident Fund	Rs. 8.05 lacs	F.Y. 2005-06	Employee Provident Fund Appellate Tribunal
MP VAT Tax	Vat Tax	Rs.1.38 lacs	F.Y. 2010-11	M.P. Commercial Tax Appellate Board, Bhopal
MP VAT Tax	Vat Tax	Rs. 2.56 lacs	F.Y. 2011-12	M.P. Commercial Tax Appellate Board, Bhopal
MP VAT Tax	Vat Tax	Rs. 2.48 lacs	F.Y. 2013-14.	Appellate Authority Additional Commissioner of Commercial Tax, Indore
MP VAT Tax	Vat Tax	Rs. 0.74 lacs	F.Y. 2015-16.	Appellate Authority Additional Commissioner of Commercial Tax, Indore
MP VAT Tax	Vat Tax	Rs. 2.67 lacs	F.Y. 2016-17.	Appellate Authority Additional Commissioner of Commercial Tax, Indore
Excise Duty Act, 1944	Excise Duty	Rs. 64.43 lacs	March 2005-Oct. 2011	CESTAT Delhi

**Porwal Auto Components Ltd.** **Annual Report 2018 - 2019**

- (viii) The company has not defaulted in repayment of dues to financial institutions or banks as at the balance sheet date.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments), Company has availed term loan facility during the year and the term loan has been utilized for the purpose for which it was availed.
- (x) No instance of material fraud on or by the Company, notice or reported during the year, nor have we been informed of any such case by the Management.
- (xi) The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) The transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) The Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

**For S N Gadiya & Co.**  
Chartered Accountants  
Firm Reg. No.002052C

**(CA Satyanarayan Gadiya)**  
Proprietor  
M.No.071229

Place: Indore  
Date 25/05/2019

**Annexure - B to the Auditors' Report**

**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 PORWAL AUTO COMPONENTS LIMITED ("the Company") as of 31 March 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting 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 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 Act.

**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 judgment, including the assessment of the risks of material misstatement of the Ind AS 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 31 March 2019, 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 S N Gadiya & Co.**

Chartered Accountants  
Firm Reg. No.002052C

**(CA Satyanarayan Gadiya)**

Proprietor  
M.No.071229

Place: Indore  
Date 25/05/2019

**Auditor's Report on Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.**

To

Board of Directors of

**Porwal Auto Components Limited**

1. We have audited the accompanying Statement of Standalone Audited Results of Porwal Auto Components Limited ("the Company"), for the quarter and year ended March 31, 2019 ("the Statement") attached herewith being submitted by the Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended by the Circular No. CIR/CFD/FCA/62/2016 dated July 5, 2016.

This Statement, which is the responsibility of the company's Management and approved by the Board of Directors, has been compiled from the related Standalone Ind AS Financial Statement which have been prepared in accordance with the Indian Accounting Standards prescribed under section 133 of the companies Act, 2013 read with relevant rules issued thereunder ('Ind-AS') and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the statement based on our audit of such standalone financial statements.

2. We conducted our audit in accordance with the Standards on Auditing generally accepted in India. Those Standards requires that we comply with the ethical requirements and plan & perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind-AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our audit opinion.

3. In our opinion and to the best of our information and according to the explanations given to us, the statement:
  - i. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as modified by the Circular No. CIR/CFD/FCA/62/2016 dated July 5, 2016; and
  - ii. gives a true and fair View in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, of the net profit and total comprehensive Income and other financial information of the company for the year ended March 31, 2019.
4. The statement includes the results of the quarter ended 31st March 2019 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which are subject to limited review by us.

**For S N Gadiya & Co.**

Chartered Accountants

Firm Reg. No.002052C

**(CA Satyanarayan Gadiya)**

Proprietor

M.No.071229

Place: Indore

Date 25/05/2019

## **AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of  
**PORWAL AUTO COMPONENTS LIMITED**

We have examined the compliance of conditions of Corporate Governance by Porwal Auto Components Limited, for the year ended on 31 March, 2019, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India which requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31 March, 2019.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For S N Gadiya & Co.**  
Chartered Accountants  
Firm Reg. No.002052C

**(CA Satyanarayan Gadiya)**  
Proprietor  
M.No.071229

Place: Indore  
Date 25/05/2019

**Balance Sheet as at 31st March, 2019**

Particulars	Note No	As at 31st March 2019	As at 31st March 2018
		INR	INR
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	506,019,595	486,916,697
Capital work-in-progress	3	-	21,546,796
Intangible assets	4	744,185	759,147
Financial assets			
(a) Investments	5	82,073,064	63,435,564
(b) Loans	6	50,429,362	57,250,100
Other non-current assets	7	15,363,968	35,661,549
		<b>654,630,174</b>	<b>665,569,853</b>
<b>Current assets</b>			
Inventories	8	101,853,079	109,190,855
Financial assets			
Trade receivables	9	88,055,695	133,968,697
Cash and cash equivalents	10	178,866	174,257
Bank balance other than cash and cash equivalents	11	1,104,092	1,039,141
Loans	12	1,321,282	1,237,174
Other receivables	13	4,052,998	5,781,367
Other current assets	14	11,131,043	13,066,964
		<b>207,697,054</b>	<b>264,458,455</b>
<b>Total Assets</b>		<b>862,327,228</b>	<b>930,028,308</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	15	151,000,000	151,000,000
Other equity	16	435,228,567	415,629,364
<b>Total Equity</b>		<b>586,228,567</b>	<b>566,629,364</b>
<b>Non-current liabilities:</b>			
Financial liabilities			
Borrowings	17	59,982,307	93,476,483
Deferred tax liabilities (net)	18	38,898,200	31,851,900
		<b>98,880,507</b>	<b>125,328,383</b>
<b>Current liabilities:</b>			
Financial liabilities			
Borrowings	17	64,090,843	78,596,276
Trade payables	19	38,962,144	75,549,734
Other current financial liabilities	20	17,549,798	29,895,152
Other current liabilities	21	56,615,369	54,029,399
Current tax liabilities (net)		<b>177,218,154</b>	<b>238,070,561</b>
<b>Total equity and liabilities</b>		<b>862,327,228</b>	<b>930,028,308</b>
		0	0

Significant Accounting Policies  
As per report of even date

For and on behalf of Board

**For S N Gadiya & Co**  
Chartered Accountants  
Firm Reg No. 002052C  
(CA S N Gadiya)  
Proprietor  
M. N. 071229  
Place : Indore  
Date : 25/05/2019

**Devendra Jain**  
Managing Director  
DIN 00232920

**Hansika Mittal**  
Company Secretary

**Mukesh Jain**  
Whole Time Director  
DIN 00245111

**Shailesh Jain**  
Chief Financial Officer

### Statement of Profit and Loss for the year ended 31st March, 2019

S. No.	Particulars	Note No	As at 31st March 2019	As at 31st March 2018
	Revenue From Operations	22	<b>1206269061</b>	1101429974
	Other income	23	<b>86687</b>	12134520
	<b>Total Income</b>		<b>1206355748</b>	<b>1113564494</b>
	<b>Expenses:</b>			
	Cost of materials consumed	24	<b>639515149</b>	572536480
	Purchases of stock-in-trade	25	<b>6055627</b>	6238122
	Changes in inventories of finished goods (including stock-in-trade) and work-in-progress	26	<b>-5493203</b>	-10085728
	Employee benefits expenses	27	<b>94456950</b>	87858349
	Finance costs	28	<b>25620764</b>	21069535
	Depreciation and amortisation expenses		<b>58756219</b>	47921207
	Other expenses	29	<b>335514348</b>	324283993
	<b>Total expenses</b>		<b>1154425854</b>	<b>1049821958</b>
	<b>Profit before exceptional items and tax</b>		<b>51929894</b>	63742536
	<b>Exceptional items</b>		<b>0</b>	0
	<b>Profit before tax</b>		<b>51929894</b>	<b>63742536</b>
	<b>Tax expenses</b>			
	Current tax		<b>10691000</b>	12997000
	Deferred tax credit/(charge)		<b>7046300</b>	223400
	<b>PROFIT FOR THE YEAR</b>		<b>34192594</b>	<b>50522136</b>
	<b>Other Comprehensive Income</b>		<b>0</b>	0
	<b>Total Comprehensive Income for the period</b>		<b>34192594</b>	<b>50522136</b>
	<b>Earnings per equity share</b>			
	Basic (Face value of Re. 10 each)		<b>2.26</b>	<b>3.35</b>
	Diluted (Face value of Re. 10 each)		<b>2.26</b>	<b>3.35</b>

The accompanying notes are an integral part of these financial statements

Significant Accounting Policies  
As per report of even date

**For S N Gadiya & Co**  
Chartered Accountants  
Firm Reg No. 002052C

(CA S N Gadiya)  
Proprietor  
M. N. 071229  
Place : Indore  
Date : 25/05/2019

**Devendra Jain**  
Managing Director  
DIN 00232920

**Hansika Mittal**  
Company Secretary

For and on behalf of Board

**Mukesh Jain**  
Whole Time Director  
DIN 00245111

**Shailesh Jain**  
Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

	31.03.2019	31.03.2018
<b>Operating Activities</b>		
Profit before tax	51929894	63742536
Add: Depreciation	58756219	47921207
Add: Interest/ Finance Cost	25620764	21069535
Less: Non Operating Income	-86687	-12134520
Add: Loss on Sale of Fixed Assets	208301	-11847650
<b>Cash Flow from operating activities</b>	<b>136428491</b>	<b>108751108</b>
Less Decrease CL (including bank borrowings)	-60852407	106328976
Add Decrease in current assets	56830961	-85498102
Less tax paid	-17737300	-13220400
Less Interest Paid	-25620764	-21069535
<b>Net Operating Cash Flow</b>	<b>89048980</b>	<b>95292048</b>
<b>Investing Activities</b>		
<b>In flow :</b>		
Increase in Deferred Tax Liability	7046300	223400
Short Provision W/ o	-939970	-143411
Sale of Fixed Assets	421000	12381791
<b>Outflow</b>		
Increase in Fixed Assets/Invesments	-78473457	-178149122
Decrease in Capital WIP	21546796	0
Increase in Non current Assets	8480819	16745988
<b>Net Cash from Investing Activities</b>	<b>-41918512</b>	<b>-148941354</b>
<b>Financial Activities</b>		
<b>Inflow :</b>		
Net Change in Long term Borrowing	-33494177	55187989
Net Non Operating Income	86687	12134519
Dividend Paid	-11325000	-11325000
Dividend Distribution Tax	-2328420	-2305503
<b>Net Cash from Financial Activities</b>	<b>-47060910</b>	<b>53692005</b>
Opening Cash	1213398	1170699
Cash Surplus/Deficit	69559	42699
Closing Cash	1282958	1213398

This is the cash flow statement referred to in our report of even date.

As per report of even date

For and on behalf of Board

**For S N Gadiya & Co**

Chartered Accountants  
Firm Reg No. 002052C

(CA S N Gadiya)

Proprietor

M. N. 071229

Place : Indore

Date : 25/05/2019

**Devendra Jain**

Managing Director  
DIN 00232920

**Hansika Mittal**

Company Secretary

**Mukesh Jain**

Whole Time Director  
DIN 00245111

**Shailesh Jain**

Chief Financial Officer

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019**

**EQUITY SHARE CAPITAL**

For the year ended 31st March 2019		
Balance as of 1st April 2018	Changes in Equity shares capital during the year	Balance as of 31st March 2019
151000000	0	151000000

For the year ended 31st March 2018		
Balance as of 1st April 2017	Changes in Equity shares capital during the year	Balance as of 31st March 2018
151000000	0	151000000

**OTHER EQUITY**

**For the year ended 31 March 2019**

	Securities Premium Reserve	General Reserve	Retained Earning	Total
<b>As at 1st April 2018</b>	326000000	3200413	86428951	415629364
Profit for the period	0	0	34192594	34192594
Other comprehensive income	0	0	0	0
<b>Total comprehensive income</b>	0	0	0	0
Dividends	0	0	-11325000	-11325000
Dividend distribution tax on dividend	0	0	-2328420	-2328420
Income Tax for earlier years	0	0	-939970	-939970
Transfer from retained earnings	0	0	0	0
Transfer to General Reserve	0	0	0	0
<b>As at 31 March 2019</b>	326000000	3200413	106028154	435228567
<b>For the year ended 31 March, 2018</b>				
<b>As at 1st April 2017</b>	326000000	3200413	49680729	378881142
Profit for the period	0	0	50522136	50522136
Other comprehensive income	0	0	0	0
<b>Total comprehensive income</b>	0	0	0	0
Dividends	0	0	-11325000	-11325000
Dividend distribution tax on dividend	0	0	-2305503	-2305503
Income Tax for earlier years	0	0	-143411	-143411
Transfer from retained earnings	0	0	0	0
Transfer to General Reserve	0	0	0	0
<b>As at 31 March 2018</b>	326000000	3200413	86428951	415629364

This is the Changes in Equity referred to in our report of even date.

As per report of even date

For and on behalf of Board

**For S N Gadiya & Co**  
Chartered Accountants  
Firm Reg No. 002052C

(CA S N Gadiya)  
Proprietor  
M. N. 071229  
Place : Indore  
Date : 25/05/2019

**Devendra Jain**  
Managing Director  
DIN 00232920

**Hansika Mittal**  
Company Secretary

**Mukesh Jain**  
Whole Time Director  
DIN 00245111

**Shailesh Jain**  
Chief Financial Officer

Note 3 : Property, Plant and Equipment

	Solar Plant - Division 1										Solar Plant - Division 2														
	Freehold land	Leasehold land	Plot 209	Plot 215	Plant & machinery	Material Handling Equip-ments	Tools and Patterns	Electrical Installations	Testing Equip-ments	Auxiliary Equip-ments	Furniture and Fixtures	Office equip-ments	Computer	Vehicles	Air Pollution Equip-ment	Plant and Machinery (Freehold)	Land	Factory Building	Solar Plant	Office Equip-ments	Solar Plant	Computer	Total		
A31March2018	1563810	261888	6295334		679945	2721054	2601453	189726	299599	937197	21338	90254	65990	927149	193546	679598	245530	397399	867088	592726	140325	12748383	16371	57160557	
Additions			335488	228620	113200	1428791	68000	297210	11000	866538	5406	26388	19404	38945							36438	6920	14721		7812467
Deposits														101000											101000
A31March2019	1563810	261888	6560222	218620	1740045	4186245	2786453	148305	311599	1600385	26739	116435	104804	125894	193526	695978	245520	397199	867088	633973	140325	12748383	1687	6495623	
Depreciation and impairment																									
A31March2018			61433455		22421915	451043	562804	179139	63483	285792	7690	27894	36292	889756	49776	2399704		19398	1512864	1883			254883	53	84688702
Depreciation charge for the year			313820	45200	142045	378992	249026	149200	30063	176526	1636	25178	26883	889640	24588	1099852		9539	754952	4721	2702		807383	534	5814257
Deposits														38699											38699
A31March2019			92188555	45200	48972435	828025	827990	338389	99402	482298	9266	53072	56945	341704	73164	359956		28897	226496	6304	2702		1061486	595	14035482
Net Book Value																									
A31March2019	1563810	261888	56729645	277963	180977915	332000	1937543	1147036	218027	789207	17104	63403	43889		119104	375420	245520	33520	7404022	633973	147321	12639	11666771	1702	58089948
A31March2018	1563810	261888	564099945	-	82039415	2267001	2878849	988156	285163	707985	13688	62280	49708		144592	455074	245520	340081	816054	596286	139422		1294500	1636	48976688

Details of Capital Work in Progress

	At 31 March 2019	At 31 March 2018
Plant, property and equipment	21546796	21546796
Note 4 Intangible assets		
Cost		
At 31 March 2018	917817	
Additions		
Deposals		
At 31 March 2019	917817	
Amortization and impairment		
At 31 March 2018	158570	
Additions	14962	
Deposals		
At 31 March 2019	173532	
Net Book Value		
At 31 March 2019	744185	
At 31 March 2018	759147	

## NOTES TO THE FINANCIAL STATEMENTS

### Note 5: Investments

	31 March 2019	31 March 2018
<b>Investments in unquoted equity Instruments</b>	125,000	125,000
<b>Investments at fair value through OCI (fully paid)</b>		
<b>Unquoted equity shares</b>		
<b>Quoted equity shares</b>		
<b>Mutual Funds (Quoted) units of Rs. 10/- each unless otherwise specified</b>		
12441.058 (12441.058) units of Aditya Birla Sunlife 95 Fund (G)	7,680,000	7,680,000
30431.93 (5233.233) Aditya Birla SC Pure Value Fund	1,687,500	337,500
41380.580 (41380.580) units of Aditya Birla Sunlife Top 100 Fund (G)	1,920,000	1,920,000
83199.505 (83199.505) units of Franklin India Balanced Fund (G)	8,160,000	8,160,000
3026.132 (3026.132) units of Franklin India Balanced Fund (G)	1,440,000	1,440,000
238859.006 (64841.357) units of HDFC Balance Fund (G)	10,575,000	7,875,000
112295.236 (88168.348) units of ICICI Prudential and Debt (G)	12,285,000	9,225,000
19844.630 (19844.630) units ICICI Prudential Value Discovery (G)	2,400,000	2,400,000
86503.690 (11149.839) units IDFC Classic Equity (G)	3,825,000	510,000
563027.839 (563027.839) units IDFC Dynamic Equity (G)	7,200,000	7,200,000
23614.197 (23614.197) units Kotak Opportunity (G)	2,700,000	2,700,000
7393.134 (7393.134) L & T Equity (G)	547,759	547,759
188049.635 (96072.781) units of L & T India Value Fund (G)	6,750,000	3,510,000
3549.171 (443.064) units Sundaram Mid Cap (G)	1,687,500	225,000
63758.944 (63758.944) units Sundaram Rural and Consumption (G)	2,700,000	2,700,000
47921.074 (23544.647) units TATA Equity PE (G)	6,750,000	3,240,000
18597.509 (18597.509) units of Tata Hybrid Equity (G)	3,640,305	3,640,305
(Mutual Fund Units of 1543893.253 (1125736.797) units NAV as on 31.03.2019 92818184 (P.Y.7,00,32,605/-)		
	<b>82,073,064</b>	<b>63,435,564</b>

### Note 6: Loans

	31 March 2019	31 March 2018
Loans (secured good unless otherwise stated)		
Deposits with related party	-	14,700,000
Capital advances	24,991,262	3,999,000
Supplier advances paid	2,500,000	4,706,000
<b>Deposits and balances with government authorities</b>		
PF Demand	402,472	402,472
VAT Tax demand	208,125	141,125
VAT Claim Receivable	22,327,504	33,301,504
	<b>50,429,362</b>	<b>57,250,100</b>

**Loans and receivables** are non-derivative financial assets which generate a fixed or variable interest income for the Group. The carrying value may be affected by changes in the credit risk of the counterparties.

**Note 7: Other non-current assets**

	<b>31 March 2019</b>	<b>31 March 2018</b>
Deposit	14,215,311	14,317,615
GST Refund Receivable	148,657	18,183,971
Others	1,000,000	3,159,963
	<b>15,363,968</b>	<b>35,661,549</b>

**Note 8: Inventories**

	<b>31 March 2019</b>	<b>31 March 2018</b>
Raw materials (at cost)	32,840,309	45,992,189
Work in progress (at cost)	2,535,843	20,059,828
Finished goods (at lower of cost and net realisable value)	54,058,721	30,691,650
Stores and spares	12,418,206	12,447,188
	<b>101,853,079</b>	<b>109,190,855</b>

**Note 9: Trade and other receivables**

	<b>31 March 2019</b>	<b>31 March 2018</b>
Trade receivables	<b>88,055,695</b>	<b>133,968,697</b>
	<b>88,055,695</b>	<b>133,968,697</b>
<b>Break-up for security details:</b>	<b>31 March, 2019</b>	<b>31 March, 2018</b>
<b>Trade receivables</b>		
Secured, considered good	88,055,695	133,968,697
Unsecured, considered good	-	-
Doubtful	-	-
<b>Total trade receivables</b>	<b>88,055,695</b>	<b>133,968,697</b>

**Note 10: Cash and cash equivalents**

	<b>31 March 2019</b>	<b>31 March 2018</b>
Balances with banks		
In current accounts	80,121	87,513
In deposit accounts		
Cheques on hand		
Cash on hand	98,745	86,744
	<b>178,866</b>	<b>174,257</b>

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

**Note 11: Bank balance other than cash and cash equivalents**

	31 March 2019	31 March 2018
Margin money with banks	1,104,092	1,039,141
Earmarked bank balance towards dividend		
	<b>1,104,092</b>	<b>1,039,141</b>

The Group has pledged a part of its bank deposits to fulfil collateral requirements. Refer to inventories a for further details.

**Note 12: Loans**

	31 March 2019	31 March 2018
Loans to employees	1,321,282	1,237,174
	<b>1,321,282</b>	<b>1,237,174</b>

**Note 13: Other receivables**

	31 March 2019	31 March 2018
<b>Other loans and advances</b>		
Advance for trade	1,189,497	1,029,865
Advance for capital advances	2,863,501	4,751,502
	<b>4,052,998</b>	<b>5,781,367</b>

**Note 14: Other current assets**

	31 March 2019	31 March 2018
GST Refund Receivable	161,023	-
Prepaid expenses	817,962	601,642
Advance tax and TDS and TCS	10,152,058	12,465,322
	<b>11,131,043</b>	<b>13,066,964</b>

**Statement of changes in equity for the year ended 31 March 2019**

**15. Share Capital**

Authorised share capital	Equity shares		Preference shares	
	Numbers		Numbers	
<b>At 31 March, 2018</b>	20,000,000	200,000,000	-	-
Increase / (decrease) during the year	-	-	-	-
<b>At 31 March 2019</b>	20,000,000.00	200,000,000.00	-	-

**Terms/ rights attached to equity shares**

The company has only one class of equity shares having par value of INR 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**Issued Capital**

**Equity shares of INR 10/- each issued, subscribed and fully paid**

	Numbers	Value
<b>At 31 March 2018</b>	15100000.00	151000000.00
Changes during the year		
<b>At 31 March 2019</b>	15100000.00	151000000.00

Details of shareholders holding more than 5% shares in the company

	As at 31 March 2019		As at 31 March 2018	
	Number of shares	% Holding	Number of shares	% Holding
Flag Vittawas Limited	2750000	18.21	2750000	18.21
Porwal Finsec Private Limited	3288300	21.78	3288300	21.78
	6,038,300.00	39.99	6,038,300.00	39.99

**16. Other equity**

**Securities premium account**

**At 31<sup>st</sup> March 2018** 326000000.00

Add: Premium on issue of shares allotted pursuant to exercise of ESOP -

Add: Premium on QIP and preferential allotment of equity shares -

**At 31 March 2019** 326000000.00

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### General reserve

**At 31 March 2018** 3200413.00

**At 31 March 2019** 3200413.00

### Retained earnings

**At 31 March, 2018** 86428950.52

Add: Profit during the year 34192593.96

Add: Other Comprehensive Income 0.00

Less: Proposed Dividend -11325000.00

Less: Dividend Tax -2328420.00

Less: Income tax/Wealth tax of earlier years -939970.00

Less: Transfer to debenture redemption reserve 0.00

**At 31 March 2019** 106028154.48

### Total other equity

**At 31 March 2019** 435228567.48

**At 31 March 2018** 415629363.52

### Note 17: Borrowings

#### Non-current borrowings

	Effective interest rate	Maturity	31 March 2019	31 March 2018
<b>Non-current interest bearing loans and borrowings:</b>				
<b>Term loans</b>				
State Bank of India	9.80%	Repayable in 89 monthly installments ending on May 2021	8,419,796	20,927,025
Kotak Mahindra Bank	9.65%	Repayable in 60 monthly installments ending on September 2020	-	6,994,642
ICICI Bank	9.10%	Repayable in 72 monthly installments ending on Dec 2024	51,562,511	65,312,505

Term Loan from State Bank of India is secured by way of charge over the fixed assets of the Solar Plant and is repayable in 89 monthly installments ending on May 2021 and carries interest @ 9.80% p.a, remaining 15 monthly installment . The loan is further secured by way of personal guarantee of three directors.

Term loan from Kotak Mahindra Bank is secured by way of first charge over the fixed assets situated at Plot No. 215, Sector I Pithampur. The said loan is repayable in 60 monthly installments from September 2015 and ending on September 2020 and carries interest @ 9.65% p.a. The loan is further secured by way of personal guarantee of three directors.



**Note 18: Deferred Tax**

Deferred tax relates to the following:

	<b>Balance Sheet</b>	
	<b>31 March 2019</b>	<b>31 March 2018</b>
Accelerated depreciation for tax purposes	49,516,000	45,361,100
Disallowances and Losses available for offsetting against future taxable income	1,321,500	1,472,400
MAT credit entitlement	9,296,300	12,036,800
<b>Deferred tax expense/(income)</b>		

**Net deferred tax assets/(liabilities)**

Reflected in the balance sheet as follows:

	<b>31 March 2019</b>	<b>31 March 2018</b>
Deferred tax assets	(10,617,800)	(13,509,200)
Deferred tax liabilities	49,516,000	45,361,100
<b>Deferred tax liabilities, net</b>	<b>38,898,200</b>	<b>31,851,900</b>

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

During the year ended 31 March 2018 and 31 March 2017, the company has paid dividend to its shareholders. This has resulted in payment of DDT to the taxation authorities. The group believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity

**Note 19: Trade payables**

	<b>31 March 2019</b>	<b>31 March 2018</b>
Trade payables - retention from	38,962,144	75,549,734
business associates	<b>38,962,144</b>	<b>75,549,734</b>

**Note 20: Other current financial liabilities**

	<b>31 March 2019</b>	<b>31 March 2018</b>
Current maturities of long term debt	14,074,190	19,466,888
Payables for capital expenditure	3,475,608	2,209,993
Others (Tooling advance)	-	8,218,271
	<b>17,549,798</b>	<b>29,895,152</b>

**Note 21: Other current liabilities**

	<b>31 March 2019</b>	<b>31 March 2018</b>
<b>(a) Provision for employee benefits</b>		
Bonus Payable	2,789,144	2,512,977
Leave Encashment (unfunded)	4,736,503	3,824,023
E.S.I.C. Payable	179,284	178,641
Good Work Reward	920,998	1,193,784
Professional Tax Payable (Company)	-	2,500

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Provident Fund Payable	239,716	214,196
Salary and Wages Payable	5,420,666	3,686,443
Contract Wages Payable	2,398,654	-
Director Sitting Fees Payable	20,000	22,000
<b>(b) Others (Specify nature)</b>		
Provision for Income Tax	10,691,630	12,997,000
Proposed Dividend	11,325,000	11,325,000
Tax on Dividend	2,328,420	2,305,503
TDS Payable	328,368	629,490
Power & Fuel Payable	5,086,855	8,900,000
ESIC Payable (Contractors)	58,657	67,725
Lease Rent payable	128,827	-
Freight Outward Payable	170,728	-
Telephone Expenses Payable	24,100	12,863
Audit Fees Payable	75,000	75,000
Professional Charges Payable	55,000	20,000
Web site Design Expenses Payable	-	57,500
Water Charges Payable	134,560	102,293
Solar Line Charges Payable	-	200,000
GST Payable	9,503,259	5,702,462
	<b>56,615,369</b>	<b>54,029,399</b>
<b>Note 22. Revenue from operations</b>		
	<b>31 March 2019</b>	<b>31 March 2018</b>
<b>Sale of products</b>		
CI & SG Iron Automobile Components	1,152,762,785	1,284,398,497
Solar Power	47,450,649	24,089,232
Scrap	6,055,627	6,238,122
Less: Excise duty	-	(213,295,877)
	<b>1,206,269,061</b>	<b>1,101,429,974</b>
<b>Note 23. Other income</b>		
	<b>31 March 2019</b>	<b>31 March 2018</b>
Interest income	86,687	60,828
Profit on Sale of Fixed Assets	-	12,073,692
	<b>86,687</b>	<b>12,134,520</b>
<b>Note 24. Cost of materials consumed</b>		
	<b>31 March 2019</b>	<b>31 March 2018</b>
<b>Raw Material Consumed</b>		
Inventory at the beginning of the year	38,551,332	16,303,980
Add: Purchases	597,721,614	573,731,701
Less: inventory at the end of the year	(25,749,334)	(38,551,332)
Cost of raw material and components consumed	<b>610,523,612</b>	<b>551,484,349</b>
<b>Details of stores and consumables consumed</b>		
	<b>31 March 2019</b>	<b>31 March 2018</b>
Inventory at the beginning of the year	12,447,188	5,842,480
Add: Purchases	28,962,555	27,656,839
Less: inventory at the end of the year	(12,418,206)	(12,447,188)
Cost of raw material and components consumed	<b>28,991,537</b>	<b>21,052,131</b>
<b>Total Consumption</b>	<b>639,515,149</b>	<b>572,536,480</b>

**Note 25. Purchases of stock-in-trade**

	<b>31 March 2019</b>	<b>31 March 2018</b>
Inventory at the beginning of the year	-	-
Add: Purchases	6,055,627	6,238,122
Less: inventory at the end of the year	-	-
<b>Cost of raw material and components consumed</b>	<b>6,055,627</b>	<b>6,238,122</b>

**Note 26. Changes in inventories of finished goods (including stock-in-trade) and work-in-progress**

	<b>31 March 2019</b>	<b>31 March 2018</b>
<b>Opening Stock</b>		
Work-in-Process	20,059,828	6,518,870
Finished Goods	30,691,650	40,591,638
Stock-in-Trade	7,440,857	996,099
<b>Less: Closing Stock</b>		
Work-in-Process	2,535,843	20,059,828
Finished Goods	54,058,721	30,691,650
Stock-in-Trade	7,090,974	7,440,857
	<b>(5,493,203)</b>	<b>(10,085,728)</b>

**Note 27. Employee benefits expenses**

	<b>31 March 2019</b>	<b>31 March 2018</b>
Salaries, wages and bonus	84,648,531	79,095,889
Contribution to provident and other funds	5,106,843	4,749,889
Gratuity expense	1,528,650	1,130,000
Staff welfare expense	3,172,926	2,882,571
	<b>94,456,950</b>	<b>87,858,349</b>

**Note 28. Finance costs**

	<b>31 March 2019</b>	<b>31 March 2018</b>
Interest		
- On fixed period loan	9,235,362	2,109,054
<b>Finance charges</b>		
Interest and bank charges	322,704	6,475,186
Bank charges and bill discounting charges	16,062,699	12,485,295
<b>Total interest expense</b>	<b>25,620,764</b>	<b>21,069,535</b>
<b>Total finance cost</b>	<b>25,620,764</b>	<b>21,069,535</b>

**Note 29. Depreciation and amortization expense**

	<b>31 March 2019</b>	<b>31 March 2018</b>
Depreciation of tangible assets	58,756,219	47,921,207
	<b>58,756,219</b>	<b>47,921,207</b>

**Note 30. Other expenses**

	<b>31 March 2019</b>	<b>31 March 2018</b>
<b>Manufacturing Expenses</b>		
Freight Inward	21,389,553	23,612,437
Commission	1,868,293	908,051
Insurance Expenses	474,987	381,730

Job work Charges	96,795,321	96,174,332
Miscellaneous Factory Overhead	1,568,220	1,454,498
Power & fuel	123,953,530	117,653,115
Repairs & Maintenance	5,314,267	4,456,706
Excise Duty	82,397	-
Contract Wages	60,457,947	55,094,534
Provident Fund Contractor	23,858	29,947
<b>Selling &amp; Distribution Expenses</b>		
Tax Expenses (VAT)	-	4,775,288
Advertisement Expenses	170,565	107,739
Solar Power Line Charges	100,000	100,000
Selling Expenses	161,969	30,778
Service Tax Expense	121,387	212,732
Service Tax on Freight Outward	-	67,379
Service Tax Penalty	13,961	3,668
Swachh Bharat Cess	-	88,899
Business Promotion	19,600	648,670
Krishi kalyan cess	-	88,851
Website Design Expense	161,649	144,600
Computer software Development expense	-	154,113
Customer Entertainment Expenses	144,314	166,912
Freight Outward	9,499,700	8,398,995
<b>Establishment Expenses</b>		
Auditor's Remuneration	75,000	75,000
Books & Periodicals	1,400	-
Conveyance Expenses	17,695	18,480
Consultancy Fees	971,476	801,617
Diversion Tax	13,476	-
Donation	243,000	32,100
Gratuity Insurance Premium	50,689	22,427
Lease Rent	222,538	258,222
Legal Expenses	958,070	683,401
Membership & Subscription	164,700	209,908
Office Expenses	324,926	215,556
Postage & Courier Charges	103,981	96,304
Professional fees	2,025,185	875,096
Property Tax	192,458	177,584
Registration for filing fees	20,360	-
Rent for pallets	268,409	-
Stationary & printing	547,923	634,658
Telephone Expenses	489,299	464,370
Tender Fees	28,825	46,547
Training & seminar	228,004	355,013
Travelling Expenses	2,081,304	1,337,643
Vehicle Running & Maintenance	1,026,122	986,277
Late Delivery Charges (L.D.)	2,929,688	2,013,772
Loss on sale of Fixed Assets	208,301	226,043
	<b>335,514,348</b>	<b>324,283,993</b>
<b>Payments to the auditor:</b>		
<b>As auditor</b>		
Audit fee	60,000.00	60,000.00
Tax audit fee	15,000.00	15,000.00
Limited review	-	-
	<b>75,000</b>	<b>75,000</b>

#### Details of CSR expenditure:

	31 March 2019	31 March 2018	Total
Gross amount required to be spent by the group during the year	1028658	Yet to be Applicable	1028658
Amount spent during the year ending on 31 March 2019	201000	-	201000
Construction/acquisition of any asset On purposes other than above	-	-	-
Amount spent during the year ending on 31 March 2018	-	-	-
Construction/acquisition of any asset On purposes other than above	-	-	-



borrowing cost and any other directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the present value of the expected cost for the decommissioning and removing of an asset and restoring the site after its use, if the recognition criteria for a provision are met.

Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to the statements of profit and loss in the period in which the costs are incurred. Major inspection and overhaul expenditure is capitalized if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income/other expenses in statement of profit and loss.

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

## (ii) Capital work in progress

Assets in the course of construction are capitalized in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised when the asset is available for use but incapable of operating at normal levels until the period of commissioning has been completed. Revenue generated from production during the trial period is credited to capital work in progress.

**(iii) Depreciation**

Assets in the course of development or construction and freehold land are not depreciated. Other property, plant and equipment are stated at cost less accumulated depreciation and any provision for impairment. Depreciation commences when the assets are ready for their intended use. Depreciation is calculated on the depreciable amount, which is the cost of an asset less its residual value. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on Straight Line Basis over its expected useful life as per the rates prescribed under schedule II to the Companies Act, 2013 or re-assessed useful life based on technical evaluation as follows:

Factory Building	-	30 Years
Plant and Machinery	-	15 Years
Material Handling Equipment	-	8 Years
Tools and Patterns	-	8 Years
Electrical Installation	-	10 Years
Testing Equipments	-	10 Years
Auxiliary Equipment	-	8 Years
Furniture and Fixture	-	15 Years
Office Equipment	-	5 Years
Computer	-	3 Years
Vehicle	-	5 Years
Air Pollution Equipment	-	15 Years
Plant and Machinery	-	15 Years
Solar Plant	-	15 Years
Intangible Asset		Over the estimated life

Major inspection and overhaul costs are depreciated over the estimated life of the economic benefit derived from such costs. The carrying amount of the remaining previous overhaul cost is charged to the statement of profit and loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit. When significant spare parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and changes in estimates, if any, are accounted for prospectively.

**c) Intangible assets**

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. The Company currently does not have any intangible assets with indefinite useful life. Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

**d) Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

**e) Borrowing Costs**

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

**f) Impairment of Non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators. The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

**g) Government Grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is treated as deferred income and released to the statement of profit and loss over the expected useful lives of the assets concerned. When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

**h) Inventories**

Inventories are valued at the lower of cost and net realisable value except scrap and by products which are valued at net realisable value. Costs incurred in bringing the inventory to its present location and condition are accounted for as follows:

Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on FIFO basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Obsolete inventories are identified and written down to net realisable value. Slow moving and defective inventories are identified and provided to net realisable value.

**i) Taxation**

**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside profit or loss is (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except when it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is (either in other comprehensive income or in equity). Deferred

tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Sales/ value added taxes/ GST paid on acquisition of assets or on incurring expenses. Expenses and assets are recognised net of the amount of sales/ value added taxes paid/GST, except:

When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

When receivables and payables are stated with the amount of tax included, the net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

**j) Employee benefit schemes**

**(i) Short-term employee benefits**

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, performance incentives and compensated absences which are expected to occur in next twelve months. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

**Compensated absences:**

Compensated absences accruing to employees and which can be carried to future periods but where there are restrictions on availment or encashment or where the availment or encashment is not expected to occur wholly in the next twelve months, the liability on account of the benefit is determined actuarially using the projected unit credit method.

**(ii) Post-employment benefits**

**Gratuity**

The company has obtained Group Gratuity Insurance policy from LIC of India to cover its Gratuity liability and is making annual payment of the liability calculated by them.

**Provident Fund**

Eligible employees of the Company receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary.

**k) Provision for liabilities and charges, Contingent liabilities and contingent assets**

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS. Provisions represent liabilities to the Company for which the amount or timing is uncertain. Provisions are recognized when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in the statement of profit and loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

The Company has significant capital commitments in relation to various capital projects which are not recognized on the balance sheet. In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company involved, it is not expected that such contingencies will have a material effect on its financial position or profitability. Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

**l) Foreign currency transactions**

In the financial statements of the Company, transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into the functional currency at exchange rates prevailing on the reporting date. Non-monetary assets and liabilities denominated in other currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined. All exchange differences are included in the statement of profit and loss except any exchange differences on monetary items designated as an effective hedging instrument of the currency risk of designated forecasted sales or purchases, which are recognized in the other comprehensive income.

**m) Earnings per share**

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit and loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit and loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

**n) Cash Flow Statement**

Cash flows are reported using indirect method as set out in Ind AS - 7 "Statement of Cash Flows", whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**o) Research and development**

Revenue expenditure towards research and development is charged to the statement of profit and loss in the year it is incurred. Capital expenditure on research and development related to property, plant and equipments is included in the cost of related property, plant and equipments.

**30. CONTINGENT LIABILITIES**

a.	Guarantee issued by Bank on behalf of the company (including LC)	Rs. 25,88,214/- (Rs. 52,26,306/-)
b.	Vendor bill discounting limit with Bank	Rs. 20,84,37,814/- (Rs.13,32,09,214/-)
c.	Provident Fund demand for the financial year 2005-06 (Disputed by the company, deposited Rs. 4.02 lacs for appeal)	Rs.8,04,944/- (Rs. 8,04,944/-)
d.	Estimated amount of contracts remaining unexecuted on capital account and not provided for	Rs 1,51,76,560/- (Rs.75,38,000/-)
e.	VAT tax demand for financial year 2010-11	Rs.1,38,029/- (Rs.1,38,029/-)
f.	VAT tax demand for financial year 2011-12	Rs.2,56,111/- (Rs.2,56,111/-)
g.	VAT Input Disallowed for financial year 2013-14	Rs. 2,48,526/- (Rs.2,48,526/-)
h.	VAT Input Disallowed for financial year 2015-16	Rs. 74518/-
i.	VAT Input Demand for financial year 2016-17	Rs. 267697/-
j.	Excise duty demand on account of show cause notice issued for the period March 2005- Oct. 2011 against which the Company has filed appeal before Honorable Commissioner (Appeals) Customs Excise and Service Tax, Bhopal. The Appellate Authority passed decision against the company for which appeal has been filed with the CEGAT Delhi.	Rs. 64,43,134/- (Rs. 64,43,134/-)

### 31 EARNING PER SHARE

Particular	2018-19	2017-18
Profit after tax as per Profit and Loss Account (Rs/Lacs)	34192594	50522136
Weighted Average number of Equity Shares outstanding (Nos.)	1,51,00,000	1,51,00,000
Basic and Diluted Earning Per Share (Face Value Rs. 10 per share) (Rs.)	2.26	3.35

### 32. RELATED PARTY TRANSACTIONS

Related Parties with whom transactions have taken place during the year: (As indicated by management and relied upon by auditors)

#### 1. Relationship

##### a. Key Managerial Personnel and Relatives

Mr. Devendra Jain, Managing Director

##### b. Relatives of Key Management personnel and their enterprises where transactions have taken place

- ❖ Mr. Surendra Jain, Brother
- ❖ Mr. Shailesh Jain, Brother
- ❖ Mr. Mukesh Jain, Brother
- ❖ Porwal Diesels Pvt. Ltd.

#### 2. Transactions carried out with related parties referred above are as under:-

Particulars	With Key Management Personnel	Entities owned or significantly influenced by Key Management Personnel	Relative of Key Management Personnel/Director	Associate and subsidiary companies
Remuneration	3600000 (3600000)	Nil (Nil)	9900000 (9900000)	Nil (Nil)
Purchase of Goods	Nil (Nil)	Nil (Nil)	11529859 (8858002)	Nil (Nil)
Sale of Goods	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Job work paid	Nil (Nil)	Nil (Nil)	67256718 (68279120)	Nil (Nil)
Interest received	Nil (Nil)	Nil (Nil)	Nil (127054)	Nil (Nil)
Interest given	Nil (Nil)	Nil (Nil)	328849 (Nil)	Nil (Nil)

**Disclosure in respect of material transactions with related parties during the year (included in 2 above):**

#### Remuneration

Related Party	Current Year	Previous Year
Mr. Devendra Jain	3600000	3600000
Mr. Mukesh Jain	3600000	3600000
Mr. Surendra Jain	3600000	3600000
Mr. Shailesh Jain	2700000	2700000

Related Party	Current Year	Previous Year
Porwal Diesels Pvt. Ltd.	11529859	8858002

### Job Work Paid

Related Party	Current Year	Previous Year
Porwal Diesels Pvt. Ltd.	67256718	68279120

### Interest Received

Related Party	Current Year	Previous Year
Porwal Diesels Pvt. Ltd.	Nil	127054

Interest Given

Related Party	Current Year	Previous Year
Porwal Diesels Pvt. Ltd.	328849	Nil

**Loans and Advances (Dr)**

Related Party	Current Year	Previous Year
Porwal Diesels Pvt. Ltd.	0	14700000

Loans and Advances (Cr)

Related Party	Current Year	Previous Year
Porwal Diesels Pvt. Ltd.	39500000	0

**Sundry Creditors (Cr)**

Related Party	Current Year	Previous Year
Porwal Diesels Pvt. Ltd.	7806522	7844857

## 33. VALUE OF STORES, SPARES AND PACKING MATERIAL CONSUMED

	2018-19		2017-18	
	Amount in Rs.	% of Consumption	Amount in Rs.	% of Consumption
Imported	0	0	0	0
Indigenous	28991537	100	21052131	100
TOTAL	28991537	100	21052131	100

### 34. VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF

	2018-19	2017-18
Raw Material and Stock in trade	Nil	Nil
Stores, Spares and Packing Material	Nil	Nil
Capital Goods	1267605	Nil

### 35. EXPENDITURE IN FOREIGN CURRENCY

	2018-19	2017-18
Repairing	0	0
Travelling	179379	0
Capital Goods	486464	0

36. Fair Value Measurement (IND AS 113)

The management assessed that fair value of all current assets and current liabilities are realizable at the value as shown in the financial statements of the company. Financial assets of the company are stated at cost. The market value of the financial assets are being disclosed in Note No. 5.

37. Previous year figures have been regrouped/reclassified wherever necessary to correspond with the current years classification/disclosure.

As per report of even date

**For S N Gadiya & Co**  
Chartered Accountants  
Firm Reg No. 002052C

(CA S N Gadiya)  
Proprietor  
M. N. 071229  
Place : Indore  
Date : 25/05/2019

For and on behalf of Board

**Devendra Jain**  
Managing Director  
DIN 00232920

**Hansika Mittal**  
Company Secretary

**Mukesh Jain**  
Whole Time Director  
DIN 00245111

**Shailesh Jain**  
Chief Financial Officer

## Updation of Shareholder Information

I/ We request you to record the following information against our Folio No.:

### General Information:

Folio No.:	
Name of the first named Shareholder:	
PAN: *	
CIN/ Registration No.: * (applicable to Corporate Shareholders)	
Tel No. with STD Code:	
Mobile No.:	
Email Id:	

\*Self attested copy of the document(s) enclosed

### Bank Details:

IFSC: (11 digit)	MICR: (9 digit)
Bank A/c Type:	Bank A/c No.: *
Name of the Bank:	
Bank Branch Address:	

\* A blank cancelled cheque is enclosed to enable verification of bank details.

I/ We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/ We would not hold the Company/ RTA responsible. I/ We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/ We understand that the above details shall be maintained by you till I/We hold the securities under the above mentioned Folio No.

Place:

Date:

Signature of Sole/ First holder

**PORWAL AUTO COMPONENTS LIMITED**

**Regd. Office:** Plot No. 209; Sector No. 1 Industrial Area,  
Pithampur, Distt. DHAR (M.P.) 454775  
CIN: L34300MP1992PLC006912

E-mail: [admin@porwalauto.com](mailto:admin@porwalauto.com) phone no.-07292-405101

**PROXY FORM**

Form No. MGT-11

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L34300MP1992PLC006912

Name of the Company : Porwal Auto Components Limited

Registered office : Plot No. 209; Sector No. 1 Industrial Area, Pithampur, (M.P.) 454775

Name of the member (s) : \_\_\_\_\_

Registered address : \_\_\_\_\_

E-mail ID : \_\_\_\_\_

Folio No/ Client ID/DP ID : \_\_\_\_\_

I/We, being the member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint:

Name	:	
Address	:	
E-mail Id	:	or failing him
Name	:	
Address	:	
E-mail Id	:	or failing him
Name	:	
Address	:	
E-mail Id	:	or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Seventh Annual General Meeting of the Company, to be held on Saturday the 28<sup>th</sup> day of September, 2019 at 1:30 PM at the registered office of the company at Plot No. 209 & 215, Sector No.1, Industrial Area, Pithampur, Distt Dhar and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business:	
1.	Receive, consider and adopt the Audited Financial Statements for the financial year ended March 31, 2019 and the Reports of the Board of Directors and Auditors thereon.
2.	Declaration of Dividend on Equity Shares for the year ended March 31, 2019.
3.	To appoint a Director in place of Mr. Mukkesh Jain (DIN- 00245111), who retires by rotation and being eligible, offers himself for re-appointment
Special Business:	
4.	Re-appointment of Mrs. Rajni Jain (DIN- 07140288) as the Independent Director of Company.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

Affix  
revenue  
stamp  
of Rs.1

Signature of shareholder

Signature of Proxy holder(s)

**Note:**

1. 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.
2. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.
3. Notwithstanding the above the Proxies can vote on such other items which may be tabled at the meeting by the shareholders present.

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**ATTENDANCE SLIP**  
**27<sup>th</sup> ANNUAL GENERAL MEETING ON 28<sup>th</sup> SEPTEMBER 2019**

R.F. No. \_\_\_\_\_

Mr./Mrs./Miss \_\_\_\_\_

(Shareholders' name in block letters)

I/We certify that I/We am/are registered shareholder / proxy for the registered shareholder of the company.  
I/We hereby record my/our presence at the 27<sup>th</sup> Annual General meeting of the company at the registered office of the company on 28<sup>th</sup> September, 2019.

(If signed by proxy, his name should be  
Written in block letters)

(Shareholders/proxy's Signature)

**Note:**

1. Shareholders / proxy holders are requested to bring the attendance Slips with them when they come to the meeting and hand over them at the entrance after affixing their signatures on them.
2. If it is intended to appoint a proxy, the form of proxy should be completed and deposited at the Registered Office of the Company at least 48 hours before the Meeting.

To,

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*If undelivered, Please return to :*  
**PORWAL AUTO COMPONENTS LTD.**  
**Regd. Office :** Plot No. 209, Sector No. 1 Industrial Area,  
Pithampur, Distt. DHAR (M. P.) 454775