

**ANNUAL REPORT 2010 - 2011**



**NINETEEN ANNUAL REPORT 2010 - 2011**

**ANNUAL REPORT 2010 - 2011****BOARD OF DIRECTORS****EXECUTIVE CHAIRMAN**

SHRI SURENDRA JAIN

**MANAGING DIRECTOR**

SHRI DEVENDRA JAIN

**WHOLE TIME DIRECTOR**

SHRI MUKESH JAIN

**NON - EXECUTIVE INDEPENDENT DIRECTOR**

SHRI NITIN DAFRIA

SHRI SURAJMAL KUCHERIA

SHRI ASHISH SABOO

**CHIEF EXECUTIVE OFFICE**

SHRI SHAILESH JAIN

**COMPANY SECRETARY**

MS RAINA AJMERA

**AUDITORS**

: ASSG & ASSOCIATES  
Chartered Accountants  
"Kanti Mansion" 6, Murai Mohalla,  
INDORE - (M. P.)

**BANKERS**

- : 1. STATE BANK OF INDIA  
SME Branch,  
INDORE - (M. P.)
- : 2. STATE BANK OF INDORE  
Palsikar Colony Branch,  
INDORE (M. P.)

**REGISTERED OFFICE & WORKS**

: Plot No. 209, Sector No. 1  
Industrial Area,  
Pithampur, Distt. DHAR (M. P.) - 454775  
Tel : 07292-405101  
Fax : 07292 - 405120  
admin@porwalauto.com  
www.porwalauto.com

**REGISTRAR AND SHARE TRANSFER AGENTS :**

Link Intime India Pvt. Ltd.  
C-13, Pannalala Silk Mills  
Compound, LBS Marg, Bhandup, MUMBAI  
Tel : 022-25963838  
Fax : 022-25946969  
E Mail : vishal.punjabi@linkintime.co.in

**N O T I C E**

**NOTICE** is hereby given that 19<sup>th</sup> Annual General Meeting of the Members of the PORWAL AUTO COMPONENTS LIMITED will be held on Friday, the 30<sup>th</sup> day of September, 2011 at 1:30 PM at the registered office of the company at Plot No. 209, Sector No.1, Industrial Area, Pithampur, Distt Dhar to transact the following business: -

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March 2011 and Profit and Loss Accounts for the year ended on that date together with the Report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Surendra Jain, who retires by rotation and is eligible for re-appointment.
3. To appointment Auditors and fix their remuneration.

**SPECIAL BUSINESS:**

4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as Special Resolution:  
"RESOLVED THAT pursuant to the provisions of Section 269, 309, 310, Schedule XIII and other applicable provisions of the Companies Act, 1956, consent of the members of the Company be and is hereby accorded to re-appoint Mr. Devendra Jain as the Managing Director of the Company for a further period of Three years commencing from the 1st August, 2011 on the Remuneration of Rs.80,000/-PM which shall be inclusive of perquisites and which may be increased on time to time as may be decided by the Board of Directors with in the Prescribed limits As the Companies Act, 1956.
5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as Special Resolution:  
"RESOLVED THAT pursuant to the provisions of Section 269, 309, 310, Schedule XIII and other applicable provisions of the Companies Act, 1956, consent of the members of the Company be and is hereby accorded to re-appoint Mr. Mukesh Jain as the Whole-Time Director of the Company for a further period of Three years commencing from the 1st August, 2011 on the Remuneration of Rs.75,000/-PM which shall be inclusive of perquisites and which may be increased on time to time as may be decided by the Board of Directors with in the Prescribed limits As the Companies Act, 1956.
6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as Special Resolution:  
"RESOLVED THAT pursuant to the provisions of Section 269, 309, 310, Schedule XIII and other applicable provisions of the Companies Act, 1956, consent of the members of the Company be and is hereby accorded to re-appoint Mr. Surendra Kumar Jain as the Whole-Time Director of the Company also liable to retire by rotation to comply with the provisions of Section 256 of the Act, for a further period of Three years commencing from the 1st August, 2011 on the Remuneration of Rs.75,000/-PM which shall be inclusive of perquisites and which may be increased on time to time as may be decided by the Board of Directors with in the Prescribed limits As the Companies Act, 1956.
7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as Special Resolution:  
"RESOLVED THAT pursuant to the provisions of Section 314 and other applicable provisions of the Companies Act, 1956, consent of the members of the Company be and is hereby accorded to re-appoint Mr. Shailesh Jain as the Chief Executive Officer of the Company for a further period of Three years commencing from the 1st August, 2011 on the Remuneration of Rs.70,000/-PM which shall be inclusive of perquisites and which may be increased on time to time as may be decided by the Board of Directors with in the Prescribed limits As the Companies Act, 1956."

by order of the board of  
**Porwal Auto Components Limited**

PLACE : Pithampur  
DATE : 30.07.2011

**Raina Ajmera**  
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 AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.
2. The Members are requested to:
  - a. Intimate changes, if any, in their registered addresses immediately.
  - b. Quote their ledger folio number in all their correspondence.
  - c. Hand over the enclosed attendance slip, duly signed in accordance with their specimen signatures registered with the company for admission to the meeting place.
  - d. Bring their Annual Report and Attendance Slips with them at the AGM venue.
  - e. Send their E-Mail address to us for prompt communication and update the same with their DP to receive Soft Copy of the Annual Report of the Company
3. The Register of Members and Share Transfer Books of the company will all be closed from 29<sup>th</sup> September, 2011 and 30<sup>th</sup> September, 2011 (both days inclusive).
4. The report on the Corporate Governance and Management Discussion and Analysis also form part to the report of the Directors.
5. Members seeking any information are requested to write to the company at least 10 days before the date of the AGM to enable the management to reply appropriately at the AGM.
6. Explanatory Statement is attached to the Notice as per Section 173 of the Companies Act, 1956.
7. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting are advised to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Meeting

**EXPLANATORY STATEMENT IN TERMS OF SECTION 173 OF THE COMPANIES ACT, 1956.****Item No : 4.5 & 6.**

Shri Devendra Jain, Shri Mukesh Jain and Shri Surendra Kumar Jain are the Managing Director and Whole Time Directors respectively of the Company. Their experience, commitment and capabilities are playing a crucial role in the growth of the Company. Thus the Board of Directors feel that there is a need for a continuation of suitable plans and program and therefore, it is imminent that these persons continue in the capacity of Managing Director and Whole Time Directors respectively with the handsome remuneration as approved by the Board of Directors and Remuneration Committee for the period of three years w.e.f. 1<sup>st</sup> August 2011.

The resolution is recommend due to aforesaid commercial reasons read with the legal provisions of the Companies Act which requires the consent of the members in the General Meeting; hence your directors recommend this resolution. However, none of the directors except Shri Devendra Jain, Shri Mukesh Jain and Shri Surendra Kumar Jain, may be deemed as concerned or interested in the resolutions.

**Item no 7**

Shri Shailesh Jain, a relative of Shri Surendra Jain, Shri Devendra Jain and Shri Mukesh Jain has been appointed as Chief Key Managerial Personnel and his performance has been substantially beneficial to the Company and therefore your Directors proposes to re-appoint him as Chief Executive Officer of the Company to hold office for a further period of three years w.e.f. 1<sup>st</sup> August 2011 on the remuneration as approved by the Board of Directors and Remuneration Committee. In terms of the provisions of Section 314 of the Companies Act, 1956 his re-appointment requires approval of the members of the company in a General Meeting.

In view of the above reasons, your Directors recommend this resolution for your approval. None of the directors may be deemed as concerned or interested in the resolution except Shri Devendra Jain, Shri Mukesh Jain and Shri Surendra Jain who are relatives of Shri Shailesh Jain to the extent of financial and other benefits to be derived by Shri Shailesh Jain from the Company.

by order of the board of  
**Porwal Auto Components Limited**

PLACE : Pithampur  
DATE : 30.07.2011

**Raina Ajmera**  
Company Secretary

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

<b>Name of Directors</b>	<b>Mr. Devendra Jain</b>	<b>Mr. Mukesh Jain</b>	<b>Mr. Surendra Jain</b>
<b>Date of Birth</b>	23.06.1954	02.10.1956	19.10.1952
<b>Date of Appointment</b>	03.02.1992	31.03.1998	07.06.2005
<b>Expertise / Experience in specific functional areas</b>	31 Years Technical Expertise in Auto Component Industry	30 Years experience and looking financial operations of the Company	33 yrs.of Business & Industry
<b>Qualification</b>	B.E. (Mech)	B. Com	B.E. (Mech.)
<b>No. of Equity Shares held</b>	328600	258200	439500
<b>List of outside Company directorship held</b>	Pithampur Auto Cluster Limited		Triveni Conductors Limited
<b>Chairman / Member of the Committees of the Board of Directors of the Company</b>	Nil	Shareholders Grievances Committee	Nil
<b>Chairman / Member of the Committees of the Board Directors of other Companies in which he is director</b>	Nil	Nil	NIL

**DIRECTORS' REPORT**

To  
The Members of  
Porwal Auto Components Ltd.,  
Your directors have pleasure in presenting 19<sup>th</sup> Annual Report of your company together with the audited accounts for the year ended on 31<sup>st</sup> March 2011.

**1. State of Company's Affairs :**

	<b>(Rs. in lakhs)</b>	
Financial Results	As on 31.03.2011	As on 31.03.2010
Sales & Other Income	7838.82	4582.63
Interest & Depreciation	464.96	469.65
Profit before Tax	107.19	(56.96)
Provisions for Tax	46.70	91.73
Profit after Tax	60.49	(148.69)
Income Tax adjusted for earlier year	0.00	(0.36)
Profit (Loss) brought forward	(48.78)	99.55
Balance carried to Balance Sheet	11.71	(48.78)

**2. Dividend:**

In view of the Strengthening position of the Company the Director of the Company are decide to not to pay dividend for the year.

**3. Operating Results and Outlook:**

After a good year 2009-10 during which economies across the world showed signs of recovery, the economic conditions globally continued to be strong and positive in 2010-11, resulting in a strong growth for the automotive sector. The automotive sector recorded a growth of over 26% in India on the back of a robust economy. Though, the company could have achieved higher turnover in comparison to the previous year and also able to earn profit after satisfying the losses in the current year

During the year under review, the turnover of the Company was Rs.7728.06 lacs as against the previous year turnover of Rs.4417.08 lacs. The Profit after Tax of the Company for the year stands at Rs. 60.49 lacs as against the previous year figure of loss Rs. 148.69 lacs.

However your directors are pleased to inform that the economic conditions of your Company started improving. The management of your Company initiated a number of steps for cost cutting and profitability enhancement and is confident to take the Company through the adverse economic from favorable economic conditions. We are quite optimistic to achieve better results during current year.

**4. Director:**

In terms of the provisions of the Companies Act, 1956 Shri Surendra Jain would retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible offers himself for re-appointment. Mr. Devendra Jain has been re-appointed as Managing Director of the Company for a period of Three years commencing from 1<sup>st</sup> August 2011. Mr. Mukesh Jain and Mr. Surendra Kumar Jain have been re-appointed as Whole Time Directors of the Company and Mr. Shailesh Jain has been re-appointed as Chief Executive Officer of the Company w.e.f 1<sup>st</sup> August 2011 for a term of Three years, hence approval of the members is being sought for the Re-appointment.

There is no other change in the Board.

**5. Directors Responsibility Statement:**

As required under the provisions of Section 217 (2AA) of the Companies Act, 1956, we confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed;
2. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that have been 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 of the company for the year under review;
3. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities ;
4. the directors had prepared the annual accounts for the financial year ended 31<sup>st</sup> March, 2011 on a "going concern" basis;

**6. Corporate Governance:**

A report on corporate governance in terms of clause 49 of listing agreement is attached forming part of this report.

**7. Auditors:**

M/s ASSG & Associates, Chartered Accountants, Indore, statutory auditors of the Company, retire at the end of ensuing Annual General Meeting and are eligible for re-appointment as statutory auditors of the Company. The Auditors' Report read with notes to accounts are self-explanatory and in particular note no. 4 of the notes to accounts read with para 4 of the Auditors Report, specifically the Company is following the same method of depreciation in the earlier year also and the depreciation has been provided on specific plant and machinery as per its useful life.

**8. Public Deposits:**

Your company has not accepted or invited any deposits from public within the meaning of Section 58 A of the Companies Act, 1956, during the year under review.

**9. Particulars of Employees etc.**

Your company did not have any person in employment that, if employed throughout the financial year or part thereof, was in receipt of remuneration, particulars of which are required to be included in this report as per Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975.

**10. Energy Conservation and other Reporting u/s 217(1)(e):**

The details of Energy Conservation in terms of section 217 (1)(e) of the Companies Act, 1956, are enclosed forming part of this report as Annexure – 1.

Your directors place on record their sincere appreciation for the co-operation extended to the company by the lending institution and banks and for the devoted performance by company's entire staff & associates.

*For and on behalf of the board of*  
**Porwal Auto Components Limited**

PLACE: PITHAMPUR

DATE: 30.07.2011

**Surendra Jain**

Chairman

Information pursuant to Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of board of Directors) Rules, 1988 forming part of the Directors' Report for the year ended 31st March 2011.

**I. CONSERVATION OF ENERGY**

Power and Fuel Consumption

1. **Electricity**

Particulars	For the year ended 31.03.2011	For the year ended 31.03.2010
<b>a. Purchased</b>		
Total Units	12285600	10211080
Total Amount (Rs.)	60140264	46367861
Cost/Unit (Rs.)	4.90	4.54
<b>b. Own Generation (Diesel Generator)</b>		
Total Units	NIL	NIL
Total Amount (Rs.)	NIL	NIL
Cost/Unit (Rs.)	NIL	NIL
<b>c. Consumption per unit of production (in units)</b>	1054	1304

**Note :** Quantity of Diesel and LDO consumed during the year is 56,148 litres (21,685 litres), was consumed in Sand Dryers, Laddle Heating and Heat Treatment furnace.

2. <b>COAL</b>	NIL	NIL
3. <b>FURNACE OIL</b>	NIL	NIL
4. <b>DIESEL</b>		
Quantity (Ltrs)	56148	21685
Value (Rs.)	2326985	810823
5. <b>RLNG GAS (MMBTU)</b>		
Quantity (Ltrs)	37349,140	8148.200
Value (Rs.)	17712267	3197295

**II TECHNOLOGY ABSORPTION**

The company is using manufacturing technology which is entirely indigenous

**III FOREIGN EXCHANGE EARNINGS & OUTGO**

The company did not have any foreign exchange earnings during the year under review. However the company did incur a foreign currency expenditure of Rs. 1.24 Lacs against last years Rs. 1.25 Lacs.



**CORPORATE GOVERNANCE REPORT  
(Forming part of the Directors' Report)**

The importance of Corporate Governance lies in the contribution it makes to the overall growth and direction of the business, management accountability, transparency and equity with stakeholders. In terms of Clause 49 of Listing Agreement for the continuing good governance and transparency a report in this regard is submitted hereunder:

**1. Company's Philosophy on code**

The company has outlined the procedures and practices as per the requirements of the corporate governance and certain steps have been taken to ensure transparency and accountability. Your company shall continue to follow the same with a desire for further development on continuous basis.

**2. CEO / MD Certification**

In terms of Clause 49 of the Listing Agreement, the certification by the Managing Director on the financial statements and internal controls relating to financial reporting has been obtained.

**3. Board of Directors**

The Board of Directors of the company consists of eminent persons with considerable professional expertise and experience of trade, commerce, profession and industry. The present composition is three directors in the whole time employment of the company and three independent professional directors. The particular of the Board with their interest in other concern is presented before you in the following table;

Name of the Director	Interested in	Nature of interest
1. Shri Devendra Kumar Jain	Pithampur Auto Cluster Ltd	Director
2. Shri Mukesh Kumar Jain	Porwal Udyog (India)	Proprietor
3. Shri Surendra Jain	Triveni Conductors Ltd	Director
4. Shri Surajmal Kucheria	Prestige Foods Ltd	Director
5. Shri Nitin Dafria	Nil	Nil
6. Shri Ashish Saboo	Nil	Nil

**4. Board Procedure**

The Board meets at least once in a quarter to review the overall business operations including to consider the business which are related to formulation and execution of policies relating to production, finance, marketing, personnel, materials and general administration. Notice and agenda papers are sent to the directors in advance. The Board met five times during the year under review on 29th May 2010, 31st July 2010, 30th October, 2010, 29th January, 2011, 31<sup>st</sup> March 2011.

**5. Directors Attendance :**

Name of the Director	Category	Attendance at Board meeting	Attendance at AGM/EGM
1. Shri Devendra Kumar Jain	Managing Director	4	Yes
2. Shri Mukesh Kumar Jain	Whole time Director	5	Yes
3. Shri Surendra Jain	Executive Chairman	5	Yes
4. Shri Surajmal Kucheria	Independent Non-Executive	5	Yes
5. Shri Nitin Dafria	Independent Non-Executive	5	Yes
6. Shri Ashish Saboo	Independent Non-Executive	5	Yes

## **6. Audit Committee**

The Audit Committee of the company provides assurance to the Board on the adequacy of the internal financial control systems and financial disclosures.

### Composition

The Audit Committee comprised of three Directors, majority of whom were Independent Directors. All these directors possess knowledge of corporate finance, accounts and company law. Statutory Auditors are permanent invitees of the meetings of the Committee. The Minutes of the Audit Committee Meetings are noted by the Board of the Directors at the subsequent Board Meeting.

The constitution of the Audit Committee has so far been as follows:

1. Mr. Nitin Dafria Chairman Independent, Non – Executive.
2. Mr. S.B. Kucheria Member Independent, Non – Executive.
3. Mr. Ashish Saboo Member Independent, Non – Executive

### Meetings and Attendance

During the financial year ended 31st March, 2011, four Audit Committee Meetings were held on 29th May, 2010, 31st July, 2010, 30th October, 2010 and 29th January, 2011.

## **7. Managerial Remuneration and Remuneration Committee**

Your company has formed a remuneration committee to consider and approve the remuneration payable to the directors. During the financial year, there were only three directors who are in the whole time employment of the company and drawing remuneration. The company has a policy of remuneration payable to the directors according to which the necessity of the director in such a capacity and his performance capacity and capability become the determining factor for remuneration. The proposed remuneration of Shri Devendra Kumar Jain, Managing Director is Rs.80,000/- , Shri Mukesh Kumar Jain, Whole Time Director is Rs.75,000/- and Shri Surendra Jain, Executive Chairman is Rs.75,000/-, Shri Shialesh Jain, CEO is Rs.70,000/- .The committee so far comprised of the Non-Executive Director Shri S.B. Kucheria as Chairman and two independent professional directors Shri Ashish Saboo and Shri Nitin Dafria as members of the committee.

## **8. Shareholders' Grievances**

With view to review all matters connected with security transfers and transmission, redressal of shareholders/investor complaints like non-transfer of shares, non-receipt of balance-sheet, non-receipt of dividend, etc., a Share Transfer and Investor Grievance Committee has been constituted. This committee oversees the performance of the Registrar & Transfer Agents and Secretary who have been authorised to deal with all these matters, also recommends measures for overall improvement of the quality of investor services.

The Committee comprises three members, viz., Mr. Mukesh Jain, Mr. S. B. Kucheria and Mr. Nitin Dafria and Ms. Raina Ajmera, as the Secretary who also acts as the Compliance Officer of the Company.

As of March 31, 2011, all requests, complaints, grievances, if any, have been replied to/resolved within the stipulated period and no such matter was pending.

### 9. Compliance Officer

Ms Raina Ajmera, is the general compliance officer of the company except specifically provided otherwise for specific purposes.

### 10. General Meeting

Location and time where last three years General Meetings were held :

AGM/EGM	Date	Location of the Meeting	Time
AGM -2008	08th Sept. 2007	Reg. Off of the Company at Indore	11.00 am
AGM -2009	24th Sept. 2008	Reg. Off of the Company at Indore	11.00 am
	30th April 2009	Reg. Off of the Company at Indore	11.00 am
EGM -2009	25th Sept. 2009	Reg. Off of the Company at Indore	11.00 am
AGM -2010	30th Sept. 2010	Reg. Off of the Company at Pithampur	1.30 pm

### 11. Note on Directors Appointment/ Re-appointment

In terms of the provisions of the Companies Act, 1956 Shri Surendra Jain would retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible offers himself for re-appointment. Mr. Devendra Jain has been re-appointed as Managing Director of the Company for a period of Three years commencing from 1<sup>st</sup> August 2011. Mr. Mukesh Jain and Mr. Surendra Kumar Jain have been re-appointed as Whole Time Directors of the Company w.e.f 1<sup>st</sup> August 2011 for a term of Three years, hence approval of the members is being sought for the Re-appointment.

### 12. Means of Communication

- i. The Board of Directors of the Company.
- ii. Company approves and takes on record the quarterly, half yearly and yearly financial results in the proforma prescribed by Clause 41 of the Listing Agreement within one month of the end of the respective period.
- iii. The Quarterly/ Half yearly/ Annual Results of the Company are published in accordance with the Stock Exchange Listing Agreement in newspapers viz. "Free Press", (English) and "Chhotha Sansar" (Hindi).
- iv. Management Discussion and Analysis forms part of this Annual Report.

### 13. Other Disclosures

Your company does not have any pending litigation with SEBI, Stock Exchange, Shareholders, and ROC etc. and also does not have any other material pending litigation to be reported.

### 14. Shareholder Information

#### a) Registered Office

Plot No. 209, 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)

**b) AGM**

At the aforesaid registered office

**c) Financial Calendar**

Results for the quarter ending 30<sup>th</sup> June, 2011 : Last week of July. 2011  
 Results for the quarter ending 30<sup>th</sup> Sept, 2011 : Last week of Oct. 2011  
 Results for the quarter ending 31<sup>st</sup> Dec, 2011 : Last week of Jan. 2011  
 Results for the quarter ending 31<sup>st</sup> Mar, 2012 : Last week of May. 2012

**d) Book Closure**

29<sup>th</sup> September 2011 to 30<sup>th</sup> September 2011 (Both days inclusive)

**e) Dividend**

Not declared for the financial year.

**f) Listing**

The equity shares of the company are listed at Bombay Stock Exchange and the listing fees has been paid for 2011-2012.

**g) Registrars and Share Transfer Agents**

Link Intime India Pvt Ltd.  
 C-13, Pannalala Silk Mills Compound, LBS Marg, Bhandup, MUMBAI  
 Tel. : 022-25963838  
 Fax : 022-25946969 E Mail : vishal.punjabi@linkintime.co.in

**h) ISIN NO**

The Company has got the ISIN NO: INE 386 101018 (both CDSL and NSDL)

**i) Distribution of shareholding as on 31st March, 2011**

SHAREHOLDING OF NOMINAL VALUE OF RS.	SHAREHOLDERS OF TOTAL	%AGE OF TOTAL	SHARE AMOUNT	%AGE OF TOTAL
1 - 5000	9066	80.7370	17155920	11.3620
5001 - 10000	1143	10.1790	8916430	5.9050
10001 - 20000	645	5.7440	9220280	6.1060
20001 - 30000	113	1.0060	2926350	1.9380
30001 - 40000	45	0.4010	1589820	1.0530
40001 - 50000	43	0.3830	2049290	1.3570
50001 - 100000	66	0.5880	4942870	3.2730
100001 - *****	108	0.9620	104199040	69.0060
<b>TOTAL :</b>	<b>11229</b>	<b>100.0000</b>	<b>151000000</b>	<b>100.0000</b>

**j) SHAREHOLDING PATTERN AS ON 31-03-2010**

Sr. No.	Category	No. of Shares Held	Percentage of Shareholding
1.	Promoters	5499900	36.42
2.	Private Corporate Bodies	4063538	26.91
3.	Indian Public	5463767	36.19
4.	NRIs/OCBs	72795	0.48
		<b>15100000</b>	<b>100.00</b>

Dematerialization of Shares

Total number of Dematted shares with NSDL 9051815  
Total number of Dematted shares with CSDL 4178082

**k) STOCK MARKET DATA : Quotes of the Company traded at BSE**

Table 1 : Monthly highs and lows and volumes traded at the BSE, 2010-11

Year	High(Rs.)	Low(Rs.)	Close(Rs.)
<b>Mar 2011</b>	10.50	7.90	8.99
<b>Feb 2011</b>	10.81	8.34	8.95
<b>Jan 2011</b>	13.39	9.00	10.25
<b>Dec 2010</b>	13.62	10.00	11.60
<b>Nov 2010</b>	15.96	11.00	12.23
<b>Oct 2010</b>	15.00	10.71	13.30
<b>Sep 2010</b>	15.50	10.55	13.93
<b>Aug 2010</b>	14.28	11.25	11.75
<b>Jul 2010</b>	14.64	11.70	13.57
<b>Jun 2010</b>	16.40	13.15	13.80
<b>May 2010</b>	17.90	13.50	15.50
<b>Apr 2010</b>	20.10	14.60	16.28

**DECLARATION****Declaration by the Managing Director under Clause 49 of the Listing Agreement regarding adherence to the Code of Conduct**

In accordance with Clause 49 ( I ) ( D ) of the Listing Agreement, I hereby declare that 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, for the year ended March 31, 2011.

PLACE : Pithampur  
DATE : 30/07/2011

**Devendra Jain**  
Managing Director

**MD / CEO CERTIFICATION**

To,  
The Board of Directors,  
**Porwal Auto Components Ltd.**  
Pithampur (M.P.)  
Dear Sirs

- (a) We have reviewed the Balance Sheet, Profit and Loss Account and all its Schedules and Notes on Accounts, as well as the cash flow statement as at 31<sup>st</sup> March 2011 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 their 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 that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they 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.

**AUDITORS REPORT ON CORPORATE GOVERNANCE**

To,  
The Members,

We have examined the compliance of conditions of Corporate Governance by Porwal Auto Components Limited for the year ended 31<sup>st</sup> March, 2010 as stipulated in Clauses 49 of the Listing Agreement with the Stock Exchanges.

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 with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the directors and management, we certify that the company has complied with the conditions of Corporate Governance applicable as aforesaid.

As required by the Guidance Note issued by the ICAI, on the basis of information and explanations given to us, we have to state that no investor grievances were pending for a period of one month. We further state that such compliance is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted its affairs.

## Annexure – III

**REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS****Industry structure and developments**

The product of the company has been automobile ancillary as original equipment in automobile vehicle. Company belongs to an industry where the scope for greater consumption always exists. However, this also involves regular production, capital expenditure on upgrading and development of production usages and technology which also largely depending upon supplies, profitability and liquidity. However India registered a strong come-back in 2009-10 displaying its ability to withstand extreme external adversities, which destabilized major economies. India recorded a GDP growth of 7.2% in 2009-10 against 6.7% in 2008-09. The Auto components industry is predominantly divided into five segments:

- Engine parts
- Drive Transmission & Steering Parts
- Suspension & Brake Parts
- Electrical Parts
- Body and chassis

According to the ACMA (Auto Components Manufacturers Association of India), the sector is set to grow at a CAGR of 15 per cent till fiscal 2012. This sector is now working towards an open market. A large number of joint ventures with leading global manufacturers have already been set up in the auto-components sector. And with India estimated to have the potential to become one of the top five auto component economies by 2025, the pace is expected to pick up even further.

**Opportunities and Threats**

Porwal recognizes the need to accelerate our ability to connect more deeply with our customers to enable true transformation. Looking to the past growth of the company, the company can see evident good business opportunity in the future. Indian economy has been, more or less, able to withstand tremors of global financial melt down. Even though the rate of GDP growth has slowed down, the company will prioritize and mitigate the risks. Reports generated from the system are monitored regularly to ensure that appropriate corrective actions are taken. Work force of auto industry of India is relatively well trained. All these factors indicate that there could be a decent future for Indian auto industry in days to come. As per its estimates, Indian auto industry could become a major center for small car manufacturing in future.

The auto component industry has been exposed to many risks of varying intensity. The global slow down, has worsened economic sentiment across continents, affecting exports. Coupled with steep increase in interest rate, volatility in the prices of raw materials & other inputs, currency fluctuations, stiff competition by the entry of Multinationals and their home country partnership and Just In Time supplies are the major risks and challenges faced by the companies. It is forcing companies to plan operations effectively and produce quality components at lower costs.

In spite of all these risks, overall prospects for the Indian auto component industry appear positive, considering government stimulus packages and the Indian economy recovering faster.

The impact of risks will be reduced through continuous monitoring, timely action and control measures by the company.

Global financial crisis, economic turmoil and cut throat competition of very stiff nature continues to be the main threat to the future growth and development of the company.

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

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

**Outlook**

The automobile sector of India is now the seventh largest in the world. The country is the largest manufacturer of motorcycles, second largest producer of two-wheelers and the fifth largest producer of commercial vehicles in the world. In the last few years, the Indian two-wheeler industry has seen spectacular growth. The country stands next to China and Japan in terms of production and sales respectively. Several Indian automobile manufacturers have spread their operations globally as well, asking for more investments in the Indian automobile sector. Industry experts have visualized an unbelievably huge increase in automotive sales figures over the immediate future

**Risks and concerns**

Whatever is mentioned here-in-above are the material factors affecting the performance of the company and there is no other apparent, significant and material risk involved in this company.

**Internal control systems and their adequacy**

The company has adequate internal control procedures in commensuration with its size and nature of business at all desired levels.

**Discussion on financial performance with respect to operational performance**

Share Capital and reserve and surplus – The total paid up share capital during the year was Rs.1510 lacs consisting of 151 lacs shares of Rs. 10 each. During the year the company incurred a Profit after deducting tax of Rs. 60.49 lacs as compared to loss of Rs. 148.69 lacs previous year.

Secured Loans – The secured Loans, comprising of vehicle loans, increased to Rs 925.70 lacs as compared to previous year's Rs 905.18 lacs.

Fixed assets – The capital expenditure during fiscal year 2010-11 amounted to Rs. 297.50 lacs excluding additions in vehicle. The total gross block of Land, Building, Plant and Machinery and other fixed assets was Rs.4881.69 lacs.

Net Current assets – Net Current assets comprised primarily of cash and bank balance, Sundry Debtors, Loans and Advances, Inventories, Current Liabilities and Provisions etc. The net current assets amounting to Rs 1814.62 lacs

Turnover - Turnover has gone up by Rs. 3311.00 lacs as compared to previous year. The total turnover registered for the fiscal year 2010-11 was Rs. 7728.07 lacs as compared to Rs. 4417.07 lacs of fiscal year 2009-10.



**AUDITORS REPORT ON CORPORATE GOVERNANCE**

To,  
The Members,

We have examined the compliance of conditions of Corporate Governance by Porwal Auto Components Limited for the year ended 31st March, 2011 as stipulated in Clauses 49 of the Listing Agreement with the Stock Exchanges.

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 with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the directors and management, we certify that the company has complied with the conditions of Corporate Governance applicable as aforesaid.

As required by the Guidance Note issued by the ICAI, on the basis of information and explanations given to us, we have to state that no investor grievances were pending for a period of one month.

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

PLACE : INDORE  
DATE : 30.07.2011

For **ASSG & ASSOCIATES**  
CHARTERED ACCOUNTANTS

**SANJAY GUPTA**  
PARTNER  
M.No. 72073

## AUDITOR'S REPORT

The Shareholders of

**PORWAL AUTO COMPONENTS LIMITED**

We have audited the attached Balance Sheet of PORWAL AUTO COMPONENTS LTD., Indore as at 31<sup>st</sup> March 2011, and also the Profit & Loss Account and the Cash Flow statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
- (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the balance sheet, profit and loss Account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section 3 (c) of section 211 of the Companies Act, 1956 *except for* :

***Depreciation for the year on Plant and Machinery is provided on the basis of balance useful life of the assets as determined by approved valuer instead of providing depreciation at the minimum rates specified in Schedule XIV of the Companies Act, 1956 and as required by the Accounting Standard 6 on "Depreciation Accounting". As a result depreciation has been provided on same basis as specified in Schedule XIV of the Companies Act, 1956 as in earlier years, the charge to the Profit and Loss account for the year would have been higher by Rs. 72.41 lacs and net fixed assets would have been lower by Rs. 72.41 lacs (Refer Note No. 4 of Schedule N).***

We further report that had observations made by us in above para been considered the profit for the year would have been lower by Rs. 72.41 lacs (as against the reported figure of Rs. 61.98 lacs).

- (v) On the basis of written representations received from the directors, as on 31<sup>st</sup> March 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, ***except for the effect on the financial statements of the matters referred to in paragraph (iv) above***, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2011;
  - (b) in the case of the Profit and Loss Account, of the Profit of the company for the year ended on that date; and
  - (c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For **ASSG & ASSOCIATES**  
(F.R.N. 012120C)  
CHARTERED ACCOUNTANTS

PLACE : INDORE  
DATE : 26.05.2011

**SANJAY GUPTA**  
PARTNER  
M.No. 72073

**ANNEXURE TO THE AUDITOR'S REPORT**

(Referred to in 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) The company has not disposed off substantial part of fixed assets, during the year under review, to affect its going concern.
- (ii)
  - (a) The management, during the year under review, has conducted physical verification of inventory. The frequency of such verification is reasonable in relation to the size of the company, nature of its business and nature of inventory.
  - (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of company and nature of its business.
  - (c) The Company is maintaining proper records of inventory as required in the normal course of business. No material discrepancies were noticed on verification of stocks as compared to book records.
- (iii)
  - (a) The company has granted unsecured loan of Rs. 330.69 lacs to two parties covered in the register maintained under section 301 of the Companies Act, 1956. The year end balances of such loans aggregates to Rs. 362.47 lacs.
  - (b) The rate of interest and other terms and conditions of above loan granted by the Company, are not prima facie prejudicial to the interest of the Company. These are not backed by any agreement and are repayable on demand.
  - (c) The company to whom the loans and advances in the nature of loans has been given are regular in payment of interest.
  - (d) There is no overdue amount of loan granted to the Company listed in the register maintained under section 301 of the Companies Act, 1956.
  - (e) The company did not take any loans from companies, firms and other parties covered in the register maintained under section 301 of the Act.
  - (f) This clause of the Caro order is not applicable.
  - (g) This clause of the Caro order is not applicable.
- (iv) There are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. We did not observed any major weaknesses in internal control system.
- (v)
  - (a) The particulars of contract/arrangements referred to section 301 of the Act have been entered into the register required to be maintained under that section.
  - (b) The transactions made in pursuance of contracts mentioned in Para (v) (a) above, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has complied with the provisions of Sec. 58-A, 58AA and other relevant provisions of the Companies Act, 1956 and rules framed there under. No order under these provisions has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any other court or tribunal.
- (vii) The company has an internal audit system commensurate with its size and nature of business.
- (viii) The Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the nature of industry in which the Company is doing business.

- (ix) (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 and there is no unpaid amount outstanding as at 31st March 2011 for a period exceeding six months from the date they became payable.
- (b) No disputed amounts payable in respect of Income Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess were in arrears as at 31st March 2011 except the following:

Name of the Statute	Forum where dispute is pending	Period to which the amount relates	Amount Disputed (Rs. In lacs)
Income Tax	CIT (Appeals)	1995-96	21.80
Sales Tax	Astt. Comm.	2005-06	0.89
Sales Tax	Astt. Comm.	2007-08	2.08

- (x) The company has no accumulated losses as at 31st March 2011 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- (xi) During the period under review the company has not defaulted in repayment of dues to financial institutions or banks.
- (xii) The Company has not granted any loans or advances against security of pledge of shares, debentures and other securities.
- (xiii) This clause and sub clauses (a) to (d) of clause 4 (xiii) of the Companies (Auditors Report) Order, 2003 are not applicable as the Company has not entered into business of Chit Fund, or related activities.
- (xiv) The Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
- (xv) The Company has not given any guarantees for loans taken by others from Banks or Financial Institutions. Accordingly, the provisions of clause 4 (xv) of the of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
- (xvi) During the year company did not raise any term loan.
- (xvii) On an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) During the period under review the Company has not made preferential allotment of shares to parties and Companies covered in the register maintained in pursuance of section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the period under review.
- (xx) The management has disclosed the end use of the money raised by the company by public issue (Refer note no. 3 of schedule O) of the equity shares.
- (xxi) There was no fraud on or by the Company noticed or reported during the course of our audit.

For **ASSG & ASSOCIATES**  
(F.R.N. 012120C)  
CHARTERED ACCOUNTANTS

**SANJAY GUPTA**  
PARTNER  
M.No. 72073

PLACE : INDORE  
DATE : 30.05.2011

**BALANCE SHEET AS AT 31ST MARCH, 2011**

PARTICULARS	SCHEDULE No.	AS AT	
		31.03.2011 (RUPEES)	31.03.2010 (RUPEES)
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	A	151,000,000	151,000,000
Reserves and Surplus	B	330,371,798	324,322,633
		481,371,798	475,322,633
<b>LOAN FUNDS</b>			
Secured Loans	C	92,570,224	90,518,094
Unsecured Loans	D	8,212,688	19,167,959
		100,782,912	109,686,053
Deferred Tax Liability		11,707,000	9,173,000
<b>TOTAL FUNDS EMPLOYED</b>		<b>593,861,710</b>	<b>594,181,686</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block		488,168,840	457,458,467
Less : Depreciation		189,581,404	155,896,245
Net Block	E	298,587,436	301,562,222
<b>INVESTMENTS</b>	F	125,000	125,000
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Inventories	G	149,674,344	100,380,067
Sundry Debtors		24,492,637	46,622,831
Cash and Bank Balances		87,552,264	77,971,183
Loans and Advances		102,383,049	106,703,637
		364,102,294	331,677,718
<b>LESS : CURRENT LIABILITIES AND PROVISIONS</b>			
Current Liabilities	H	80,504,599	59,714,622
Provisions		2,136,000	0
		82,640,599	59,714,623
<i>Net Current Assets</i>		281,461,694	271,963,095
<b>MISCELLANEOUS EXPENDITURE</b>	I	13,687,580	20,531,369
(To the extent not written off or adjusted)			
<b>TOTAL FUNDS APPLIED</b>		<b>593,861,710</b>	<b>594,181,686</b>
<b>ACCOUNTING POLICIES AND NOTES ON ACCOUNTS</b>			
	O		

As per our report of even date

For ASSG & ASSOCIATES

(F.R.N. 012120C)

Chartered Accountants

(SANJAY GUPTA)

Partner

PLACE : INDORE

DATED : 30.05.2011

For and on behalf of Board of Directors

Devendra Jain

Managing Director

Mukesh Jain

Director

Raina Ajmera  
Company Secretary

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2011**

PARTICULARS	SCHEDULE NO.	Year ended on	
		As At 31.03.2011 Rs.	As At 31.03.2010 Rs.
<b>INCOME</b>			
Sales	J	772,806,569	441,707,794
Interest Income		11,075,098	16,554,758
Increase (Decrease) in Stocks	K	28,313,558	27,767,583
<b>TOTAL</b>		<b>812,195,225</b>	<b>486,030,135</b>
<b>EXPENDITURE</b>			
Operating Expenditure	L	683,102,257	399,705,581
Administrative and Selling Expenses	M	18,239,252	15,664,865
Interest and Bank Charges	N	11,738,940	14,140,128
Commercial tax		46,334,618	22,161,852
Depreciation		34,756,893	32,824,512
Miscellaneous Expenditure W/o		6,843,789	6,920,109
Loss on Sale of Fixed Assets		460,312	308,812
<b>TOTAL</b>		<b>801,476,061</b>	<b>491,725,860</b>
<b>PROFIT/(LOSS) FOR THE YEAR BEFORE TAX</b>		<b>10,719,164</b>	<b>(5,695,725)</b>
<b>TAX EXPENSE</b>			
- Current Tax		2,136,000	0
- Deferred Tax		2,534,000	0
Total Tax Expense		<b>4,670,000</b>	<b>9,173,000</b>
<b>NET PROFIT/(LOSS) FOR THE YEAR AFTER TAX</b>		<b>6,049,164</b>	<b>(14,868,725)</b>
Less : Income tax adjustments for earlier years		0	(36,153)
Brought Forward Balance		(4,877,780)	9,954,793
<b>Balance Carried to Balance Sheet</b>		<b>1,171,385</b>	<b>(4,877,780)</b>
<b>ACCOUNTING POLICIES AND NOTES ON ACCOUNTS</b>	O		

As per our report of even date

For **ASSG & ASSOCIATES**

(F.R.N. 012120C)

Chartered Accountants

**(SANJAY GUPTA)**

Partner

M. No. 72073

PLACE : INDORE

DATED : 30.05.2011

For and on behalf of Board of Directors

**Devendra Jain**  
Managing Director

**Mukesh Jain**  
Director

**Raina Ajmera**  
Company Secretary

**SCHEDULES FORMING PART OF THE BALANCE SHEET**

PARTICULARS	31.03.2011 Rs.	31.03.2010 Rs.
<b>SCHEDULE - "A" : SHARE CAPITAL</b>		
<b>AUTHORISED:</b>		
200,00,000 (200,00,000) Equity Shares of Rs. 10/-each	200,000,000	200,000,000
<b>ISSUED, SUBSCRIBED, CALLED UP AND PAID UP :</b>		
15100000 (15100000) Equity Shares of Rs. 10 each	151,000,000	151,000,000
<b>T O T A L</b>	<b>151,000,000</b>	<b>151,000,000</b>
<b>SCHEDULE - "B" : RESERVES &amp; SURPLUS:</b>		
Share Premium	326,000,000	326,000,000
General Reserve	3,200,413	3,200,413
Profit & Loss Account	1,171,985	(4,877,780)
<b>T O T A L</b>	<b>330,371,798</b>	<b>324,322,633</b>
<b>SCHEDULE - "C" : SECURED LOANS</b>		
<b>TERM LOANS :</b>		
- From State Bank of Indore, Palsikar Colony Indore All Secured by equitable mortgage on immovable properties and hypothecation of all movable assets except stocks and book debts ranking pari-passu inter se and subject to the prior charges created in favour of company's banker on specified movable assets for securing working capital requirements and guarantee facilities. These loans are further secured by personal guarantee of two directors.	39,912,272	39,927,615
<b>WORKING CAPITAL LOANS :</b>		
- From State Bank of India, SSI	47,870,742	42,610,487
- From State Bank of India, Pithampur Secured by way of hypothecation of inventories and book debts and second charge on fixed assets of the company. These loans are further secured by personal guarantee of two directors.	2,473,928	7,287,837
<b>VEHICLE LOAN :</b>		
ICICI Bank Ltd.	0	0
State Bank of India, SSI Branch Indore	1,428,362	679,115
HDFC Bank Ltd. (All Secured by hypothecation of specific vehicles)	884,920	13,039
<b>T O T A L</b>	<b>92,570,224</b>	<b>90,518,094</b>
<b>SCHEDULE - "D" : UNSECURED LOANS</b>		
Sales Tax Deferment Loan	8,212,688	19,167,959
<b>T O T A L</b>	<b>8,212,688</b>	<b>19,167,959</b>
<b>SCHEDULE - "F" INVESTMENTS</b>		
<b>(Long Term. Non Trade, Unquoted at cost)</b>		
12500 equity shares of Phitampur Auto Cluster P. Ltd. of Rs. 10/- each	125,000	125,000
	<b>125,00</b>	<b>125,000</b>

**SCHEDULE - "E" (FIXED ASSETS)  
SCHEDULES FORMING PART OF THE BALANCE SHEET  
FIXED ASSETS**

Sl. No.	Description of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		As on 01.04.2010	Addition during the Year	Total deductions As on 31.03.2011	Up to Provided 31.03.2010	Written Back For the Year	up to 31.03.2011	As on 31.03.2011	As on 31.03.2010
1	Land	17072408	453390	0	0	0	0	17525798	17072408
2	Factory Building	82088170	4046035	0	14457234	2770220	0	68906751	67630936
3	Plant and Machinery	53938849	6654314	0	39323426	5826106	0	15443631	14615423
4	Material Handling Equipments	45008521	1153096	0	18754214	5227110	0	22180293	26254307
5	Tools and Patterns	46047001	8947072	0	23190203	5331058	0	26472812	22856798
6	Electrical Installation	16982334	583070	0	9018387	1790948	0	6756069	7963947
7	Testing Equipments	6873356	159744	0	3835029	717306	0	2480765	3038327
8	Auxiliary Equipments	32072534	7294948	0	20130170	3671687	0	15565625	11942364
9	Furniture and Fixtures	1025359	0	0	427406	64905	0	533048	597953
10	Office Equipments	5003789	35991	0	1382152	318069	0	3339559	3621637
11	Vehicles	6558558	3879151	2918433	1855394	626972	1071734	6108644	4703164
12	Computer	4048500	47214	0	2580013	1070003	0	445698	1468487
13	Air Pollution Equipments	5142924	374780	0	816366	562701	0	4138637	4326558
14	Plant and Machinery	135596165	0	0	20126251	6779808	26906059	108690106	115469914
	<b>TOTAL</b>	<b>457458468</b>	<b>33628806</b>	<b>2918433</b>	<b>155896245</b>	<b>34756893</b>	<b>1071734</b>	<b>298587437</b>	<b>301562222</b>
	<b>Previous Year</b>	440954798	19420135	2916466	124086717	32824512	1014984	301562223	316868081



**SCHEDULES FORMING PART OF THE BALANCE SHEET**

PARTICULARS	31.03.2011 Rs.	31.03.2010 Rs.
<b>SCHEDULE - "G": CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
<b>A : CURRENT ASSETS :</b>		
<u>INVENTORIES</u>		
Raw Materials	33,064,254	16,920,581
Finished Goods	35,324,840	14,376,207
Stock in process	67,202,319	61,029,710
Stores & Process Materials	10,494,335	5,657,289
Runner & Risers	3,588,596	2,396,280
<b>Sub-total</b>	<b>149,674,344</b>	<b>100,380,067</b>
<u>TRADE DEBTORS (Unsecured, considered good)</u>		
Due Over 6 months	206,179	393,408
Others	24,286,458	46,229,424
<b>Sub-total</b>	<b>24,492,637</b>	<b>46,622,831</b>
<u>CASH &amp; BANK BALANCES**</u>		
Cash In Hand	91,172	86,778
Balances with scheduled banks		
- In current accounts	10,871,329	34,801
- In Fixed deposit account	76,589,763	77,849,603
<b>Sub-total</b>	<b>87,552,264</b>	<b>77,971,183</b>
<b>TOTAL CURRENT ASSETS</b>	<b>261,719,245</b>	<b>224,974,081</b>
** Includes Rs. 750.00 lacs being balance of unutilized monies out of issue of shares.		
<b>B : LOANS &amp; ADVANCES :</b>		
(Recoverable in cash or in kind or for value to be received)		
Deposits	6,969,422	3,778,857
Balance with Excise Deptt	10,939	10,939
Modvat/Input Credit Receivable	1,841,199	1,218,618
TDS Recievable	4,524,833	3,447,512
Prepaid Expenses	432,411	370,571
Trade Advances (Tooling)	20,402,646	21,029,985
Other Advances	229,340	0
Other Loans	50,176,401	58,928,999
Trade Advamces	3,130,025	985,841
Advances for expenses	785,799	131,476
Advance against fixed assets	4,925,362	15,716,365
Loan to employees	686,140	639,414
Entry Tax Receivable (F. Y. 2005-06)	429,000	429,000
Provident Fund Deposit (Appeal)	402,472	0
Entry Tax Deposit (Appeal)	37,060	16,060
Rate difference Receivable	7,400,000	0
<b>TOTAL LOANS AND ADVANCES</b>	<b>102,383,049</b>	<b>106,703,637</b>
<b>GRAND TOTAL (A+B)</b>	<b>364,102,294</b>	<b>331,677,718</b>
<b>SCHEDULE - "H": CURRENT LIABILITIES &amp; PROVISIONS</b>		
<u>CURRENT LIABILITIES</u>		
Sundry Creditors -Trade	22,939,705	15,757,832
Sundry Creditors - Fixed Assets	3,851,093	5,088,231
Sundry Creditors - Exps.	7,377,682	6,739,680
Sundry Creditors -Tooling Advance	15,674,314	18,385,250
Outstanding expenses & other payables	11,830,482	7,051,100
Axis Bank O.D.A/c (Against lien of FDR)	18,562,012	6,574,604
Tax deducted at source	269,311	117,925
<b>Sub-Total</b>	<b>80,504,599</b>	<b>59,714,622</b>

**SCHEDULES FORMING PART OF THE BALANCE SHEET**

PARTICULARS	As At 31.03.2011 Rs.	As At 31.03.2010 Rs.
<b>PROVISIONS</b>		
Provision for Income tax	2,136,000	--
<b>Sub-Total</b>	<u>2,136,000</u>	<u>0</u>
<b>TOTAL</b>	<u>82,640,599</u>	<u>59,714,622</u>
<b>SCHEDULE -"I": MISCELLANEOUS EXPENDITURE</b>		
(To the extent not written off)		
Public Issue Expenses	20,531,369	27,375,158
Less : Amount written off during the year	<u>6,843,789</u>	<u>6,843,789</u>
	13,687,580	20,531,369
Deferred Revenue Expenditure	0	76,320
Less : Amount written off during the year	<u>0</u>	<u>76,320</u>
	0	0
<b>TOTAL</b>	<u>13,687,580</u>	<u>20,531,369</u>

**SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT**

<b>SCHEDULE-"J": SALES</b>		
Sales	701,701,046	407,454,002
Job Work Receipt	74,100	30,200
Excise Duty on Sales	<u>71,031,423</u>	<u>34,223,592</u>
<b>TOTAL</b>	<u>772,806,569</u>	<u>441,707,794</u>
<b>SCHEDULE -"K": INCREASE/DECREASE IN STOCKS</b>		
<b>CLOSING STOCKS</b>		
- Finished Goods	35,324,840	14,376,207
- Stock-in-process	67,202,319	61,029,710
- Stock of Runners& Risers	<u>3,588,596</u>	<u>2,396,280</u>
	106,115,755	<u>77,802,197</u>
<b>LESS : OPENING STOCKS</b>		
- Finished Goods	14,376,207	13,710,003
- Stock-in-process	61,029,710	34,180,171
- Stock of Runners& Risers	<u>2,396,280</u>	<u>2,144,440</u>
	77,802,197	50,034,614
<b>INCREASE IN STOCKS</b>	<u>28,313,558</u>	<u>27,767,583</u>
<b>SCHEDULE -"L": OPERATING EXPENDITURE</b>		
<b>RAW MATERIALS CONSUMED</b>		
Opening Stock	16,920,581	8,723,155
Add : Purchases	<u>408,706,912</u>	<u>241,711,166</u>
	425,627,493	250,434,321
Less : Closing Stock	<u>33,064,254</u>	<u>16,920,581</u>
	392,563,239	<u>233,513,740</u>
<b>STORES &amp; CONSUMABLES CONSUMED</b>		
Opening Stock	5,657,289	5,892,987
Add : Purchases	<u>15,179,518</u>	<u>6,074,376</u>
	20,836,807	11,967,363
Less : Closing Stock	<u>10,494,335</u>	<u>5,657,289</u>
	10,342,472	6,310,074

**SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT**

<b>PARTICULARS</b>	<b>As At 31.03.2011 Rs.</b>	<b>As At 31.03.2010 Rs.</b>
Excise Duty	73,010,715	34,554,558
Entry Tax	1,256,937	1,272,440
Factory Wages	19,253,777	12,617,114
Contribution to ESI	448,117	434,680
Contribution to PF	704,883	442,498
Power, Electricity & Fuel	79,907,050	50,375,979
<b>REPAIRS &amp; MAINTENANCE</b>		
- to Plant & Machineries	3,280,490	1,537,163
- to Buildings	344,999	470,474
Freight Inward	20,763,738	13,361,713
Insurance	212,431	178,618
Miscellaneous Factory Overheads	1,373,864	1,003,904
Job Work Charges	40,663,326	18,042,328
Contract Wages	38,976,219	25,590,298
<b>TOTAL</b>	<b>683,102,257</b>	<b>399,705,581</b>
<b>SCHEDULE-"M": ADMINISTRATIVE &amp; SELLING EXPENDITURE</b>		
Administrative Salary	4,850,995	5,509,776
Directors' Remuneration & Sitting fees	2,287,500	2,287,500
Bonus	760,460	542,909
Stationery & Printing	359,934	313,682
Cash Discount	2,237,347	9,740
Postage	95,441	89,588
ISO 9000 & IMS Certificate exp.	0	430,790
Telephone	563,651	502,904
Conveyance exp.	3,580	5,473
Office expenses	219,590	111,944
Vehicle Running & Maintenance	607,621	751,274
Repairs to Office Equipments	333,728	270,784
Legal Expenses	419,941	281,657
Auditors remuneration	45,000	35,000
Books & Periodicals	690	960
Professional & Consultancy Fees	531,680	690,000
Lease Rent	116,206	60,067
Advertisement	92,269	43,116
Donation	0	2,100
Business Promotion	22,000	406,749
Staff Welfare	202,775	16,417
Medical expensess	74,431	77,246
Selling expenses	49,732	38,151
Traveling Expenses	1,002,224	977,441
Membership & Subscription	111,935	97,000
Entertainment Expenses	88,054	129,811
Freight Outward	2,527,822	1,314,536
Training & Seminar Expenses	71,927	145,318
Festival Expenses	275,147	255,188
Website Design Exp.	15,000	132,475
Property Tax	96,309	44,197
Gratuity Insurance Premium	20,337	18,621
Sundry Balance W/o	(3)	0
Recruitment Expenses	0	2,450
Commission	155,930	0
<b>TOTAL</b>	<b>18,239,252</b>	<b>15,664,865</b>
<b>SCHEDULE-"N": INTEREST &amp; FINANCIAL CHARGES</b>		
Interest Paid/Payable		
- On Term Loans	2,780,688	6,622,656
- On Cash Credit Loans	5,641,679	5,168,447
- To others	104,780	39,338
Bill discounting and bank charges	3,211,792	2,309,687
<b>TOTAL</b>	<b>11,738,940</b>	<b>14,140,128</b>

**SCHEDULE FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT**

**SCHEDULE – “O”**

**ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

**A. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Accounting:**

The financial statements have been prepared on the historical cost convention and in accordance with normally accepted accounting principles on going concern basis and accounting standards issued by ICAI following mercantile system of accounting. Accounting policies not referred to otherwise are consistent with generally accepted accounting principles.

**(b) Fixed Assets and CENVAT credit on capital goods:**

Fixed Assets are stated at cost of acquisition or construction (Net of CENVAT Credit Availed) less accumulated depreciation. Cost comprises the purchase price and other attributable costs. CENVAT credit availed but not adjusted against excise duty payment is treated as CENVAT Credit receivable and shown under “Loans and Advances”.

**(c) Depreciation:**

Depreciation on fixed assets is provided on straight-line method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956. Depreciation on assets purchased/Constructed/sold during the year has been provided on pro-rata basis. No depreciation is provided on leasehold land.

Depreciation on selected plant and machinery, material handling, tools and equipments and auxiliary equipments hitherto provided on straight line method as specified in Schedule XIV of the Companies Act, 1956. Depreciation for the year is provided on the balance useful life of ten to twenty five years of the assets as determined by the approved valuer on pro-rata basis with reference to date of acquisition.

**(d) Inventories:**

Inventories of raw materials, stock in process, stores and process material and runner and risers are stated at cost on FIFO basis. Finished goods are stated at lower of cost or net realizable value.

**(e) Turnover:**

Turnover includes excise duty recovered.

**(f) Recognition of Income & Expenditure:**

These are accounted on accrual basis . 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 Cost is accounted as per provisions of the said Act.

**(g) Deferred Revenue Expenditure**

Deferred Revenue Expenditure and public issue expenses are amortized equally over a period of five years.

**(i) Taxation**

Provision for tax (tax expense) is made considering both current and deferred taxes. Provision for current tax is made at current income tax rates based on assessable income. Provision for deferred tax is made based on the tax effect of timing differences resulting from the recognition of items in the financial statements and in estimating its current tax provision. Deferred tax assets are recognized if there is reasonable certainty of realization. The effect of change in tax rates on deferred taxes is recognized in the Profit and Loss Account in the period that includes the enactment date.

**(j) Provisions for Contingent Liabilities**

Provisions n respect of present obligations arising out of past events are made in the accounts when reliable estimates can be made of the amount of the obligation. Contingent liabilities are disclosed by way of not the financial statements after careful evaluation by the Management of the facts and legal aspects of the matter involved.

Particulars	With Key	Entities owned	Particulars
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**B. NOTES ON ACCOUNTS**

1. Contingent Liabilities
  - a. Guarantee issued by Bank on behalf of the company : Rs. 12.93 lacs (Rs. 13.83 lacs)
  - b. Entry Tax Demand
    - F. Y. 2005 - 06 : Rs. 0.89 lacs (Rs. 0.89 lacs)
    - F. Y. 2007 - 08 : 2.08. lacs
  - c. ESIC demand relating to earlier years : Rs. 0.73 lacs (Rs. 0.73 lacs)  
(Disputed by the company, deposited Rs. 0.21 lacs for appeal)
  - d. Provident Fund demand for the financial year 2005-06 : Rs. 8.05 lacs  
(Disputed by the company, deposited Rs. 4.02 lacs for appeal)
  - e. Labour court demand : Rs. 0.76 lacs
  - f. Estimated amount of contracts remaining unexecuted : Rs. 100.01 lacs (Rs. 365.30 lacs)  
on capital account and not provided for
2. Company has given interest free tooling advance of Rs. 200.00 lacs to M/s Porwal Diesels Pvt. Ltd, a company in which directors are interested for machining of components.
3. Out of the utilised monies out of issue of shares, company has granted interest bearing loans amounting to Rs. 501.76 lacs and the balance of Rs. 750.00 lacs are kept under fixed deposit account with Axis Bank Ltd..
4. Depreciation on plant and machinery for the year is provided on straight line method based on the balance useful life of the assets which is higher as compared to the rates prescribed in Schedule XIV of the Companies Act, 1956. Had the depreciation been provided on straight line method based on rates specified in Schedule XIV of the Companies Act, 1956 the depreciation charged for the year would have been higher by Rs. 72.41 lacs.
5. Sales Tax assessment has been completed upto financial year 2007-08. Income Tax assessments have been completed up to financial year 2009-10. All undisputed liabilities in respect of sales tax and income tax have been provided for in the accounts.
6. Directors Remuneration and other benefits charged to Profit & Loss account is as under-
 

	Current Year]	Previous Year
Salary	22,80,000	22,80,000
Sitting Fees	7,500	7,500
<b>Total</b>	<b>22,87,500</b>	<b>22,87,000</b>
7. Auditors Remuneration
 

	Current Year	Previous Year
Audit Fees	35000	25000
For Other Services	10000	10000
<b>Total</b>	<b>45000</b>	<b>35000</b>
8. The Company does not have a formal procedure of obtaining year-end balance confirmation certificates for trade balances. Various debit and credit balances are subject to confirmation. However, management believes them to be correct.
9. Related Party Disclosures as per the requirements of 'Accounting Standard 18' (AS-18) issued by the Institute of Chartered Accountants of India: *(As indicated by management and relied upon by auditors)*
  - a. Parties where control exists –  
M/s Porwal Udhog (India) (Proprietorship Firm of Mr. Mukesh Jain, Director)
  - b. Other Related Parties with whom transactions have taken place during the year.  
Key Managerial Personnel and Relatives  
Mr. Devendra Jain, Managing Director

*Relatives of Shri Devendra Jain:*

- ❖ Mr. Surendra Jain, Brother
- ❖ Mr. Shailesh Jain, Brother
- ❖ Mr. Mukesh Jain, Brother

**Associates and Subsidiary Companies**

Porwal Diesels Pvt. Ltd.

Triveni Conductors L:td.

Transactions carried out with related parties referred in 1. above are as under:-

(Rs. In Lacs)

Particulars	With Key Management Personnel	Entities owned or significantly influenced by Key Management Personnel	Relative of Key Management Personnel/Director	Associate and subsidiary companies
Salary	9.00 (9.00)	Nil (Nil)	18.60 (18.60)	Nil (Nil)
<u>Loans</u>				
Opening Balance	Nil (Nil)	Nil (Nil)	Nil (Nil)	419.35 (364.34)
Advance given	Nil (Nil)	Nil (Nil)	Nil (Nil)	330.69 (370.58)
Advance paid	Nil (Nil)	Nil (Nil)	Nil (Nil)	387.57 (315.58)
Closing Balance	Nil (Nil)	Nil (Nil)	Nil (Nil)	362.47 (419.35)
Sundry Creditors	Nil (Nil)	Nil (Nil)	Nil (Nil)	29.76 (40.44)
Purchase of Goods	Nil (Nil)	Nil (Nil)	Nil (Nil)	125.22 (59.06)
Sale of Goods	Nil (Nil)	Nil (Nil)	Nil (Nil)	0.00 (5.68)
Job work	Nil (Nil)	Nil (Nil)	Nil (Nil)	276.49 (137.27)
Interest received	Nil (Nil)	Nil (Nil)	Nil (Nil)	25.20 (21.99)

11. As evidenced by internal Management Information System (MIS), there are no reportable segments in the company. Therefore, the disclosure requirements of 'Accounting Standard 17' (AS-17) - 'Segment Reporting' are not furnished.

**11. Earnings per share –**

<b>PARTICULARS</b>	<b>2010-11</b>	<b>2009-10</b>
<b>Profit after tax as per Profit &amp; Loss Account (Rs./lacs)</b>	60.49	(148.69)
<b>Weighted Average number of Equity Shares outstanding (Nos.)</b>	1,51,00,000	1,51,00,000
<b>Basic and Diluted Earning Per Share (Face value Rs. 10 per share)(Rs.)</b>	0.40	--

12. In accordance with Accounting Standard 22 (AS-22) Accounting for taxes on income issued by the Institute of Chartered Accountants of India the Company has provided for deferred tax in accordance with the requirement of AS-22.

The details of deferred tax assets (liabilities) is as under :

<b>Deferred Tax Asset/(Liability) on account of</b>	<b>01 April 2010</b>	<b>Current Year</b>	<b>As at 31.03.2011</b>
Difference between book and tax depreciation	(227.02)	7.19	(219.83)
Brought forward losses (Depreciation/Business)	135.29	(36.93)	98.36
Disallowance/adjustments U/s 43 (b) of Income Tax Act and others	0.00	4.40	4.40
<b>TOTAL</b>	<b>(91.73)</b>	<b>(25.34)</b>	<b>(117.07)</b>

**QUANTITATIVE INFORMATION : (Quantities in MTs and Amount in Rs./lacs)**

**13. Capacities and Production:**

<b>Particulars</b>	<b>Current Year 2010-2011 (Qty)</b>	<b>Previous Year 2009-2010 (Qty)</b>
<i>Installed Capacity – C.I. and S.G. Iron Castings</i>	21600.000	21600.00
<i>Actual Production - C.I. and S.G. Iron Castings</i>	11656.119	7829.071
Notes:		
Ø The manufacturing capacities for above products are de licensed.		
Ø Installed capacities are stated on the basis of certificate issued by the Managing Director		

**14. Turnover of the Goods Produced**

<b>Class of Goods</b>	<b>Current Year 2010-2011</b>	<b>Previous Year 2009-2010</b>
C.I. and S.G. Iron Castings (Qty)	*10989.47	*7510.365
C.I. and S.G. Iron Castings (Amt.)	7017.02	4074.54
<b>TOTAL</b>	<b>7017.02</b>	<b>4074.54</b>

\* Excluding 341672 MT (324.600 MT) transferred to scrap iron.

**15. Opening stock of goods produced**

Class of Goods	Current Year 2010-2011	Previous Year 2009-2010
C.I. and S.G.I. Casting (Qty.)	236.333	242.228
C.I. and S.G.I. Casting (Amt.)	<b>143.76</b>	<b>137.10</b>

**16. Closing stock of goods produced**

Class of Goods	Current Year 2010-2011	Previous Year 2009-2010
C.I. and S.G.I. Casting (Qty.)	561.310	236.333
C.I. and S.G.I. Casting (Amt.)	353.25	143.76

**17. Consumption of Major Raw Materials**

Class of Goods	Current Year 2010-2011	Previous Year 2009-2010
Pig Iron and Scrap (Qty.)	10918.01	7915.502
Pig Iron and Scrap (Amt.)	2574.27	1485.1

**18. Other Information :**

Particulars	Current Year 2010-2011	Previous Year 2009-2010
Imports Capital Goods on CIF Basis	Nil	Nil
Expenditure in foreign currency	1.24	1.25
Income in foreign currency	Nil	Nil
Value of imported and indigenous raw materials consumed during the year and their percentage to total consumption :	Indigenous : 100% Imported : NIL	Indigenous : 100% Imported : NIL

19. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006. There are no outstanding to parties covered under the Micro, Small and Medium enterprises as per MSMED Act, 2006. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

20. Previous year figures have been regrouped and re-arranged wherever necessary

21. In the opinion of the Board of directors of the Company, the current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated and the provisions for all known liabilities are adequate and not in excess of the amount reasonably necessary.

**Signatures to schedules A to O**

**As per our attached report of even date**

For ASSG & Associates  
(F.R.N. 012120C)  
Chartered Accountants

For and on behalf of the Board

Place : INDORE  
Date : 30.05.2011

**Sanjay Gupta**  
Partner  
M.N. 72073

**Devendra Jain**  
Managing Director

**Mukesh Jain**  
Director

**Raina Ajmera**  
Company Secretary



**PART IV**

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

*I. Registration Details*

Registration No.				06912
State Code				10
Balance Sheet Date	31	03	2011	
	Date	Month	Year	

*II. Capital raised during the year (Amount in Rs. Thousands)*

Public Issue	:	N I L	Rights Issue	:	N I L
Bonus Issue	:	N I L	Private Placement	:	N I L

*II. Position of Mobilisation and Deployment of Funds  
(Amount in Rs. Thousands)*

Total Liabilities	:	593862	Total Assets	:	593862
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**SOURCE OF FUNDS**

Paid-up Capital	:	151000	Reserve and Surplus	:	330372
Secured Loans	:	92570	Unsecured Loans	:	8213
Deferred Tax Liability	:	11707			

**APPLICATION OF FUNDS**

Net Fixed Assets	:	298587	Investments	:	125
Net Current Assets	:	281462	Misc. Expenditure	:	13688
Accumulated Losses	:	N I L	Deferred Tax Asset	:	N I L

*IV. Performance of Company (Amount in Rs. Thousands)*

Turnover	:	812195	Total Expenditure	:	801476
Profit/(Loss) before tax	:	10719	Profit/(Loss) after tax	:	6049
(Please tick Appropriate box + for Profit, - for Loss)					
Earning per Share in Rs.:		0.40	Dividend rate %	:	00%

*V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)*

Item Code No. (ITC Code)	73251000
Product Description	Unmachined Castings
For ASSG & Associates (F.R.N. 012120C) Chartered Accountants	For and on behalf of the Board

**Sanjay Gupta**  
Partner  
M.N. 72073

**Devendra Jain**  
Managing Director

**Mukesh Jain**  
Director

Place : INDORE  
Date : 30.05.2011

**Raina Ajmera**  
Company Secretary

**CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET AS AT 31ST MARCH, 2011**

	<b>31.03.2011</b>	<b>31.03.2010</b>
<b>(A) Cash Flow from operating activities</b>		
Net Profit before tax and extraordinary items	107.19	(56.96)
Adjustments for :		
Depreciation	347.57	328.25
Miscellaneous Expenditure Written Off	68.44	69.20
Sundry Balance W/o	(0.00)	0.00
Loss on Sale of Fixed Assets	4.60	3.09
Operating Profit before Working Capital Changes	527.80	343.58
<b>Adjustments for :</b>		
Inventories	(492.94)	(357.29)
Debtors	221.30	(288.83)
Loans & Advances	43.21	153.09
Current Liabilities	229.26	212.00
	0.82	(281.03)
<b>Cash generated from operation</b>	528.63	62.55
<b>(B) Cash Flow from Investing Activities</b>		
Fixed Assets	(336.29)	(194.20)
Investment	0.00	25.00
Cash flow from Sale of Fixed Assets	13.86	15.92
Income Tax Paid	(21.36)	0.36
	(343.79)	(152.92)
<b>(C) Cash Flow from financing Activities</b>		
Term Loans	(0.15)	(302.89)
Working Capital Loans	4.46	132.89
Unsecured Loans	(109.55)	(127.53)
Vehicle loan	16.21	5.54
	(89.03)	(291.98)
<b>Net Cash Flow During The Year</b>	95.81	(382.37)
Cash and Cash Equivalents (Opening Balance)	779.71	1,162.08
Cash and Cash Equivalents (Closing Balance)	875.52	779.71

**As per our report of even date**

For ASSG & ASSOCIATES  
(F.R.N. 012120C)

CHARTERED ACCOUNTANTS

**SANJAY GUPTA**  
PARTNER

For & on behalf of Board of Directors

**DEVENDRA JAIN**  
Managing Director

**Mukesh Jain**  
Director

Place : INDORE  
Date : 30.05.2011

**Raina Ajmera**  
Company Secretary

**AUDITORS' CERTIFICATE**

We have examined the above cash flow statement of Porwal Auto Components Ltd. for the period ended 31st March 2011. The statement has been prepared by the company in accordance with the listing agreement required by the stock exchange and is based on and in agreement with the corresponding Profit & Loss Account and the Balance Sheet of the company covered by our report of even date to the members of the company.

FOR ASSG & ASSOCIATES  
(F.R.N. 012120C)  
CHARTERED ACCOUNTANTS

PLACE: INDORE  
DATE : 30.05.2011

**SANJAY GUPTA**  
PARTNER

**PORWAL AUTO COMPONENTS LIMITED**

Registered. Office :

Plot No. 209, Sector No. 1 Industrial Area, Pithampur, Distt. DHAR (M. P.) 454775

**PROXY FORM**

R. F. No. .... No. of Shares.....

I/We \_\_\_\_\_

of \_\_\_\_\_

Being a member of **PORWAL AUTO**

**COMPONENTS LTD.** holding \_\_\_\_\_ Ordinary Share (s) hereby

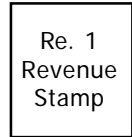
appoint \_\_\_\_\_ of \_\_\_\_\_

of failinghim/her \_\_\_\_\_ of \_\_\_\_\_

as my/our proxy to vote for me/us on my/our behalf at the 19<sup>th</sup> Annual General Meeting of the Company, to be held on 30<sup>th</sup> September, 2011 and at any adjournment meeting thereof.

As witness my/our hand(s) this \_\_\_\_\_ day of \_\_\_\_\_ 2011.

Signature \_\_\_\_\_



**Note :**

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.

**ATTENDANCE SLIP**

**18th Annual General Meeting on 30<sup>th</sup> September, 2011**

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 19<sup>th</sup> Annual General Meeting of the Company at Plot No. 209, Sector No. 1, Industrial Area, Pithampur, Distt. DHAR (M.P.) 457 774 on 30<sup>th</sup> September, 2011.

(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.

Book - Post

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