

**ANNUAL REPORT 2015 - 2016**



**TWENTY FOURTH ANNUAL REPORT 2015 - 2016**

**ANNUAL REPORT 2015 -16**

|                       |   |   |
|-----------------------|---|---|
| MR. SURENDRA JAIN     | - | <b>CHAIRMAN &amp; 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>INDEPENDENT DIRECTOR</b>               |

**CHIEF FINANCIAL & CHIEF OPERATING OFFICER**

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

**COMPANY SECRETARY**

MS. ARWA SAIFEE

**STATUTORY AUDITORS**

M/s ASSG & ASSOCIATES  
Chartered Accountants  
"Kanti Mansion" 6, Murai Mohalla,  
INDORE – (M.P.)

**BANKERS**

STATE BANK OF INDIA  
SME Branch, INDORE – (M.P.)  
KOTAK MAHINDRA BANK LTD.  
INDORE BRANCH

**REGISTERED OFFICE & WORKS**

CIN: L34300MP1992PLC006912  
Plot No. 209, Sector No. 1,  
Industrial Area, Pithampur, (M. P.) 454775  
Tel: 07292-405101  
Fax: 07292-405120  
admin@porwalauto.com  
www.porwalauto.com

**REGISTRAR AND SHARE TRANSFER AGENT**

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

## NOTICE

Notice is hereby given that Twenty Fourth Annual General Meeting of the members of the Porwal Auto Components Limited will be held on Wednesday, the 28<sup>th</sup> day of September, 2016 at 1.30 PM at the registered office of the company at Plot No. 209, Sector No.1, Industrial Area, Pithampur, Distt Dhar, (M.P.) 454775 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Financial Statements for the financial year ended March 31, 2016 and the Reports of the Board of Directors and Auditors thereon.
2. To declare Dividend on Equity Shares for the year ended March 31, 2016.
3. To appoint a Director in place of Mr. Surendra Jain (DIN- 00245154), who retires by rotation and being eligible, offers himself for re-appointment.
4. **To ratify the appointment of auditors of the Company and to fix their remuneration and to pass the following resolution as Ordinary Resolution thereof:**

**"RESOLVED THAT**, pursuant the provisions of section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, pursuant to the recommendation of the audit committee and pursuant to the resolution passed by the members at the AGM held on 29.09.2014 the appointment of M/s ASSG & Associates, Chartered Accountants (ICAI Firm Registration No. 012120C), as the auditors of the Company to hold office till the conclusion of the AGM to be held in the calendar year 2017 be and is hereby ratified and that the Board of Directors be and are hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2017 as may be recommended by the audit committee."

### SPECIAL BUSINESS:

5. **To Increase in remuneration of Mr. Surendra Jain, Chairman and Whole Time Director of the Company.**

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

**"RESOLVED THAT** pursuant to the provisions of sections 196, 197, 203 read with the provisions of Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of the Managerial Personnel) Rules, 2014 and other applicable provisions if any of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being enforce), the approval of the members of the Company be and are hereby granted for increase in remuneration of Mr. Surendra Jain (DIN: 00245154) Chairman and Whole Time Director of the Company from Rs.2,00,000/-(Two Lacs only) per month to Rs. 3,00,000/-(Three Lacs only) per month w.e.f 1st June 2016 on the terms and conditions of the resolution passed by the members at the AGM held on 29.09.2014.

**RESOLVED FURTHER THAT** the Board of directors be and are hereby authorized to do all the needful acts, deeds, matters and things to give effect to this resolution including filing of forms with RoC."

6. **To Increase in remuneration of Mr. Devendra Jain, Managing Director of the Company.**

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

**"RESOLVED THAT** pursuant to the provisions of sections 196, 197, 203 read with the provisions of Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of the Managerial Personnel) Rules, 2014 and other applicable provisions if any of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being enforce), the approval of the members of the Company be and are hereby granted for increase in remuneration of Mr. Devendra Jain (DIN- 00232920), Managing Director of the Company from Rs.2,00,000/-(Two Lacs only) per month to Rs.3,00,000/-( Three Lacs only) per month w.e.f 1st June 2016 on the terms and conditions of the resolution passed by the members at the AGM held on 29.09.2014.

**RESOLVED FURTHER THAT** the Board of directors be and are hereby authorized to do all the needful acts, deeds, matters and things to give effect to this resolution including filing of forms with RoC."

7. **To Increase in remuneration of Mr. Mukesh Jain, Whole Time Director of the Company.**

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

**"RESOLVED THAT** pursuant to the provisions of sections 196, 197, 203 read with the provisions of Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of the Managerial Personnel) Rules, 2014 and other applicable provisions if any of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being enforce), the approval of the members of the Company be and are hereby granted for increase in remuneration of Mr. Mukesh Jain (DIN- 00245111), Whole Time Director of the Company from Rs.2,00,000/-(Two Lacs only) per month to Rs.3,00,000/-(Three Lacs only) per month w.e.f 1st June 2016 on the terms and conditions of the resolution passed by the members at the AGM held on 29.09.2014.

**RESOLVED FURTHER THAT** the Board of directors be and are hereby authorized to do all the needful acts, deeds, matters and things to give effect to this resolution including filing of forms with RoC."

**8. To make investments under Section 186 of the Companies Act, 2013.**

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

**"RESOLVED THAT** pursuant to Section 186 and all other applicable provisions, if any, of the Companies Act, 2013, read with the relevant Rules thereof (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors including any Committee thereof (hereinafter referred to as "the Board") to acquire by way of subscription, purchase or otherwise, the securities of any other body corporate exceeding sixty percent of company's paid up capital, free reserves and securities premium account or one hundred percent of its free reserves and securities premium account whichever is more as the Board of Directors may think fit, provided that the total investments made shall not any time exceed Rs. 50 Crores, (Rupees Fifty Crores only) over and above the paid up capital of the Company, free reserves and securities premium account.

**RESOLVED FURTHER THAT** Board of Directors and the Director(s) or the person authorized by the Board be and are hereby authorised to take all such actions and to give all such directions as may be necessary or desirable and also to settle any question or difficulty that may arise in regard to the proposed investments and to do all such acts, deeds, matters and things and to execute all such deeds, documents and writings as may be necessary, desirable or expedient in connection therewith."

**9. Adoption of new set of Articles of Association of the Company:**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 14 and other applicable provisions of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) thereto or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Associations submitted to this meeting be and are hereby approved and adopted in substitution and to the entire exclusion, of the regulations contained in the existing Article of Association of the Company".

**FURTHER RESOLVED THAT** the Board of Directors of the Company be and are hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board of Directors

**Porwal Auto Components Limited**

**Place:** Pithampur  
**Date:** 06.08.2016

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

**ARWA SAIFEE**  
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 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. 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. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 is given below and forms part of the Notice.
4. 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 Thursday, 22<sup>nd</sup> September 2016 to Wednesday 28<sup>th</sup> September 2016 (both days inclusive) for the purpose of payment of dividend to those members whose name stand on the Register of Members as on Wednesday 21<sup>st</sup> September, 2016. 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 Wednesday 21<sup>st</sup> September, 2016, as per the details furnished by the depositories for this purpose & all those members holding shares in physical form after giving effect to all valid share transfers lodged with the Company before closing hours on Wednesday 21<sup>st</sup> September, 2016.
5. Brief details of Directors seeking re-appointment / appointment at the Annual General Meeting scheduled to be held on 28<sup>th</sup> September 2016 (Pursuant to Regulation 36 (3) of the SEBI (Listing Obligation & Disclosure Requirement), Regulations, 2015) forms part of the notice.
6. The report on the Corporate Governance and Management Discussion and Analysis also form part to the report of the Directors.
7. The company has notified closure of register of members and share transfer books (For the purpose of AGM and Dividend) from Thursday, September 22, 2016 to Wednesday, September 28, 2016 (both days inclusive).
8. 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 registered with the Company for admission to the meeting place.
  - d. Bring their Annual Report and Attendance Slips with them at the AGM venue.
9. Members seeking any information are requested to write to the Company by email 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.
10. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
11. 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 M/s Link Intime India Pvt. Ltd, for consolidation into a single folio.
12. 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 and to the Registrar and Share Transfer Agent of the Company at M/s Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup, Mumbai (MH) 400078.
13. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members may contact the Company or Registrar and Share Transfer Agent of the Company for assistance in this regard.

14. 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 Company will send Notices / Documents / Annual Reports, etc., to the shareholders through email, wherever the email addresses are available and through other modes of services where email addresses have not been registered. 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, M/s Link Intime India Pvt. Ltd. to enable the Company to send all communications electronically.
15. Members may also note that the Annual Report for FY 2015-16 is also available for downloading on Company's website [www.porwalauto.com](http://www.porwalauto.com).
16. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / M/s Link Intime India Pvt Ltd.
18. 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, during business hours up to the date of the meeting.
19. **Voting through electronic means**
  - (i) In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the ensuing Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. 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 right 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.
  - (iv) The voting period begins on 25<sup>th</sup> September 2016 (9.00 am) and ends on 27<sup>th</sup> September 2016 (5.00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 21<sup>st</sup> September 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (v) **Instructions for the voting through electronic means**
    - a. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
    - b. Click on Shareholders tab.
    - c. Now Enter your User ID
      - a. For CDSL: 16 digits beneficiary ID,
      - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
      - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
    - d. Next enter the Image Verification as displayed and Click on Login.
    - e. 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.
    - f. If you are a first time user follow the steps given below:

| <b>For Members holding shares in Demat Form and Physical Form</b> |  |
|---|--|
| PAN   | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number. The sequence number is printed on the address sticker where the Annual Report is sent in physical form and the same is communicated in the e-mail where the Annual Report is sent in an electronic form.</li> </ul> |
| DOB   | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.  |
| Dividend Bank Details   | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If 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 (c).</li> </ul>   |

- g. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e. 21<sup>st</sup> September 2016, may obtain the login ID and password by sending a request to Link Intime India Pvt Ltd at [supriya.yerondkar@linkintime.co.in](mailto:supriya.yerondkar@linkintime.co.in).
- h. However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote. If Demat account holder has forgotten the password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- i. 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 relevant **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 login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- s. **Note for Non – Individual Shareholders and Custodians**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - 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).

- 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.
  - 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.
  - 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.
- (vi) 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).
- (vii) 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. 21<sup>st</sup> September 2016.
- (viii) 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.
- (ix) 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.
- (x) 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.
- (xi) The voting results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.porwalauto.com](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.

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

|  |  |
|--|--|
| <b>Name of Directors</b>   | <b>Mr. Surendra Jain</b>                   |
| <b>Date of Birth</b>   | 19.10.1952                                 |
| <b>Date of Appointment</b>   | 07.06.2005                                 |
| <b>Expertise / Experience in specific functional areas</b>   | 40 Years experience of Business & Industry |
| <b>Qualification</b>   | B.E. (Mech)                                |
| <b>No. &amp; % of Equity Shares held</b>   | 404280 (2.67%)                             |
| <b>List of outside Company directorship held</b>   | NIL  |
| <b>Chairman / Member of the Committees of the Board of Directors of the Company</b>                          | NIL  |
| <b>Chairman / Member of the Committees of the Board Directors of other Companies in which he is director</b> | NIL  |



**EXPLANATORY STATEMENT IN TERMS OF SECTION 102(1) OF THE COMPANIES ACT, 2013**

**Item No. 5, 6 & 7:**

Mr. Surendra Jain is a B.E. (Mech) and is Chairman & Whole Time Director of the Company. He is associated with the Company since 07<sup>th</sup> June 2005. He is having 40 Years experience of Business & Industry.

Mr. Devendra Jain is a B.E. (Mech) and is Managing Director of the Company. He is associated with the Company since 03<sup>rd</sup> February 1992. He is having 39 Years experience of Business & Industry.

Mr. Mukesh Jain is graduate in commerce and is Whole-time Director of the Company. He is associated with the Company since 31<sup>st</sup> March 1998. He is having 36 Years experience of Business & Industry.

The members of the Company at their meeting held on 29.09.2014 approved the re-appointment of above three Directors for a period of three years commencing from 01<sup>st</sup> August 2014 till 31<sup>st</sup> July 2017. Considering the inflationary trend and the substantial increase in the business activities of the Company which results in increase in the work load and responsibilities of Managerial Personnel, the Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee has increased the monthly remuneration of above three Directors w.e.f. 1<sup>st</sup> June 2016 on the same terms and conditions as mentioned in the special resolution passed by the members of the Company at their meeting held on 29.09.2014.

All the three directors are having very rich experience in industries and are acquainted with complete knowledge of business. Their experience, commitment and capabilities are playing a crucial role in the growth of the Company. All the three Directors have proved to be an invaluable asset for the Company. Considering their sincerity, commitment, hard work, devotion and concern about the company and its growth, the Board feels it absolutely necessary to increase the remuneration from Rs. 2,00,000/- (Two Lacs only) per month to Rs. 3,00,000/- (Three Lacs only) per month of each Director w.e.f 1<sup>st</sup> June 2016.

The Board recommends to pass special resolutions as set out in Item No. 5 to 7 of the notice. Mr. Surendra Jain, Mr. Devendra Jain and Mr. Mukesh Jain are considered as the financially interested in the resolutions to the extent of the remuneration as may be paid to them. Further that Mr. Shailesh Jain, CFO being relative of above directors may also be deemed as concerned or interested financially or otherwise in the resolutions. Except that none of the other directors or Key Managerial Personnel (KMP) or their relatives are concerned or interested in the Resolution.

**Item No. 8 :**

As a measure of achieving greater financial flexibility and to enable optimal financial structuring to facilitate speedy implementation of its plans, it is proposed that the Board of Directors be authorized to invest upto Rs. 50 Crores, (Rupees Fifty Crores only) over and above the paid up share capital, free reserves and securities premium account in other body corporate(s) by way of subscription and/or purchase of their securities.

As per Section 186 of the Companies Act, 2013, a Company cannot make investments in excess of the limits set out therein unless it is previously authorized by a Special Resolution. Hence, it is necessary to obtain approval for the same from the Members. The funds required for investments will be sourced through internal accruals, securities issue and/or borrowings.

The Board recommends passing of the above resolution(s) by the members of the Company as a Special Resolution. None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the proposed resolutions.

**Item No. 9:**

The existing Articles of Association ("Articles") of the Company are based on the erstwhile Companies Act, 1956 and several regulations in the existing Articles contain reference to the specific Sections of the erstwhile Companies Act, 1956. Some regulations in the existing Articles are no longer in conformity with the provisions of the Companies Act, 2013 ("Act").

With the enactment of the Companies Act, 2013, several regulations of the existing Articles of the Company require alteration and/or deletion. Given this position, it is considered expedient to replace the existing Articles by adopting a new set of Articles.

The draft Articles shall be open for inspection by the Members at the Registered Office of the Company on all working days between 11.00 a.m to 1.00 p.m excluding Saturday upto the date of this Annual General Meeting.

The Board recommends the Special Resolution as set out at Item No. 9 of the Notice for approval by the Members. None of the Directors Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution as set out at Item No. 9 of the Notice.

**Place:** Pithampur

**Date:** 06.08.2016

**Registered office**

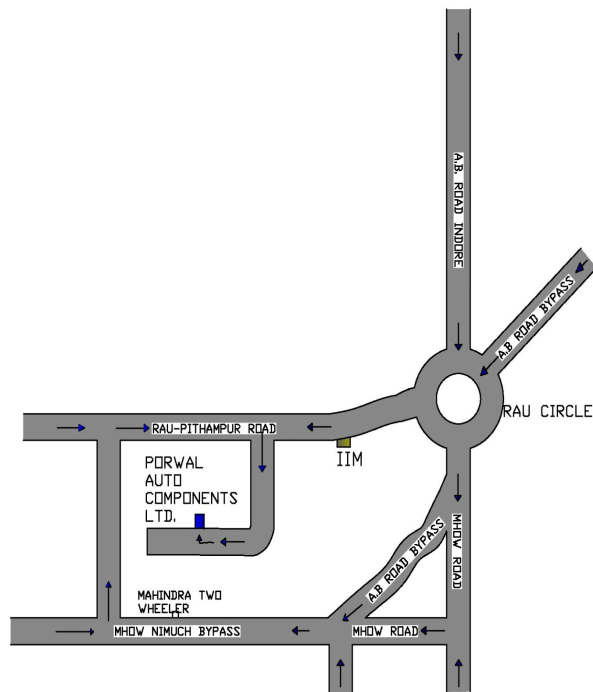
Plot No. 209, Sector No. 1,  
Industrial Area,  
Pithampur (M.P.) 454775

By order of the Board of Directors

**Porwal Auto Components  
Limited**

**ARWA SAIFEE**  
Company Secretary

Road Map



**BOARDS' REPORT**

To  
The Members of  
**Porwal Auto Components Ltd.**

Pithampur-454775

Your directors are pleased to present the 24<sup>th</sup> Annual Report together with the Audited financial Statement for the year ended 31<sup>st</sup> March, 2016.

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

**1.1 Financial Results highlights and summary**

| <b>Particulars</b>                                    | <b>(Rs. in lacs)</b>    |                         |
|---|-------------------------|-------------------------|
|   | <b>As on 31.03.2016</b> | <b>As on 31.03.2015</b> |
| <b>Total Income</b>                                   | 8255.91                 | 7267.21                 |
| Less : Total Expenditures                             | 7385.06                 | 6505.44                 |
| <b>Profit before Interest, Tax &amp; Depreciation</b> | 870.84                  | 761.77                  |
| Less : Financial Charges                              | 190.18                  | 171.64                  |
| Less : Depreciation                                   | 368.12                  | 417.22                  |
| <b>Profit before tax</b>                              | 312.54                  | 172.91                  |
| Less: Provision for tax-                              |                         |                         |
| Current Tax   | 66.20                   | 36.50                   |
| Deferred Tax  | 22.92                   | 24.50                   |
| <b>Profit/(Loss) after tax</b>                        | 223.42                  | 111.91                  |

During the year under review the Company has reported a turnover of Rs. 8255.91 Lacs against the turnover of Rs. 7267.21 Lacs in the Previous Financial Year, registering a growth of 13.60%. The overall expense of the Company has also increased from Rs. 6505.44 Lacs to Rs. 7385.06 Lacs due to high operational cost and financial charges. The Company's has earned a net profit of Rs. 223.42 Lacs as compared to net profit of Rs. 111.91 Lacs in previous Financial Year.

**1.2 OPERATIONS AND FUTURE OUTLOOK**

The automobile sector in India has come a long way. The automobile industry is one of India's major sectors; accounting for 22% of the country's manufacturing GDP. The Indian auto industry comprising passenger cars, two-wheelers, three-wheelers and commercial vehicles is the seventh-largest in the world with an annual production of 17.5 million vehicles of which 2.3 million are exported. Indian Auto market has the potential to dominate the Global auto industry, provided, a conducive environment is created for potential innovators to come up with new pilot projects.

Prospectus of the auto components industry for 2016 look better as increased vehicle demand would convert into increased revenue for the components industry. In order to survive in the challenging and competitive environment, the company kept its focus on improving operational efficiencies. Looking to the more favorable conditions for automobile sector in the coming years, the Indian Auto components industry is set to become the third largest in the world by 2025.

The Indian solar energy sector has been growing rapidly in the past few years, majorly due to government's initiatives such as tax exemptions and subsidies. Solar power being the best suited energy source, solar power generation unit has been set up by your Company in 2013-2014 at village kakodiya Tarana District, Ujjain, Madhya Pradesh for captive consumption. By putting solar power generation unit, the company provides electricity units to Madhya Pradesh Paschim Kshetra Vidyut Vitaran Co. Ltd (MPPVCL) and receives the credit of the same by the settlement of the electricity bill. During the year 2015-2016, the Company has earned total receipt of Rs. 133.65 Lacs from the solar power generation unit.

**1.3 Change in nature of Business**

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

**1.4 Changes in Share Capital**

During the Financial Year 2015-16 there was no change in capital structure of the company. The paid up equity capital as on March 31, 2016 was Rs.1510 Lakhs. 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.

**1.5 Revision of Annual Financial Statement**

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

**2. Transfer to Reserves**

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

**3. Dividend**

Looking at the growth in performance of the Company, your Directors are pleased to recommend a final dividend of 3% on the equity shares i.e. Re 0.30/- per equity share of face value of Rs 10/- for the financial year 2015-2016 subject to Approval of the members in the ensuing Annual General Meeting.

**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 and date of the report.

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

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

**7. Extracts of Annual Return**

Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 the extracts of the Annual Return as at March 31, 2016 forms part of this report as **Annexure I.**

**8. Number of Meetings of the Board**

During the year under review the Board meets Four times viz. **May 21, 2015; August 10, 2015; October 31, 2015 and February 06, 2016.** The details of meetings of the Board and the attendance of Directors are provided in the Corporate Governance Report.

**9. Directors' Responsibility Statement**

**In terms of Section 134(3)(c) of the Companies Act, 2013, your Directors state 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 have 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.

**10. Reporting of fraud by Statutory Auditors**

There was no fraud in the Company; hence no reporting was made by statutory auditors of the Company under sub-section (12) of section 143 of Companies Act, 2013.

## **11. Declaration by Independent Directors**

### **11.1 Declaration by Independent Directors**

All Independent Directors of your Company have given a declaration pursuant to Section 149(7) of the Companies Act, 2013 affirming compliance to the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligation 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 thereunder.

### **11.2 Meetings of Independent Directors**

During the year under review, a separate meeting of Independent Directors was held on March 31, 2016, interalia, to discuss:

- evaluation of the 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.
- evaluation of 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.

All the Independent Directors were present at the said Meeting.

### **11.3 Familiarization Programme**

The objective of a familiarization programme is to ensure that the non-executive directors are updated on the business environment and overall operations of the Company. This enables the non-executive directors to make better informed decisions in the interest of the Company and its stakeholders.

In compliance with the requirements of SEBI Regulations, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their role, rights and responsibility as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc.

With a view to familiarize the independent directors with the Company's operations, as required under regulation 25(7) of the SEBI Listing Regulations, 2015, the familiarization programme has been posted on the website of the Company under the web link –<http://www.porwalauto.com/FamiliarisationProgrammeforIndependentDirectors.pdf>

## **12. Nomination & Remuneration Committee and Stakeholders Relationship Committee**

As per the requirement of Section 178 of the Companies Act, 2013 and Regulation 19 and 20 of SEBI (LODR) Regulations, 2015 the Company has constituted Nomination and Remuneration Committee and Stakeholders Relationship Committee. The Composition of the above Committees, their terms of reference detailed in the report of Corporate Governance.

## **13. Remuneration Policy**

The Board on the recommendation of the Nomination and Remuneration Committee has approved and adopted a Remuneration Policy for selection and appointment of Directors, Senior Management personnel and their remuneration. The Remuneration Policy of the Company forms part of this report as **Annexure II**.

## **14. Auditors**

### **14.1 Statutory Auditor**

At the Annual General Meeting held on 29th September 2014, M/s ASSG & Associates, Chartered Accountants (ICAI Firm Registration No. 012120C) 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 2017. In terms of the first proviso to section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s ASSG & Associates, as statutory auditors of the Company, is placed for ratification by the shareholders. In this regard, the Company has received a certificate from the auditors to the effect that if they are reappointed, it would be in accordance with the provisions of section 141 of the Companies Act, 2013.

#### **Explanation to Auditor's Remark**

The Board has duly reviewed the statutory Auditors Report on the Accounts. The notes forming part of the accounts referred to in the Auditors Report of the Company are self explanatory and do not call for any further explanation.

**14.2 Secretarial Auditor**

The Board has appointed Ms. Shraddha Jain, Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2015-16. The Secretarial Audit Report for the financial year ended March 31, 2016 is annexed herewith marked as **Annexure III** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

The Board in its meeting held on 06.08.2016 has appointed Ms. Shraddha Jain, Practicing Company Secretary as Secretarial Auditor of the Company to conduct Secretarial Audit for the financial year 2016-17.

**14.3 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.

**15. 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 Notes to the financial statements.

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

In accordance with the provisions of Section 188 of the Companies Act, 2013 and rules made thereunder, the transactions entered into with related parties are in the ordinary course of business and on an arm's length pricing basis, the details of which are included in the notes forming part of the financial statements. There are no material contracts or arrangement or transactions during the year. Accordingly, information in Form AOC-2, is not annexed.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at [www.porwalauto.com](http://www.porwalauto.com)

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

Information as per Companies(Disclosure of particulars in the Report of Board of Directors) Rules, 1988 relating to conservation of energy, technology absorption, foreign exchange earnings and outgo are given in **Annexure IV** forming part of this report.

**18. 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.

**19. Corporate Social Responsibility**

Your company does not meet the requirements of Section 135 of Companies Act, 2013 for establishing Corporate Social responsibility (CSR) committee; therefore no such committee was established by the Board.

**20. Performance Evaluation of the Board-**

Pursuant to the provisions of section 134 of Companies Act 2013 and Regulation 25(4)(a) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Board of Directors has carried out an annual performance evaluation of its own performance, the Directors individually including Independent Directors. The manner in which the evaluation has been carried out is explained in the Corporate Governance report.

**21. Directors and Key Managerial Personnel**

Mr. Surendra Jain (DIN: 00245154), retires by rotation at the forthcoming Annual General Meeting, and being eligible offers himself for re-appointment.

During the year under review, the Board in its Meeting held on 10<sup>th</sup> August 2015, Ms Shilpa Gulani has resigned from the post of Company Secretary w.e.f. 17<sup>th</sup> August 2015 and Ms Arwa Saifee has been appointed as the Company Secretary of the Company with immediate effect.

**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.

**22. Code of Conduct**

The Company has laid down a code of conduct for all Board members and senior management and Independent Directors of the Company. All the Board members including independent directors and senior management personnel have affirmed compliance with the code of conduct.

**23. 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.

**24. 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 M/s Jain Praveen and Associates, Chartered Accountants. 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.

**25. Audit Committee**

The Audit Committee comprises of Mr. Nitin Dafria as Chairman, Mr. Surajmal Kucheria and Mr. Ramesh Kashyap as members. All the recommendations made by the Audit Committee were accepted by the Board. The details of meetings of Audit Committee held during the year, its composition, terms of reference are given in the Report on Corporate Governance.

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

Your Company has established a Vigil Mechanism/ Whistle Blower Policy to enable Directors and employees of the Company to report unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides adequate safeguards against victimization of Directors/ employees and direct access to the Chairman of the Audit Committee in exceptional cases.

The Whistle Blower Policy has been disclosed on the Company's at [www.porwalauto.com](http://www.porwalauto.com) and circulated to all the Directors and employees.

**27. 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.

**28. 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 as amended is enclosed as **Annexure V** and forms the part of this Board Report.

**29. Particulars of Employees**

The Ministry of Corporate Affairs Government of India (vide its circular no. G.S.R. 646 (E) dated 30<sup>th</sup> June, 2016) has revised the limit of employee drawing remuneration in excess of Rs. 1,02,00,000/- p.a. or Rs. 8,50,000/-p.m.

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 as amended 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 VI** and forms the part of this Board Report.

**30. 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.

**31. 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(9) of Companies (Share Capital and Debenture) Rules, 2014.

**32. 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 during the Financial Year.

**33. 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 VII**. Auditor's certificate confirming compliance of the Corporate Governance as stipulated under the said Regulations is also attached to this Report.

**34. Management Discussion and Analysis Statement**

Management Discussion and Analysis statement in pursuance of requirement of para B of Schedule V SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are attached to this report as **Annexure – VIII**.

**35. Listing at Stock Exchange**

The Equity shares of the Company are listed with BSE Ltd, Mumbai and the listing fee for the year 2016-17 has been duly paid.

**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). 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 under the 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 2015-16, no grievance / complaint from any women employee was reported.

**40. Acknowledgements**

Your Directors place on record their gratitude to all the Government and semi government departments and Company's Bankers, for the 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.

**Place:** Pithampur

**Date:** 06.08.2016

**Registered office**

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

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

**SURENDRA JAIN**  
Chairman



**FORM NO. MGT 9**

**EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2016  
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(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, 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.<br>C-13, Pannalala Silk Mills Compound, LBS Marg, Bhandup, Mumbai (M.H.) 400078<br>Ph. 98211 – 66832 |

**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               | 34300                           | 97%                                |

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

| S.No. | Name and Address of the company | CIN/GLN | Holding/ Subsidiary/ Associate | % of shares Held |
|-------|---------------------------------|---------|--------------------------------|------------------|
| 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- 04-2015] |              |                |                   | No. of Shares held at the end of the year[As on 31-03-2016] |              |                |                   |                         |
|---|---|--------------|----------------|-------------------|---|--------------|----------------|-------------------|-------------------------|
|   | Demat   | Physical     | Total          | % of Total Shares | Demat   | Physical     | Total          | % of Total Shares | %Change during the year |
| <b>A. Promoters</b>                             |   |              |                |                   |   |              |                |                   |                         |
| <b>1 Indian</b>                                 |   |              |                |                   |   |              |                |                   |                         |
| a) Individual/ HUF                              | 2825973   | 50800        | 2876773        | 19.05             | 2825973   | 50800        | 2876773        | 19.05             | 0                       |
| b) Central Govt                                 | 0   | 0            | 0              | 0                 | 0   | 0            | 0              | 0                 | 0                       |
| c) State Govt(s)                                | 0   | 0            | 0              | 0                 | 0   | 0            | 0              | 0                 | 0                       |
| d) Bodies Corp.                                 | 2750000   | 0            | 2750000        | 18.21             | 2750000   | 0            | 2750000        | 18.21             | 0                       |
| e) Banks / FI                                   | 0   | 0            | 0              | 0                 | 0   | 0            | 0              | 0                 | 0                       |
| f) Any other                                    | 0   | 0            | 0              | 0                 | 0   | 0            | 0              | 0                 | 0                       |
| <b>Total share-holding of Promoter (A)(2):-</b> | <b>5575973</b>  | <b>50800</b> | <b>5626773</b> | <b>37.26</b>      | <b>5575973</b>  | <b>50800</b> | <b>5626773</b> | <b>37.26</b>      | <b>0</b>                |
| <b>2 Foreign</b>                                |   |              |                |                   |   |              |                |                   |                         |
| a) NRIs -                                       | 0   | 0            | 0              | 0                 | 0   | 0            | 0              | 0                 | 0                       |
| Individuals                                     | 0   | 0            | 0              | 0                 | 0   | 0            | 0              | 0                 | 0                       |

| Category of Shareholders   | No. of Shares held at the beginning of the year[As on 1- 04-2015] |          |         |                   | No. of Shares held at the end of the year[As on 31-03-2016] |          |         |                   |                         |
|--|---|----------|---------|-------------------|---|----------|---------|-------------------|-------------------------|
|  | Demat   | Physical | Total   | % of Total Shares | Demat   | Physical | Total   | % of Total Shares | %Change during the year |
| 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                       |
| Sub-total (A) (2):-  | 0   | 0        | 0       | 0                 | 0   | 0        | 0       | 0                 | 0                       |
| <b>Total share-holding of Promoter (A) = (A)(1)+(A)(2)</b>                       | 5575973   | 50800    | 5626773 | 37.26             | 5575973   | 50800    | 5626773 | 37.26             | 0                       |
| <b>B. Public Shareholding</b>  |   |          |         |                   |   |          |         |                   |                         |
| 1 Institutions   | 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                       |
| Sub-total (B)(1):-   | 0   | 0        | 0       | 0                 | 0   | 0        | 0       | 0                 | 0                       |
| <b>2 Non-Institutions</b>  |   |          |         |                   |   |          |         |                   |                         |
| a) Bodies Corp.  |   |          |         |                   |   |          |         |                   |                         |
| i) Indian  | 3797495   | 196600   | 3994095 | 26.45             | 3950911   | 196600   | 4147511 | 27.47             | 1.02                    |
| ii) Overseas   | 0   | 0        | 0       | 0                 | 0   | 0        | 0       | 0                 | 0                       |
| b) Individuals   |   |          |         |                   |   |          |         |                   |                         |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh         | 3626311   | 419903   | 4046214 | 26.8              | 3560005   | 413403   | 3973408 | 26.31             | -0.49                   |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 1249564   | 44700    | 1294264 | 8.57              | 1119253   | 44700    | 1163953 | 7.71              | -0.86                   |
| c) Others (specify)  |   |          |         |                   |   |          |         |                   |                         |
| Non Resident Indians (Repat)   | 35531   | 0        | 35531   | 0.24              | 67493   | 0        | 67493   | 0.45              | 0.21                    |
| Non Resident Indians (Non Repat)   | 29320   | 0        | 29320   | 0.19              | 48570   | 0        | 48570   | 0.32              | 0.13                    |
| Overseas Corporate Bodies  | 0   | 0        | 0       | 0                 | 0   | 0        | 0       | 0                 | 0                       |
| Foreign Nationals  | 0   | 0        | 0       | 0                 | 0   | 0        | 0       | 0                 | 0                       |
| Clearing Members   | 73803   | 0        | 73803   | 0.49              | 72292   | 0        | 72292   | 0.48              | -0.01                   |
| Trusts   | 0   | 0        | 0       | 0                 | 0   | 0        | 0       | 0                 | 0                       |
| Foreign Bodies-D R   | 0   | 0        | 0       | 0                 | 0   | 0        | 0       | 0                 | 0                       |
| Sub-total (B)(2):-   | 8812024   | 661203   | 9473227 | 62.74             | 8818524   | 654703   | 9473227 | 62.74             | 0                       |
| <b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>                              | 8812024   | 661203   | 9473227 | 62.74             | 8818524   | 654703   | 9473227 | 62.74             | 0                       |

| Category of Shareholders                 | No. of Shares held at the beginning of the year[As on 1- 04-2015] |          |          |                   | No. of Shares held at the end of the year[As on 31-03-2016] |          |          |                   |                         |
|--|---|----------|----------|-------------------|---|----------|----------|-------------------|-------------------------|
|  | Demat   | Physical | Total    | % of Total Shares | Demat   | Physical | Total    | % of Total Shares | %Change during the year |
| Shares held by Custodian for GDRs & ADRs | 0   | 0        | 0        | 0                 | 0   | 0        | 0        | 0                 | 0                       |
| <b>Grand Total (A+B+C)</b>               | 14387997  | 712003   | 15100000 | 100.00            | 14394497  | 705503   | 15100000 | 100               | 0                       |

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

| SN | Shareholder's Name         | Shareholding at the beginning of the year (As on 01-04-2015) |                                  |   | Shareholding at the end of the year (As on 31-03-2016) |                                  |   | % change in shareholding during the year |
|----|----------------------------|--|----------------------------------|---|--|----------------------------------|---|--|
|    |                            | 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 |  |
| 1  | Surendra Jain              | 404280   | 2.6774                           | 0   | 404280   | 2.6774                           | 0   | 0  |
| 2  | Devendra Jain              | 352299   | 2.3331                           | 0   | 352299   | 2.3331                           | 0   | 0  |
| 3  | Mukesh Jain                | 281105   | 1.8616                           | 0   | 281105   | 1.8616                           | 0   | 0  |
| 4  | Flag Vittwas Limited       | 2750000  | 18.2119                          | 0   | 2750000  | 18.2119                          | 0   | 0  |
| 5  | Gajendra Utsavljaji Jain   | 275989   | 1.8277                           | 0   | 275989   | 1.8277                           | 0   | 0  |
| 6  | Shailesh Jain              | 192800   | 1.2768                           | 0   | 192800   | 1.2768                           | 0   | 0  |
| 7  | Chandanbai Utsavljaji Jain | 144000   | 0.9536                           | 0   | 164000   | 1.09                             | 0   | 0.1325                                   |
| 8  | Sunita Jain                | 114600   | 0.7589                           | 0   | 114600   | 0.7589                           | 0   | 0  |
| 9  | Pramila Jain               | 110000   | 0.7285                           | 0   | 110000   | 0.7285                           | 0   | 0  |
| 10 | Pushpa Jain                | 95000  | 0.6291                           | 0   | 95000  | 0.6291                           | 0   | 0  |
| 11 | Manju Jain                 | 94900  | 0.6285                           | 0   | 94900  | 0.6285                           | 0   | 0  |
| 12 | Premilata Jain             | 92000  | 0.6093                           | 0   | 92000  | 0.6093                           | 0   | 0  |
| 13 | Atin Jain                  | 78500  | 0.5199                           | 0   | 78500  | 0.5199                           | 0   | 0  |
| 14 | Santosh Aidasani           | 75000  | 0.4967                           | 0   | 75000  | 0.4967                           | 0   | 0  |
| 15 | Arshui Jain                | 72500  | 0.4801                           | 0   | 72500  | 0.4801                           | 0   | 0  |
| 16 | Devendra Jain HUF          | 69000  | 0.457                            | 0   | 69000  | 0.457                            | 0   | 0  |
| 17 | Gajendra Jain HUF          | 66000  | 0.4371                           | 0   | 66000  | 0.4371                           | 0   | 0  |
| 18 | Surendra Jain HUF          | 59500  | 0.394                            | 0   | 59500  | 0.394                            | 0   | 0  |
| 19 | Mukesh Jain HUF            | 59000  | 0.3907                           | 0   | 59000  | 0.3907                           | 0   | 0  |
| 20 | Sejal Jain                 | 34500  | 0.2285                           | 0   | 34500  | 0.2285                           | 0   | 0  |
| 21 | Sonali Parekh              | 30800  | 0.204                            | 0   | 30800  | 0.204                            | 0   | 0  |
| 22 | Parul Atin Jain            | 26500  | 0.1755                           | 0   | 26500  | 0.1755                           | 0   | 0  |
| 23 | Richa Devendra Jain        | 24000  | 0.1589                           | 0   | 24000  | 0.1589                           | 0   | 0  |
| 24 | Cherry Kapale              | 23500  | 0.1556                           | 0   | 23500  | 0.1556                           | 0   | 0  |
| 25 | Reema Devendra Jain        | 23000  | 0.1523                           | 0   | 23000  | 0.1523                           | 0   | 0  |
| 26 | Shailesh Jain HUF          | 20500  | 0.1358                           | 0   | 20500  | 0.1358                           | 0   | 0  |
| 27 | Chandan Bhai Jain          | 20000  | 0.1325                           | 0   | 0  | 0                                | 0   | -0.1325                                  |
| 28 | Rohan Mukesh Jain          | 17500  | 0.1159                           | 0   | 17500  | 0.1159                           | 0   | 0  |
| 29 | Riti Dawra                 | 9000   | 0.0596                           | 0   | 9000   | 0.0596                           | 0   | 0  |
| 30 | Shikha Gawade              | 7000   | 0.0464                           | 0   | 7000   | 0.0464                           | 0   | 0  |
| 31 | Anish Jain                 | 4000   | 0.0265                           | 0   | 4000   | 0.0265                           | 0   | 0  |
|    | <b>Total</b>               | <b>5626773</b>   | <b>37.2634</b>                   | <b>0</b>  | <b>5626773</b>   | <b>37.2634</b>                   | <b>0</b>  | <b>0</b>                                 |

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

| SN | Particulars   | Shareholding at the beginning of the year (As on 01-04-2015) |                                  | Cumulative Shareholding during the year (01-04-2015 to 31-03-2016) |                                  |
|----|---|--|----------------------------------|--|----------------------------------|
|    |   | No. of shares  | % of total shares of the company | No. of shares  | % of total shares of the company |
|    | At the beginning of the year  | 5626773  | 37.2634                          | 5626773  | 37.2634                          |
|    | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.): | ---  | ---                              | ---  | ---                              |
|    | At the end of the year  | 5626773  | 37.2634                          | 5626773  | 37.2634                          |

Note : There is no change in the total shareholding of promoters between 01-04-2015 and 31-03-2016.

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**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  |                              |           |                                    |                              | Cumulative Shareholding during the year (01-04-15 to 31-03-16) |                              |
|---------|--|---|------------------------------|-----------|------------------------------------|------------------------------|--|------------------------------|
|         |  | No. of Shares at the beginning (01-04-15)/ end of the year (31-03-16) | % of total shares of Company | Date      | Increase/ Decrease in shareholding | Reason                       | No. of Shares  | % of total shares of Company |
| 1       | Porwal Finsec Pvt. Limited                 | 3308300   | 21.9092                      | 01-Apr-15 | 0                                  | Nil movement during the year | 3308300  | 21.9092                      |
|         |  |   |                              |           | 0                                  |                              |  |                              |
|         |  | 3308300   | 21.9092                      | 31-Mar-16 | 0                                  |                              |  |                              |
| 2       | Padma Pirlamarla                           | 232738  | 1.5413                       | 1-Apr-15  |                                    |                              |  |                              |
|         |  |   |                              | 10-Apr-15 | 5372                               | Transfer                     | 238110   | 1.5769                       |
|         |  |   |                              | 17-Apr-15 | 8025                               | Transfer                     | 246135   | 1.6300                       |
|         |  |   |                              | 24-Apr-15 | 2150                               | Transfer                     | 248285   | 1.6443                       |
|         |  |   |                              | 15-May-15 | 4461                               | Transfer                     | 252746   | 1.6738                       |
|         |  |   |                              | 22-May-15 | 15205                              | Transfer                     | 267951   | 1.7745                       |
|         |  |   |                              | 29-May-15 | 2303                               | Transfer                     | 270254   | 1.7898                       |
|         |  |   |                              | 26-Jun-15 | 1830                               | Transfer                     | 272084   | 1.8019                       |
|         |  |   |                              | 30-Jun-15 | 801                                | Transfer                     | 272885   | 1.8072                       |
|         |  |   |                              | 03-Jul-15 | 500                                | Transfer                     | 273385   | 1.8105                       |
|         |  |   |                              | 10-Jul-15 | 2017                               | Transfer                     | 275402   | 1.8239                       |
|         |  |   |                              | 17-Jul-15 | 250                                | Transfer                     | 275652   | 1.8255                       |
|         |  |   |                              | 11-Sep-15 | 500                                | Transfer                     | 276152   | 1.8288                       |
|         |  |   |                              | 18-Sep-15 | 11779                              | Transfer                     | 287931   | 1.9068                       |
|         |  |   |                              | 25-Sep-15 | 2947                               | Transfer                     | 290878   | 1.9263                       |
|         |  |   |                              | 30-Sep-15 | 50                                 | Transfer                     | 290928   | 1.9267                       |
|         |  |   |                              | 09-Oct-15 | 3406                               | Transfer                     | 294334   | 1.9492                       |
|         |  | 22-Jan-16   | 200                          | Transfer  | 294534                             | 1.9506                       |  |                              |
|         |  | 294534  | 1.9506                       | 31-Mar-16 |                                    | 294534                       | 1.9506   |                              |
| 3       | Zen Securities Ltd-Bse Clients A/C         | 152283  | 1.0085                       | 01-Apr-15 |                                    |                              |  |                              |
|         |  |   |                              | 19-Jun-15 | -100                               | Transfer                     | 152183   | 1.0078                       |
|         |  |   |                              | 04-Dec-15 | 750                                | Transfer                     | 152933   | 1.0128                       |
|         |  |   |                              | 11-Dec-15 | 50                                 | Transfer                     | 152983   | 1.0131                       |
|         |  |   |                              | 18-Dec-15 | -50                                | Transfer                     | 152933   | 1.0128                       |
|         |  |   |                              | 25-Dec-15 | -500                               | Transfer                     | 152433   | 1.0095                       |
|         |  |   |                              | 08-Jan-16 | -250                               | Transfer                     | 152183   | 1.0078                       |
|         |  |   |                              | 29-Jan-16 | 500                                | Transfer                     | 152683   | 1.0111                       |
|         |  |   |                              | 26-Feb-16 | -500                               | Transfer                     | 152183   | 1.0078                       |
|         |  | 152183  | 1.0078                       | 31-Mar-16 |                                    | 152183                       | 1.0078   |                              |
| 4       | Keynote Industries Private Limited         | 49000   | 0.3245                       | 01-Apr-15 | 0                                  | Nil movement during the year | 49000  | 0.3245                       |
|         |  |   |                              |           | 0                                  |                              |  |                              |
|         |  | 49000   | 0.3245                       | 31-Mar-16 | 0                                  |                              |  |                              |

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| Sl. No. | Name (For Each of the Top 10 Shareholders) | Shareholding  |                              |           |                                    |                              | Cumulative Shareholding during the year (01-04-15 to 31-03-16) |                              |
|---------|--|---|------------------------------|-----------|------------------------------------|------------------------------|--|------------------------------|
|         |  | No. of Shares at the beginning (01-04-15)/ end of the year (31-03-16) | % of total shares of Company | Date      | Increase/ Decrease in shareholding | Reason                       | No. of Shares  | % of total shares of Company |
| 5       | Surana International Private Limited       | 46900   | 0.3106                       | 01-Apr-15 | 0                                  | Nil movement during the year | 46900  | 0.3106                       |
|         |  | 46900   | 0.3106                       | 31-Mar-16 | 0                                  |                              |  |                              |
| 6       | Kapil Dinesh Vira                          | 0   | 0.0000                       | 01-Apr-15 |                                    |                              |  |                              |
|         |  |   |                              | 12-Feb-16 | 15308                              | Transfer                     | 15308  | 0.1014                       |
|         |  |   |                              | 19-Feb-16 | 20980                              | Transfer                     | 36288  | 0.2403                       |
|         |  |   |                              | 26-Feb-16 | 1095                               | Transfer                     | 37383  | 0.2476                       |
|         |  |   |                              | 04-Mar-16 | 7555                               | Transfer                     | 44938  | 0.2976                       |
|         |  | 44938   | 0.2976                       | 31-Mar-16 |                                    |                              | 44938  | 0.2976                       |
| 7       | Kunjita Impex Private Limited              | 38378   | 0.2542                       | 01-Apr-15 | 0                                  | Nil movement during the year | 38378  | 0.2542                       |
|         |  |   |                              |           | 0                                  |                              |  |                              |
|         |  | 38378   | 0.2542                       | 31-Mar-16 | 0                                  |                              |  |                              |
| 8       | Kamal Kumar Khurana                        | 37000   | 0.2450                       | 01-Apr-15 | 0                                  | Nil movement during the year | 37000  | 0.2450                       |
|         |  | 37000   | 0.2450                       | 31-Mar-16 | 0                                  |                              |  |                              |
| 9       | V.V.S. RANI                                | 0   | 0.0000                       | 01-Apr-15 |                                    | Transfer                     | 33000  | 0.2185                       |
|         |  |   |                              | 31-Dec-15 | 33000                              |                              |  |                              |
|         |  | 33000   | 0.2185                       | 31-Mar-16 |                                    |                              |  |                              |
| 10      | Muthulakshmi M                             | 50146   | 0.2121                       | 1-Apr-15  |                                    | Transfer                     | 32026  | 0.2121                       |
|         |  |   |                              | 20-Jun-15 | -18120                             |                              |  |                              |
|         |  | 32026   | 0.2121                       | 31-Mar-16 |                                    |                              | 32016  | 0.2121                       |
| 11.     | Ramesh Aidasani                            | 54135   | 0.3585                       | 01-Apr-15 |                                    | Transfer                     | 0  | 0.0000                       |
|         |  |   |                              | 04-Dec-15 | -54135                             |                              |  |                              |
|         |  | 0   | 0.0000                       | 31-Mar-16 |                                    |                              |  |                              |
| 12.     | Anil Kumar Jain                            | 41515   | 0.2749                       | 01-Apr-15 |                                    | Transfer                     | 29261  | 0.1938                       |
|         |  |   |                              | 04-Dec-15 | -12254                             |                              |  |                              |
|         |  |   |                              | 11-Dec-15 | -6319                              |                              |  |                              |
|         |  |   |                              | 18-Dec-15 | -5000                              |                              |  |                              |
|         |  |   |                              | 25-Dec-15 | -4000                              |                              |  |                              |
|         |  |   |                              | 31-Dec-15 | -598                               |                              |  |                              |
|         |  |   |                              | 01-Jan-16 | -402                               |                              |  |                              |
|         |  |   |                              | 08-Jan-16 | -12942                             |                              |  |                              |
| 0       | 0.0000                                     | 31-Mar-16   |                              |           | 0                                  | 0.0000                       |  |                              |

**E) Shareholding of Directors and Key Managerial Personnel:**

| SI. No.                        | Name (For Each of the Directors and Key Managerial Personnel) | Shareholding  |                              |           |                                    |                                       | Cumulative Shareholding during the year (01-04-15 to 31-03-16) |                              |
|--------------------------------|---|---|------------------------------|-----------|------------------------------------|---------------------------------------|--|------------------------------|
|                                |   | No. of Shares at the beginning (01-04-15)/ end of the year (31-03-16) | % of total shares of Company | Date      | Increase/ Decrease in shareholding | Reason                                | No. of Shares  | % of total shares of Company |
| <b>A. DIRECTORS</b>            |   |   |                              |           |                                    |                                       |  |                              |
| 1                              | Surendra Jain- Chairman                                       | 404280  | 2.6774                       | 01-Apr-15 | 0                                  | Nil movement during the year          | 404280   | 2.6774                       |
|                                |   | 404280  | 2.6774                       | 31-Mar-16 |                                    |                                       | 404280   | 2.6774                       |
| 2                              | Mukesh Jain- WTD  | 281105  | 1.8616                       | 01-Apr-15 | 0                                  | Nil movement during the year          | 281105   | 1.8616                       |
|                                |   | 281105  | 1.8616                       | 31-Mar-16 |                                    |                                       | 281105   | 1.8616                       |
| 3                              | Devendra Jain- MD   | 352299  | 2.3331                       | 01-Apr-15 | 0                                  | Nil movement during the year          | 352299   | 2.3331                       |
|                                |   | 352299  | 2.3331                       | 31-Mar-16 |                                    |                                       | 352299   | 2.3331                       |
| 4                              | Nitin Dafria- Independent Director                            | 0   | 0                            | 01-Apr-15 | 0                                  | Nil Holding/ movement during the year | 0  | 0                            |
|                                |   | 0   | 0                            | 31-Mar-16 |                                    |                                       | 0  | 0                            |
| 5                              | Surajmal Kucheia- Independent Director                        | 0   | 0                            | 01-Apr-15 | 0                                  | Nil Holding/ movement during the year | 0  | 0                            |
|                                |   | 0   | 0                            | 31-Mar-16 |                                    |                                       | 0  | 0                            |
| 6                              | Ramesh Kashyap- Independent Director                          | 0   | 0                            | 01-Apr-15 | 0                                  | Nil Holding/ movement during the year | 0  | 0                            |
|                                |   | 0   | 0                            | 31-Mar-16 |                                    |                                       | 0  | 0                            |
| 7                              | Rajni Jain-Independent Director                               | 0   | 0                            | 01-Apr-15 | 0                                  | Nil Holding/ movement during the year | 0  | 0                            |
|                                |   | 0   | 0                            | 31-Mar-16 |                                    |                                       | 0  | 0                            |
| <b>KEY MANAGEMENT PRSONNEL</b> |   |   |                              |           |                                    |                                       |  |                              |
| 1                              | Shailesh Jain- CFO  | 192800  | 1.2768                       | 01-Apr-15 | 0                                  | Nil movement during the year          | 192800   | 1.2768                       |
|                                |   | 192800  | 1.2768                       | 31-Mar-16 |                                    |                                       | 192800   | 1.2768                       |
| 2                              | Arwa Saifee- CS   | 0   | 0                            | 01-Apr-15 | 0                                  | Nil Holding/ movement during the year | 0  | 0                            |
|                                |   | 0   | 0                            | 31-Mar-16 |                                    |                                       | 0  | 0                            |

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**V INDEBTEDNESS – Indebtedness of the Company including interest outstanding/accrued but not due for payment.**  
Amount in Lacs

| SN   | Particulars   | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|------|---|----------------------------------|-----------------|----------|--------------------|
|      | <b>Indebtedness at the beginning of the financial year (01.04.2015)</b> |                                  |                 |          |                    |
| i)   | Principal Amount  | 1316.08                          | -               | -        | 1316.08            |
| ii)  | Interest due but not paid   | -                                | -               | -        | -                  |
| iii) | Interest accrued but not due  | -                                | -               | -        | -                  |
|      | <b>Total (i+ii+iii)</b>   | 1316.08                          | -               | -        | 1316.08            |
|      | <b>Change in Indebtedness during the financial year</b>                 |                                  |                 |          |                    |
|      | Addition  | 127.66                           | -               | -        | 127.66             |
|      | Reduction   | 617.83                           | -               | -        | 617.83             |
|      | <b>Net Change</b>   | (490.17)                         | -               | -        | (490.17)           |
|      | <b>Indebtedness at the end of the financial year (31.03.2016)</b>       |                                  |                 |          |                    |
| i)   | Principal Amount  | 825.91                           | -               | -        | 825.91             |
| ii)  | Interest due but not paid   | -                                | -               | -        | -                  |
| iii) | Interest accrued but not due  | -                                | -               | -        | -                  |
|      | <b>Total (i+ii+iii)</b>   | 825.91                           | -               | -        | 825.91             |

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

**A Remuneration to Managing Director, Whole-time Directors and/or Manager: (In Lacs)**

| SN | Particulars of Remuneration   | Name of MD/WTD/ Manager                 |                   |                 | Total Amount |
|----|---|---|-------------------|-----------------|--------------|
|    |   | Mr. Surendra Jain                       | Mr. Devendra Jain | Mr. Mukesh Jain |              |
| 1  | Gross salary  |   |                   |                 |              |
|    | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 2400000                                 | 2400000           | 2400000         | 7200000      |
|    | (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-   | -                                       | -                 | -               | -            |
|    | <b>Total (A)</b>  | 2400000                                 | 2400000           | 2400000         | 7200000      |
|    | Ceiling as per the Act  | As per schedule V of Companies Act 2013 |                   |                 |              |

**B 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 | 4000              | 4000                  | 4000               | 3000*           | 15000        |
|    | Commission                                 | -                 | -                     | -                  | -               | -            |
|    | Others, please specify                     | -                 | -                     | -                  | -               | -            |
|    | <b>Total (1)</b>                           | 4000              | 4000                  | 4000               | 3000            | 15000        |
| 2  | Other Non-Executive Directors              |                   |                       |                    |                 |              |
|    | Fee for attending board committee meetings | -                 | -                     | -                  | -               | -            |
|    | Commission                                 | -                 | -                     | -                  | -               | -            |
|    | Others, please specify                     | -                 | -                     | -                  | -               | -            |
|    | <b>Total (2)</b>                           | -                 | -                     | -                  | -               | -            |
|    | <b>Total (B)=(1+2)</b>                     | 4000              | 4000                  | 4000               | 3000            | 15000        |
|    | <b>Total Managerial Remuneration</b>       | 4000              | 4000                  | 4000               | 3000            | 15000        |

|                                |  |
|--------------------------------|--|
| 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/ Committee meetings.<br>Leave of Absence Granted to Rajni Jain for meeting dated on 10.08.2015.* |
|--------------------------------|--|

**C REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD /MANAGER/ WTD**

| SN | Particulars of Remuneration   | Key Managerial Personnel |             |         |              |
|----|---|--------------------------|-------------|---------|--------------|
|    |   | CS*                      |             | CFO     | Total Amount |
|    |   | Shilpa Gulani            | Arwa Saifee |         |              |
| 1  | Gross salary  | 62000                    | 124000      | 1800000 | 1986000      |
|    | (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)   | 62000                    | 124000      | 1800000 | 1986000      |

\* Ms. Shilpa Gulani resigned w.e.f 17.08.2015 and Ms. Arwa Saifee has joined the Company with immediate effect, hence, the remuneration is shown for 4 months and 8 months respectively.

VII **PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:** There were no Penalties/ Punishment/ Compounding of Offences for the year ended 31<sup>st</sup> March 2016.

| 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                         |                              |                   |   |                              |                                    |



## **ANNEXURE – II**

### **NOMINATION AND REMUNERATION POLICY**

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.

#### **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. Formulation of criteria for evaluation of Independent Directors and the Board of directors;
- iii. Devising a policy on Board diversity;
- iv. Identify persons who are qualified to become Directors and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy;
- v. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.
- vi. 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.

#### **Definitions:**

- **"Board"**:-Board means Board of Directors of the Company.
- **"Director"**:-Directors means Directors of the Company.
- **"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;
  - (ii) the company secretary;
  - (iii) the whole-time director;
  - (iv) the Chief Financial Officer; and
  - (v) such other officer as may be prescribed under the Companies Act, 2013
- **"Independent Director"**:- As provided under Regulation 16(b) of SEBI (LODR) Regulations, 2015 and/or under the Companies Act, 2013, 'Independent director' shall mean a non-executive director, other than a nominee director of the company:
  - a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
  - b.
    - (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;
    - (ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
  - c. apart from receiving director's remuneration, has or had no material pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
  - d. none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

- e. who, neither himself nor any of his relatives —
  - i. holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - ii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of —
    - a) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - b) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
  - iii. holds together with his relatives two per cent or more of the total voting power of the company; or
  - iv. is a Chief Executive or director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company;
  - v. is a material supplier, service provider or customer or a lessor or lessee of the company;
- f. who is less than 21 years of age.
- **“Senior Management”**:- The expression “senior management” means 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 executive directors, including the functional heads.  
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.

**Applicability:-**

The Policy is applicable to

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

**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.

**General Appointment Criteria:**

- i. The Committee shall 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.

**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’.

**Term / Tenure:**

The Term / Tenure of the Directors shall be governed as per provisions of the Listing Regulations, Companies Act, 2013 and rules made there under as amended from time to time.

**Removal:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, 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.

**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.

**Remuneration:**

The Committee will recommend the remuneration to be paid to the Managing Director, Whole-time Director, KMP and Senior Management Personnel to the Board for their approval.

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 quality required to run the company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks.

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:

**1. Non-Executive Directors**

The Company is not paying any remuneration to the Non-Executive /Independent Directors except, sitting fees for attending the Board meetings.

**2. Managing Director & Key Managerial Personnel & Other Employees**

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.
- Track record, potential and performance capacity and capability of individual.

The Remuneration to others will be such as to ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

Remuneration to Directors, Key Managerial Personnel and Senior Management will 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.

**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 – III**

**Form No. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

*[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  
Plot No. 209, Sector 1, Industrial Area,  
Pithampur Distt – Dhar (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 us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on our 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 2016, 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 **Porwal Auto Components Limited** ("the Company") for the financial year ended on 31<sup>st</sup> March, 2016 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;(in so far as they are made applicable)
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 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; which is not applicable to the Company
- 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, 1992 and 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, 2009; which is not applicable to the Company
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; which is not applicable to the Company
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; which is not applicable to the Company
  - 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;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and which is not applicable to the Company during the Audit Period and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; which is not applicable to the Company during the Audit Period

**I have also examined compliance with the applicable clauses of the following:**

1. Secretarial Standards issued by The Institute of Company Secretaries of India, which made applicable from 1<sup>st</sup> July 2015.
2. The Listing Agreements entered into by the Company with BSE Limited and The Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015;(in so far as they are made applicable from time to time)

**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 Board of Directors that took place during the period under review were carried out in compliance with the provision of the Act.

Adequate notice is given to all the directors to schedule the Board meeting, 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.

All decisions at Board Meeting and Committee(s) Meetings are carried through unanimously as recorded in the meetings of the Board and committee(s) if the Board, as the case may be.

**I further report 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.

Place: Indore  
Date: 06.08.2016

**SHRADDHA JAIN**  
**COMPANY SECRETARY**  
**A.C.S No. 39488**  
**C.P. No. 14717**

**Annexure – IV**

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, 2016 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 crore as capital investment on energy conservation equipment.

**B. Technology Absorption**

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

Installation of solar power generation unit for electricity.

**ii. The benefits derived like increase in productivity and cost reduction.**

**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 R&D –** 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 upgrading 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 18 Lacs approximately towards Research and Development.

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

|   |                |                |
|---|----------------|----------------|
|   | <b>2015-16</b> | <b>2014-15</b> |
| Foreign exchange earnings                       | NIL            | NIL            |
| Foreign exchange outgo<br>(Travelling Expenses) | Rs. 147100     | Rs. 166230     |

**Annexure – V**

**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 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 and the comparison of remuneration of each key Managerial Personnel (KMP) against the performance of the Company are as under:

| S N | Name of Director/<br>KMP and Designation | Designation          | Remuneration<br>of Director/<br>KMP for<br>financial<br>year 2015-16 | % increase in<br>Remuneration<br>in the<br>Financial Year<br>2015-16 | Ratio of<br>Remuneration<br>of each Director<br>to median<br>remuneration<br>of employees |
|-----|--|----------------------|--|--|---|
| 1.  | Mr. Surendra Jain                        | Chairman             | 24,00,000  | 60%  | 25.77   |
| 2.  | Mr. Devendra Jain                        | Managing Director    | 24,00,000  | 60%  | 25.77   |
| 3.  | Mr. Mukesh Jain                          | Whole Time Director  | 24,00,000  | 60%  | 25.77   |
| 4.  | Mr. Nitin Dafria                         | Independent Director | —  | —  | —   |
| 5.  | Mr. Surajmal Kucheria                    | Independent Director | —  | —  | —   |
| 6.  | Mr. Ramesh Kashyap                       | Independent Director | —  | —  | —   |
| 7.  | Mrs. Rajni Jain                          | Independent Director | —  | —  | —   |
| 8.  | Mr. Shailesh Jain                        | CFO                  | 18,00,000  | 50%  | NA  |
| 9.  | Ms. Arwa Saifee                          | Company Secretary    | 1,24,000   | —  | NA  |

**Note**

- None of the Independent Directors of the Company received any remuneration other than sitting fees of Rs.1000/- for attending Board Meetings during the financial year 2015-16.
- (ii) The percentage increase in the median remuneration of employees in the financial year- **8.57%**
- (iii) The number of permanent employees on the rolls of Company as on March 31, 2016- **258**.
- (iv) Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2015-16 was 9.56% whereas the increase in the managerial remuneration for the same financial year was 58%. There are no exceptional circumstances for increase 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 Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

**Annexure – VI**

**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, AND FORMING PART OF THE BOARDS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2016.**

| S. No. | Name                 | Designation                      | Remuneration received | Qualification and Experience                                     | Date of Joining | Age      | Last Employment                       |
|--------|----------------------|----------------------------------|-----------------------|--|-----------------|----------|---------------------------------------|
| 1      | Mr. Surendra Jain    | Chairman and Whole Time Director | 24,00,000             | B. E. (Mech), 40 Years experience of Business & Industry.        | 07.06.2005      | 64 Years | .....                                 |
| 2      | Mr. Devendra Jain    | Managing Director                | 24,00,000             | B. E. (Mech), 39 Years experience of Business & Industry         | 03.02.1992      | 62 years | .....                                 |
| 3      | Mr. Mukesh Jain      | Whole Time Director              | 24,00,000             | Graduate in commerce, 36 Years experience of Business & Industry | 31.03.1998      | 60 years | .....                                 |
| 4      | Mr. Shailesh Jain    | Chief Financial Officer          | 18,00,000             | B. Com ; 32 Years  | 01.04.1999      | 58 years | .....                                 |
| 5      | Mr. Atin Jain        | Chief Operating Officer          | 15,00,000             | MBA (Foreign), 14 Years  | 01.04.2014      | 39 Years | Porwal Diesel Pvt. Ltd., Pithampur    |
| 6      | Mr. Anish Jain       | Commercial Manager               | 12,00,000             | BBA MBA, 8 Years   | 01.04.2008      | 29 years | .....                                 |
| 7      | Mr. Sunil Lanjewar   | Quality Manager                  | 5,64,000              | B. E. (Mech), 16 Years   | 19.09.2006      | 39 Years | Raneka Industries Ltd., Pithampur     |
| 8      | Mr. G. L. Tirole     | Accounts & Finance Manager       | 5,10,000              | M. Com., MBA Finance 25 years                                    | 02.02.1995      | 50 Years | N. K. Machines Pvt. Ltd., Indore      |
| 9      | Mr. Narendra Malakar | NPD Manager                      | 4,62,000              | B.E. (Mech), 15 Years  | 02.02.2010      | 36 Years | .....                                 |
| 10     | Mr. Satish V. Gore   | Production Manager               | 4,55,968              | B. Com ; 36 Years  | 20.07.2015      | 66 Years | SPM Autocomp. Systems Pvt. Ltd. pune  |
| 11     | Mr. R. K. Sahu       | H R Manager                      | 4,50,000              | B. A. 18 years   | 02.02.2001      | 46 Years | Gomtesh Engineering, Pithampur        |
| 12     | Mr. Praveen Sinha    | Vice President (Operation)       | 4,42,065              | B. Tech, MCA; 31 Years   | 25.11.2015      | 56 Years | Priyanshi Casting Pvt. Ltd., Siliguri |
| 13     | Mr. Nutan Joshi      | Maintanance Manager              | 4,12,000              | B. Sc , DME ; 32 Years   | 05.09.2015      | 56 Years | Pioneer Engineering Pvt. Ltd. Ujjain  |
| 14     | Mr. Anil Mendiratta  | Marketing Manager                | 3,90,000              | B.A. ; 24 Years  | 01.05.2014      | 49 Years | Phooltas Temper Pvt. Ltd. New Delhi   |
| 15     | Mr. Pabitra Behera   | Asst. Manager Melting            | 3,48,000              | B. Sc ; 18 Years   | 01.01.2015      | 40 Years | Lalita Metals Vishakha-patnam         |

- None of the employees except the Chairman and Managing Director 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.
- All the above employees are permanent employees of the Company.

**Annexure – VII**

**CORPORATE GOVERNANCE REPORT 2015-16**

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

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**

The Company has a strong legacy of fair, transparent and ethical governance practices. The Company's philosophy on Corporate Governance strives for attaining the optimum level of transparency and accountability in all faces of its operation and dealing with its shareholders, employees, lenders, creditors, customers and the government.

Your company shall continue to follow the same with a desire for further development on continuous basis. The Company has a strong legacy of fair, transparent and ethical governance practices. The Board of Directors, by considering itself as trustee of its shareholders, aims at maximizing shareholders value and protecting the interest of all stakeholders.

In India, Corporate Governance standards for listed companies are regulated by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has adopted best practices mandated in SEBI (LODR) Regulations, 2015.

**2. MD/ CFO Certification**

In accordance with Regulation 18(3) of SEBI (LODR) Regulations, 2015, Mr. Devendra Jain, the Managing Director and Mr. Shailesh Jain, the CFO of the Company, have inter alia, certified and confirmed to the Board about the correctness of the financial statements, adequacy of internal control measures and matters to be reported to the Audit Committee.

**3. Board of Directors**

**a) Composition**

The Board of Directors of the company consists of eminent persons with considerable professional expertise and experience of trade, commerce, profession and industry. The Board has an optimum combination of executive & non executive director. The present composition is three directors in the whole time employment of the company and four independent directors out of them one is the women director as per the requirements of Regulation 17 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'). The composition of the Board and the Independent Directors of the Company meet all the criteria mandated by SEBI Listing Regulations and the Companies Act, 2013.

**b) 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 maximum gap between any two Board meetings was not more than One Hundred and Twenty days. The Board met Four times during the year under review and the dates on which the said meetings were held are as follows:

***May 21, 2015; August 10, 2015; October 31, 2015, and February 06, 2016***



**c) Board Category, Directors Attendance and their other directorship and Committee position as on March 31, 2016**

| 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<br>DIN : 00232920     | Managing Director              | <b>4</b>                    | Yes                    | 2  | -   | -      | -                                       |
| 2. Mr. Mukesh Jain<br>DIN : 00245111       | Whole time Director            | <b>4</b>                    | Yes                    | 1  | -   | 1      | -                                       |
| 3. Mr. Surendra Jain<br>DIN : 00245154     | Chairman & Whole Time Director | <b>4</b>                    | Yes                    | 1  | -   | -      | -                                       |
| 4. Mr. Nitin Dafria<br>DIN : 01560804      | Independent Non-Executive      | <b>4</b>                    | Yes                    | 1  | 2   | 1      | -                                       |
| 5. Mr. Surajmal Kucheria<br>DIN : 00027661 | Independent Non-Executive      | <b>4</b>                    | Yes                    | 3  | 1   | 2      | -                                       |
| 6. Mr. Ramesh Kashyap<br>DIN : 06593723    | Independent Non-Executive      | <b>4</b>                    | Yes                    | 1  | -   | 2      | -                                       |
| 7. Mrs. Rajni Jain<br>DIN : 07140288       | Independent Non-Executive      | <b>3</b>                    | Yes                    | 1  | -   | -      | -                                       |

**d) Inter-se relationship among directors**

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

**e) Independent Director**

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the SEBI Listing Regulations, a separate meeting of the Independent Directors of the Company was held on March 31, 2016 without the attendance of non-independent directors and members of management to discuss:

- evaluation of the 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.
- evaluation of 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.

All the Independent Directors were present at the said Meeting.

**4. Code of Conduct**

Regulation 17(5) of the SEBI Listing 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 and the same is available on Company's website at [www.porwalauto.com](http://www.porwalauto.com).

**5. Role of Independent Directors**

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. This wide knowledge of both, their field of expertise and boardroom practices helps foster varied, unbiased, independent and experienced perspectives.

The Audit Committee, the Nomination & Remuneration Committee and the Stakeholders Relationship Committee have a majority of independent directors. These committees function within the defined terms of reference in accordance with the Companies Act, 2013, the SEBI (LODR) Regulations, 2015 and as approved by the board, from time to time.

**6. Formal Letter of appointment to Independent Directors**

The Company issues a formal letter of appointment to Independent Directors in the manner as provided in the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. A copy of the letter detailing the terms and conditions of appointment of the independent directors is placed on the Company's website.

All Independent Directors of the Company, at the time of their first appointment to the Board and thereafter at the first meeting of the Board in every financial year, give a declaration that they meet with the criteria of independence as provided under Section 149 of the Companies Act, 2013.

In the opinion of the Board, each Independent Director possesses appropriate balance of skills, experience and knowledge, as required.

**7. Performance Evaluation of the Board**

The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of Executive Directors, Non Executive Directors including independent Directors ("IDS") and Board as a Whole. The criteria for performance evaluation are as under:

**For Chairman & Executive Directors:**

The criteria for evaluation of Chairman & 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.

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

The criteria for evaluation of Non-Executive Directors, inter alia, includes attendance at the meetings, study of agenda and active participation, 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.

**For Board as a whole :**

The criteria for evaluation of the Board, inter alia, includes composition and diversity, induction programme, team work, performance culture, risk management and financial controls, integrity, credibility, trustworthiness, active and effective participation by members.

**8. Familiarization Programme**

The objective of a familiarization programme is to ensure that the non-executive directors are updated on the business environment and overall operations of the Company. This enables the non-executive directors to make better informed decisions in the interest of the Company and its stakeholders.

In compliance with the requirements of SEBI Regulations, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their role, rights and responsibility as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc.

A familiarization programme was conducted for non-executive directors on areas such as the core functions of the Company, overview of the industry, financials and the performance of the Company. An overview of the familiarization programme is placed on the Company's website.

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

In January 2015, SEBI notified the SEBI (Prevention of Insider Trading) Regulations, 2015 which came into effect from May 15, 2015. Pursuant thereto, the Company has formulated and adopted a Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI) and revised existing Share Dealing Code for Prevention of Insider Trading.

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.

**10. Committees of the Board**

**Board has three Committees, viz.**

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

The above said Committees consist of a majority of 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**

As a measure of good Corporate Governance and to provide assistance to the Board of directors and to meet the requirement of section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations, 2015 and in fulfilling the Board’s overall responsibilities, an Audit Committee is functioning consisting of only Independent Directors.

**Terms of reference**

Apart from all the matters provided in Regulation 18 of the SEBI (LODR) Regulations, 2015 and section 177 of the Companies Act 2013, the Audit committee review reports of the internal auditor, meets statutory auditors as and when required and discusses their findings, suggestions, observations and other related matters.

**Composition**

The Audit Committee comprised of three Directors, out of which all the Directors are Independent Directors. All these directors possess knowledge of corporate finance, accounts and company law. The composition of the Audit Committee and the details of meetings attended by its members are given below:

| Name               | Category                                     | Number of Meetings during the year 2015-16 |          |
|--------------------|--|--|----------|
|                    |  | Held                                       | Attended |
| Mr. Nitin Dafria   | Chairman, Non Executive Independent Director | 4  | 4        |
| Mr. S.B. Kucheria  | Member, Non Executive Independent Director   | 4  | 4        |
| Mr. Ramesh Kashyap | Member, Non Executive Independent Director   | 4  | 4        |

**Meetings**

During the financial year ended 31<sup>st</sup> March, 2016, four Audit Committee Meetings were held and the Dates on which the said meetings were held are as follows:

***May 21, 2015; August 10, 2015; October 31, 2015, and February 06, 2016***

**B. Nomination and Remuneration Committee**

The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under SEBI (LODR) Regulations, 2015 and Section 178 of the Companies Act, 2013, besides other terms as may be referred by the Board.

**Terms of reference**

The terms of reference of the Nomination and Remuneration Committee covers all the areas mentioned under Regulation 19 of SEBI (LODR) Regulations, 2015 and section 178 of the Companies Act, 2013. The broad terms of reference includes recommending a policy relating to remuneration and employment terms of Managing Director, Whole-Time Director and senior management personnel, adherence to the remuneration policy as finally approved by the Board of Directors, preparing the criteria and identify persons who may be appointed as directors or in senior management.

**Composition**

Your company has formed this committee to consider and approve the remuneration payable to the directors. The Nomination and Remuneration Committee comprised of three Directors, out of which all the Directors are Non Executive Independent Director. The composition of the Nomination and Remuneration Committee and the details of meetings attended by its members are given below:

| Name                 | Category                                     | Number of Meetings during the year 2015-16 |          |
|----------------------|--|--|----------|
|                      |  | Held                                       | Attended |
| Mr. S.B. Kucheria    | Chairman, Non Executive Independent Director | 3  | 3        |
| Mr. Nitin Dafria     | Member, Non Executive Independent Director   | 3  | 3        |
| Mr. Ramesh C Kashyap | Member, Non Executive Independent Director   | 3  | 3        |

**Remuneration Policy**

The Board on the recommendation of the Nomination and Remuneration Committee has framed a Remuneration Policy, providing (a) criteria for determining qualifications, positive attributes and independence of directors and (b) a policy on remuneration for directors, key managerial personnel and other employees. The Remuneration policy 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, 2016 to the Executive Directors and their proposed remuneration for Financial Year 2016-17 are as follows

| Name of Directors | Designation                    | Remuneration  | Proposed remuneration for 2016-17 |
|-------------------|--------------------------------|---------------|-----------------------------------|
| Mr. Devendra Jain | Managing Director              | 2,00,000/- pm | 3,00,000/- pm                     |
| Mr. Mukesh Jain   | Whole Time Director            | 2,00,000/- pm | 3,00,000/- pm                     |
| Mr. Surendra Jain | Chairman & Whole Time Director | 2,00,000/- pm | 3,00,000/- pm*                    |

\*Increase in Remuneration of Mr. Devendra Jain, Mr. Mukesh Jain and Mr. Surendra Jain wef 1<sup>st</sup> June 2016.

**Payment to non-executive directors**

The Company is not paying any remuneration to the Non-Executive /Independent Directors except sitting fees for attending the Board meetings.

**C. Stakeholders Relationship Committee**

In line with the Companies Act, 2013 / Regulation 20 of SEBI (LODR) Regulations, 2015. The Stakeholders Relationship Committee comprise of Mr. Nitin Dafria (Chairman), Mr. S.B. Kucheria and Mr. Mukesh Jain. The committee looks into redressal of shareholders, investors, depositors and customer complaints.

The Stakeholders Relationship Committee met Four times during the year on May 21, 2015; August 10, 2015; October 31, 2015, and February 06, 2016 . The details of attendance at the committee meetings are as under:

| Name              | Category                                     | Number of Meetings during the year 2015-16 |          |
|-------------------|--|--|----------|
|                   |  | Held                                       | Attended |
| Mr. Nitin Dafria  | Chairman, Non Executive Independent Director | 4  | 4        |
| Mr. S.B. Kucheria | Member, Non Executive Independent Director   | 4  | 4        |
| Mr. Mukesh Jain   | Member, Whole Time Director                  | 4  | 4        |

As of March 31, 2016, all requests, complaints, grievances, if any, have been replied to/resolved within the stipulated period and no such matter is pending.

**11. Compliance Officer**

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

**12. General Meeting**

Details of the General Meetings held during last three years:

| AGM/EGM   | Date                        | Venue                                | Time    |
|-----------|-----------------------------|--------------------------------------|---------|
| AGM- 2013 | 30 <sup>th</sup> Sept. 2013 | Reg. Off of the Company at Pithampur | 1.30 pm |
| AGM- 2014 | 29 <sup>th</sup> Sept. 2014 | Reg. Off of the Company at Pithampur | 1.30 pm |
| AGM- 2015 | 30 <sup>th</sup> Sept. 2015 | Reg. Off of the Company at Pithampur | 1.30 pm |

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

| <b>AGM/EGM</b> | <b>Date</b>                 | <b>Special Business Transacted</b>   |
|----------------|-----------------------------|--|
| AGM            | 30th Sept. 2013             | <ul style="list-style-type: none"> <li>▪ Appointment of Mr. Ramesh C Kashyap as Independent, Non-Executive Director of the Company</li> <li>▪ Increase in the remuneration of Mr. Surendra Jain, Executive Chairman of the Company from Rs.75,000/- pm to Rs.1,25,000/-pm</li> <li>▪ Increase in the remuneration of Mr. Devendra Jain, Managing Director of the Company from Rs.75,000/-pm to Rs.1,25,000/-pm</li> <li>▪ Increase in the remuneration of Mr. Mukesh Jain, Whole-Time Director of the Company from Rs.75,000/-pm to Rs.1,25,000/-pm</li> <li>▪ Increase in the remuneration of Mr. Shailesh Jain, CEO of the Company from Rs.70,000/- pm to Rs.1,00,000/-pm</li> </ul> |
| AGM            | 29 <sup>th</sup> Sept. 2014 | <ul style="list-style-type: none"> <li>▪ Re-appointment of Mr. Devendra Jain as Managing Director</li> <li>▪ Re-appointment of Mr. Mukesh Jain as Whole Time Director</li> <li>▪ Re-appointment of Mr. Surendra Jain as Chairman &amp; Executive Director</li> <li>▪ Appointment of Mr. Nitin Dafria as an Independent Director</li> <li>▪ Appointment of Mr. Surajmal Kucheria as an Independent Director</li> <li>▪ Appointment of Mr. Ramesh C Kashyap as an Independent Director</li> <li>▪ Increase in the borrowing powers of the Company</li> <li>▪ Creation of charge on movable/immovable properties</li> </ul>   |
| AGM            | 30 <sup>th</sup> Sept. 2015 | <ul style="list-style-type: none"> <li>▪ Appointment of Mrs. Rajni Jain as Non Executive Independent Director</li> <li>▪ Increase in the remuneration of Mr. Surendra Jain, Chairman of the Company from Rs.1,25,000/-pm to Rs.2,00,000/-pm</li> <li>▪ Increase in the remuneration of Mr. Devendra Jain, Managing Director of the Company from Rs.1,25,000/-pm to Rs.2,00,000/-pm</li> <li>▪ Increase in the remuneration of Mr. Mukesh Jain, Whole-Time Director of the Company from Rs.1,25,000/-pm to Rs.2,00,000/-pm</li> </ul>   |

**Postal Ballot:**

For the year ended March 31, 2016 there has been no ordinary or special resolution passed by the Company's Shareholders through postal ballot.

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

Mr. Surendra Jain (DIN- 00245154), Chairman of the Company, retire by rotation and being eligible offer himself for reappointment at the forthcoming Annual General Meeting.

**14. Disclosures:**

**i. Related Party Transactions**

None of the transaction with any of the related parties were in conflict with the interest of the Company. Details of all transactions with related parties have been disclosed in the notes to the Accounts in the financial statements of the company.

**ii. Compliance by the Company**

There has not been any non-compliance by the company and no penalties or strictures imposed on the company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

- iii. **Vigil Mechanism/ Whistle Blower Policy**  
The Company has in place Vigil Mechanism/ Whistle Blower Policy which is also available on the Company's website www.porwalauto.com. No personnel has been denied access to the Audit Committee to lodge their grievances.
- iv. **Compliance with mandatory requirements**  
The Company has complied with the mandatory requirements as stipulated under Regulation 34(3) and 53 of SEBI (LODR) Regulations, 2015. The Company has submitted the quarterly compliance status report to the stock exchanges within the prescribed time limit. The Company has not adopted any of the non-mandatory requirements of SEBI (LODR) Regulations, 2015.
- v. **Disclosure of Accounting Treatment**  
The company is following the Accounting Standards as applicable to the company.
- vi. **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.

**15. Means of Communication**

- i. The Board of Directors of the Company approves and takes on record the quarterly, half yearly and yearly financial results in the Performa prescribed by SEBI (LODR) Regulations, 2015 within one month of the end of the respective period.
- ii. The Quarterly/ Half yearly/ Annual Results of the Company are published in accordance with the Stock Exchange, Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 in newspapers viz. "**Free Press**", (English) and "**Chhotha Sansar**" (Hindi).
- iii. The Company's website contains a section "Investor" which displays details / information of interest to various stakeholders.

**16. Shareholder Information**

- i. **AGM**  
Date, Time & Venue of AGM – on Wednesday, the 28<sup>th</sup> day of September, 2016 at 1.30 PM at the Registered Office of the Company.
- ii. **Financial Calendar** **(Tentative)**  

|  |   |                           |
|--|---|---------------------------|
| Results for the quarter ending 30 <sup>th</sup> June, 2016 | : | First week of August 2016 |
| Results for the quarter ending 30 <sup>th</sup> Sept, 2016 | : | Last week of Oct. 2016    |
| Results for the quarter ending 31 <sup>st</sup> Dec, 2016  | : | Last week of Jan. 2016    |
| Results for the quarter ending 31 <sup>st</sup> Mar, 2017  | : | Last week of May 2017     |
- iii. **Book Closure**  
Thursday, 22<sup>nd</sup> September 2016 to Wednesday 28<sup>th</sup> September 2016 (both days inclusive) for the purpose of AGM and Dividend.
- iv. **Dividend**  
The Board of Directors of the Company has proposed a dividend of Rs. 0.3 per equity share for the financial year 2015-16, 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.
- v. **Listing**  
The equity shares of the company are listed at BSE Ltd, Mumbai, and the listing fees has been paid for 2016-17.
- vi. **Stock Code**  
The Company has Scrip Code: - 532933

vii. **STOCK MARKET DATA: Quotes of the Company traded at BSE**

**Table 1: Monthly highs and lows Quotes at the BSE, 2015-16**

| Year     | High(Rs.) | Low(Rs.) | Close(Rs.) |
|----------|-----------|----------|------------|
| Mar 2016 | 24.50     | 18.45    | 20.25      |
| Feb 2016 | 28.05     | 18.40    | 20.30      |
| Jan 2016 | 36.00     | 20.05    | 23.20      |
| Dec 2015 | 28.95     | 21.40    | 26.20      |
| Nov 2015 | 29.20     | 15.50    | 28.40      |
| Oct 2015 | 19.00     | 10.56    | 16.26      |
| Sep 2015 | 14.40     | 9.10     | 12.06      |
| Aug 2015 | 18.70     | 11.00    | 11.10      |
| Jul 2015 | 20.78     | 10.66    | 17.75      |
| Jun 2015 | 12.50     | 9.85     | 10.91      |
| May 2015 | 14.09     | 7.26     | 11.36      |
| Apr 2015 | 9.90      | 7.35     | 8.06       |

viii. **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 : [supriya.verondkar@linkintime.co.in](mailto:supriya.verondkar@linkintime.co.in) / [mumbai@linkintime.co.in](mailto:mumbai@linkintime.co.in)

ii. **Share transfer system:**

Share Transfers are registered and returned/Demat confirmed within 30 days from the date of receipt, if the documents are in order in all respects. The share transfer committee of the Board of Directors of the Company meets frequently to approve the transfer of shares.

x. **ISIN no.**

The Company has got the ISIN NO: INE 386 I01018 (both CDSL and NSDL)

xi. **Distribution of shareholding as on 31st March, 2016**

| SHAREHOLDING OF NOMINAL SHARES | NUMBER OF SHAREHOLDERS | PERCENTAGE OF TOTAL | SHARE AMOUNT RS. | PERCENTAGE OF TOTAL |
|--------------------------------|------------------------|---------------------|------------------|---------------------|
| 1 — 5000                       | 7374                   | 78.6057             | 14139230         | 9.3637              |
| 5001 — 10000                   | 1027                   | 10.9477             | 8208630          | 5.4362              |
| 10001 — 20000                  | 560                    | 5.9695              | 8228640          | 5.4494              |
| 20001 — 30000                  | 126                    | 1.3431              | 3305420          | 2.1890              |
| 30001 — 40000                  | 61                     | 0.6503              | 2182020          | 1.4450              |
| 40001 — 50000                  | 54                     | 0.5756              | 2555030          | 1.6921              |
| 50001 — 100000                 | 78                     | 0.8315              | 5735870          | 3.7986              |
| 100001 — *****                 | 101                    | 1.0766              | 106645160        | 70.6259             |
| <b>TOTAL</b>                   | <b>9381</b>            | <b>100.0000</b>     | <b>151000000</b> | <b>100.0000</b>     |

xii) **Dematerialization of Shares**

| CATEGORY                                  | NO. OF SHARES   | PERCENTAGE (%) |
|---|-----------------|----------------|
| Total number of Dematted shares with NSDL | 8930552         | 59.14%         |
| Total number of Dematted shares with CDSL | 5463945         | 36.18%         |
| <b>TOTAL</b>                              | <b>14394497</b> | <b>95.32%</b>  |

**xiii) SHAREHOLDING PATTERN AS ON 31st March, 2016**

| Sr. No. | Category                   | No. of Shares Held | Percentage of Shareholding |
|---------|----------------------------|--------------------|----------------------------|
| 1.      | Promoters & Promoter Group | 5626773            | 37.26                      |
| 2.      | Corporate Bodies           | 4147511            | 27.46                      |
| 3.      | Indian Public              | 5209653            | 34.5                       |
| 4.      | NRI/OCBs                   | 116063             | 0.77                       |
|         |                            | <b>15100000</b>    | <b>100</b>                 |

**xiv) Outstanding GDR's/ADR's/Warrant's/Convertible instruments and their impact on equity-**  
NIL

**xv) Registered Office & Plant Location**

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)

**DECLARATION**

This is to confirm that for the year 2015-16, 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 Sirs

- (a) We have reviewed the audited Financial Statements for the financial year ended 31<sup>st</sup> March 2016 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.

**Place:** Pithampur  
**Date:** 06.08.2016

**Shailesh Jain**  
**Chief Financial officer**

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



**Annexure – VIII**

**MANAGEMENT DISCUSSION AND ANALYSIS**

**Industry structure and developments**

The Indian economy has made a remarkable turnaround in the year 2015 - 16. India's economy is seen as the fastest growing economy amongst the world's major economies, with GDP growth rate at 7.6% this was the highest in five years. India's near-term growth outlook has improved with higher political certainty, improved business confidence, reduced external vulnerabilities. A number of market reforms have been instituted by Indian government and there has been significant amount of foreign direct investment made in India. Capital markets of India are doing pretty well too. All these factors have contributed to growth of Indian economy. 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. The auto components industry accounts for almost seven percent of India's gross Domestic Product (GDP) and employs as many as 19 million people, both directly and indirectly. A stable government framework, increased purchasing power, large domestic market and an ever increasing development in infrastructure have made India a favourable destination for investments. The automotive industry in India is one of the largest automotive markets in the world. The automobile industry accounts for 22 per cent of the country's manufacturing gross domestic product (GDP). It plays a pivotal role in country's growth. Almost all the global auto manufacturers have set up their facilities in India. In today's competitive environment, auto component manufacturers are under pressure to adopt to global standards to ensure maintaining on-time delivery and World-class quality.

The Automobile Industry in India is an emerging sector. The Industry has been continually evolving and absorbing new technologies in order to align itself with global developments. Your Company operates in Casted Components, Assemblies and Sub-assemblies segment of the Auto Components Industry. It manufactures a range of Casted components and assemblies for the Automobile Industry and is a Tier One auto components supplier.

**Opportunities and Threats**

**Opportunities-**

Automobile industry is an evolving industry. It represents freedom and economic growth. Nearly every automobile trip ends with either an economic transaction or some other benefit to the quality of life.

The Indian auto industry is witnessing a phase of rapid transformation and growth and is gearing up to compliment the vehicle industry's growth. Auto industry has been recording tremendous growth over the years and has emerged as a major contributor to India's gross domestic product (GDP).

The external environment analysis is also useful to find new opportunities for both profit and growth especially within the automobile industry this is curial to gain a competitive advantage.

**Threats-**

Presence of such a large number of players in the Automobile industry results into extensive competition, every company eating into others share leaving little scope for new players. 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.

Macroeconomic uncertainty, Recession, unemployment etc are the economic factors which will daunt the automobile industry for a long period of time.

Rapidly changing technology, raw material costs and labour productivity, are areas of concern for the Company. Technical up-gradation would be essential for the Company in meeting the expectations of the customers in future.

Global auto companies are closely watching the Indian market, to exploit the future demand potential, and to use India as a global sourcing hub. While market potential and opportunities remain vast, the industry will be posed with important challenges and bottlenecks that need to be mitigated in the most cost effective and efficient manner, to attain common objectives.

Other threats in Automobile industry are volatility in the fuel prices, High fixed cost and investments in research and development.

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

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

**Outlook**

The domestic market for four wheelers is projected to grow at a compounded annual growth rate of 9% during the next few years. The Automobile sector in India has been able to maintain its position as the 5th largest two wheelers producing nation in the world. This will provide reasonably good growth opportunities in terms of volume to component manufacturers such as our company with facilities having latest technologies and mass manufacturing facilities.

The components industry is working towards achieving world class standards of inventory management, processing time and quality levels. Over the past few decades, it has made significant progress in the export markets, indicating growing significance of the Indian industry in the global automotive value chain.

The long term outlook for the automobile industry is bright and robust, though outlook for the Indian auto industry in near term is expected to remain stable growth.

**Risks and concerns**

Intensity of competition has increased in almost all the segments of the Indian automotive market. The 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. Instead of it 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 has earned a profit of Rs. 223.41 lacs as compared to Profit of Rs. 111.91 Lacs in previous year.

Secured Loans – As on 31<sup>st</sup> March 2016 the Company has a secured loan of Rs. 825.91 Lacs out of which Rs. 52.71 Lacs are current liabilities.

Fixed assets –The total gross block of Land, Building, Plant and Machinery and other fixed assets was Rs. 5918.78 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 1716.90 Lacs.

Turnover - The total turnover registered for the fiscal year 2015-16 was Rs. 8255.90 lacs as compared to Rs. 7267.21 lacs of fiscal year 2014-15.

**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, 2016, there were 258 employees on the roll of the Company.

**AUDITORS REPORT ON CORPORATE GOVERNANCE**

To,  
The Members,  
Porwal Auto Components Limited

We have examined the compliance of conditions of Corporate Governance by Porwal Auto Components Ltd ("The Company") for the financial year ended March 31, 2016 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and Clause (b) to (i) of sub regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015).

The Compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company, for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion of financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us,

We certify that the company has complied with the conditions of Corporate Governance as stipulated in SEBI Listing Regulations, 2015

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 ASSG & Associates  
Chartered Accountants**

**SANJAY GUPTA  
PARTNER  
M. NO. 72073**

**Place:** Indore  
**Dated:** 28.05.2016

## INDEPENDENT AUDITORS' REPORT

To the Members of  
PORWAL AUTO COMPONENTS LIMITED

### Report on Financial Statements

We have audited the accompanying standalone financial statements of PORWAL AUTO COMPONENTS LIMITED, which comprise the Balance Sheet as at March 31, 2016, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31st 2016, and its Profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) 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;
  - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Act (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014).
  - e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, 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 B"; and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of information and according to the explanation given to us:
    - (i) The Company has disclosed the impact of pending litigation as at March 31st 2016, on its financial position in its financial statements refer note no. 26 to the financial statements;
    - (ii) The Company has made provisions, as required under the applicable law or accounting standards for material foreseeable losses, if any on long term contracts.
    - (iii) There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31st 2016.

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

PLACE : INDORE  
DATE : 28.05.2016

**CA SANJAY GUPTA**  
PARTNER  
M.No. 072073

**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) (a) 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.
  - (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 2016 except the following.

| <b>Name of the Statue</b>                          | <b>Nature of Dues</b> | <b>Amount Disputed</b> | <b>Period to which the amount relates</b> | <b>Forum where dispute is pending</b>                                 |
|--|-----------------------|------------------------|---|---|
| MP VAT Tax   | Vat Tax               | Rs.15.53 lacs          | F.Y. 2013-14                              | Appellate Authority Additional Commissioner of Commercial Tax, Indore |
| 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                          |
| Employee Provident Fund & Mis. Provisions Act 1952 | Provident Fund        | Rs. 8.05 lacs          | F.Y. 2005-06                              | Employee Provident Fund Appellate Tribunal                            |

- (c) There is no amount which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act 1956 (1 of 1956) and rules there under.
- (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.

PLACE : INDORE  
DATE : 28/05/2016

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

**CA SANJAY GUPTA**  
PARTNER  
M.No. 072073

**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 2016 in conjunction with our audit of the standalone 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 Companies Act, 2013.

**Auditors' Responsibility**

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 2016, 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 **ASSG & Associates**  
Firm Reg No. 012120C  
Chartered Accountants

**(CA Sanjay Gupta)**  
Partner  
M.No.072073

Place: Indore  
Date: 28/05/2016

**Balance Sheet as at 31st March, 2016**

| Particulars                        | Note No      | As at 31st March<br>2016 | As at 31st March<br>2015 |
|------------------------------------|--------------|--------------------------|--------------------------|
| <b>I. EQUITY AND LIABILITIES</b>   |              |                          |                          |
| <b>1 Shareholders' funds</b>       |              |                          |                          |
| (a) Share capital                  | 1            | <b>151,000,000</b>       | 151,000,000              |
| (b) Reserves and surplus           | 2            | <b>367,185,624</b>       | 350,105,296              |
| <b>2 Non-current liabilities</b>   |              |                          |                          |
| (a) Long-term borrowings           | 3            | <b>51,475,497</b>        | 56,300,343               |
| (b) Deferred tax liabilities (Net) | 4            | <b>16,692,800</b>        | 14,400,800               |
| (c) Other long term liabilities    | 5            | -                        | -                        |
| <b>3 Current liabilities</b>       |              |                          |                          |
| (a) Short-term borrowings          | 6            | <b>25,844,620</b>        | 65,141,523               |
| (b) Trade payables                 | 7            | <b>26,489,382</b>        | 32,180,754               |
| (c) Other current liabilities      | 8            | <b>15,647,084</b>        | 22,454,243               |
| (d) Short-term provisions          | 9            | <b>28,080,682</b>        | 18,192,718               |
|                                    | <b>TOTAL</b> | <b>682,415,689</b>       | <b>709,775,677</b>       |
| <b>II. ASSETS</b>                  |              |                          |                          |
| <b>1 Non-current assets</b>        |              |                          |                          |
| (a) Fixed assets                   |              |                          |                          |
| (i) Tangible assets                | 10           | <b>346,905,141</b>       | 353,986,820              |
| (ii) Capital work-in-progress      |              | <b>15,448,219</b>        | 9,944,740                |
| (b) Non-current investments        | 11           | <b>35,022,665</b>        | 17,105,843               |
| (c) Long-term loans and advances   | 12           | <b>64,933,366</b>        | 64,630,570               |
| (d) Other non-current assets       | 13           | <b>48,416,101</b>        | 74,460,082               |
| <b>2 Current assets</b>            |              |                          |                          |
| (a) Inventories                    | 14           | <b>84,836,028</b>        | 108,911,703              |
| (b) Trade receivables              | 15           | <b>60,251,354</b>        | 59,350,262               |
| (c) Cash and cash equivalents      | 16           | <b>1,063,452</b>         | 1,015,063                |
| (d) Short-term loans and advances  | 17           | <b>1,633,730</b>         | 742,980                  |
| (e) Other current assets           | 18           | <b>23,905,633</b>        | 19,627,613               |
|                                    | <b>TOTAL</b> | <b>682,415,689</b>       | <b>709,775,677</b>       |

|  |         |   |    |
|--|---------|---|----|
| Significant Accounting Policies<br>Notes on Financial Statements | 1 to 25 | 0 | -0 |
|--|---------|---|----|

**As per our report of even date  
For ASSG & ASSOCIATES**

Chartered Accountants  
(F.R.N. 012120C)

**(CA SANJAY GUPTA)**

Partner  
M. No.072073

PLACE : INDORE  
DATED : 28-05-16

For and on behalf of Board

**DEVENDRA JAIN**  
Managing Director  
DIN 00232920

**ARWA SAIFEE**  
Company Secretary

**MUKESH JAIN**  
Director  
DIN 00245111

**SHAILESH JAIN**  
Chief Financial Officer

**Statement of Profit and Loss for the year ended 31st March, 2016**

| S. No.      | Particulars  | Note No | As at 31st March<br>2016 | As at 31st March<br>2015 |
|-------------|--|---------|--------------------------|--------------------------|
| I.          | Revenue From Operations  | 19      | <b>825400319</b>         | 725601072                |
| II.         | Other income   | 20      | <b>190185</b>            | 1120248                  |
|             | <b>Total Revenue (I + II)</b>  |         | <b>825590504</b>         | <b>726721320</b>         |
| <b>III.</b> | <b>Expenses:</b>   |         |                          |                          |
|             | Cost of materials consumed   | 21      | <b>395648513</b>         | 357859846                |
|             | Cost of Traded Goods   |         | <b>10691584</b>          | 20808215                 |
|             | (Increase) in inventories of finished goods<br>work-in-progress and Stock-in-Trade | 22      | <b>15467464</b>          | 25822412                 |
|             | Employee benefits expenses   | 23      | <b>63922430</b>          | 59301006                 |
|             | Finance costs  | 24      | <b>19018231</b>          | 17164325                 |
|             | Depreciation   |         | <b>36811846</b>          | 41721558                 |
|             | Other expenses   | 25      | <b>252776457</b>         | 186752660                |
|             | <b>Total expenses</b>  |         | <b>794336525</b>         | 709430022                |
| <b>IV.</b>  | <b>Profit before tax</b>   |         | <b>31253978</b>          | 17291298                 |
| <b>V</b>    | <b>Extraordinary Items</b>   |         | <b>0</b>                 | 0                        |
| <b>VI</b>   | <b>Profit before tax (VII- VIII)</b>   |         | <b>31253978</b>          | 17291298                 |
| <b>VII.</b> | <b>Tax expense:</b>  |         |                          |                          |
|             | (1) Current tax  |         | <b>6620000</b>           | 3650000                  |
|             | (2) Deferred tax   |         | <b>2292000</b>           | 2449800                  |
|             |  |         | <b>8912000</b>           | 6099800                  |
| <b>VIII</b> | <b>Profit (Loss) for the period from<br/>continuing operations (VII-VIII)</b>      |         | <b>22341978</b>          | 11191498                 |
| <b>IX.</b>  | Earning per equity share of face value of Rs. 10/-each                             |         |                          |                          |
|             | Basic and Diluted (In Rs.)   |         | <b>1.48</b>              | 0.74                     |
|             | Significant Accounting Policies<br>Notes on Financial Statements                   | 1 to 25 |                          |                          |

**As per our report of even date**

**For ASSG & ASSOCIATES**

Chartered Accountants  
(F.R.N. 012120C)

**(CA SANJAY GUPTA)**

Partner  
M. No.072073

PLACE : INDORE  
DATED : 28-05-16

For and on behalf of Board

**DEVENDRA JAIN**  
Managing Director  
DIN 00232920

**ARWA SAIFEE**  
Company Secretary

**MUKESH JAIN**  
Director  
DIN 00245111

**SHAILESH JAIN**  
Chief Financial Officer



**NOTES TO THE FINANCIAL STATEMENT**

| PARTICULARS | As at<br>31-03-2016 | As at<br>31-03-2015 |
|-------------|---------------------|---------------------|
|-------------|---------------------|---------------------|

**1. Share Capital**

|   |                   |                   |
|---|-------------------|-------------------|
| <b>Authorised</b><br>200,00,000 (31 March 2016 : 200,00,000)<br>equity Share of Rs. 10/- each                             | 200,00,000        | 200,00,000        |
| <b>Issued, subscribed &amp; fully paid up</b><br>151,00,000 (31 March 2016 : 151,00,000)<br>equity Share of Rs. 10/- each | 151,00,000        | 151,00,000        |
| <b>Total</b>  | <b>151,00,000</b> | <b>151,00,000</b> |

- a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period  
Equity Shares.

|  | As at 31 March 2016 |            | As at 31 March 2015 |            |
|--|---------------------|------------|---------------------|------------|
|  | Number              | Amount     | Number              | Amount     |
| Share outstanding at the beginning of the year | 15,10,000           | 151,00,000 | 15,10,000           | 151,00,000 |
| Shares issued during the year                  | -                   | -          | -                   | -          |
| Shares bought back during the year             | -                   | -          | -                   | -          |
| Any other movement (please specify)            | -                   | -          | -                   | -          |
| Shares outstanding at the end of the year      | 15,10,000           | 151,00,000 | 15,10,000           | 151,00,000 |

**b. Terms/rights attached to equity shares**

The company has only one class of equity shares having a par value Rs.10/- per share. Each holder of equity of shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amount. The distribution will be in proportion of the number of equity shares held by the shareholders.

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

| Name of Shareholder           | Equity Shares       |              |                    |              |
|-------------------------------|---------------------|--------------|--------------------|--------------|
|                               | As at 31 March 2016 |              | 31 March 2015      |              |
|                               | No. of Shares held  | % of Holding | No. of Shares held | % of Holding |
| Flag Vittawas Limited         | 2750000             | 18.21        | 2750000            | 18.21        |
| Porwal Finsec Private Limited | 3308300             | 21.91        | 3308300            | 21.91        |

**2. Reserves and Surplus**

|  | As at<br>31st March 2016 | As at<br>31st March 2015 |
|--|--------------------------|--------------------------|
| <b>Securities Premium Account</b>                |                          |                          |
| Opening Balance as per last balance sheet        | 326,00,000               | 326,00,000               |
| Add : Securities premium credited on Share issue | -                        | -                        |
| Less : Premium Utilised                          | -                        | -                        |
| <b>Closing Balance</b>                           | <b>326,00,000</b>        | <b>326,00,000</b>        |

**NOTES TO THE FINANCIAL STATEMENT**

|  | <b>As at<br/>31st March 2016</b> | <b>As at<br/>31st March 2015</b> |
|--|----------------------------------|----------------------------------|
| <b>General Reserve</b>                                       |                                  |                                  |
| Opening Balance as per last balance sheet                    | 3,200,413                        | 3,200,413                        |
| Closing Balance  | <b>3,200,413</b>                 | <b>3,200,413</b>                 |
| <b>Surplus/(Deficit) in the statement of Profit and Loss</b> |                                  |                                  |
| Opening Balance as per last balance sheet                    | 20,904,883                       | 9,719,857                        |
| Net Profit For the current year                              | 22,341,978                       | 11,191,498                       |
| Proposed Dividend*   | (4,530,000)                      | -                                |
| Dividend Tax   | (922,218)                        | -                                |
| Income tax/Wealth tax of earlier years                       | 190,568                          | (6,472)                          |
| Closing Balance  | <b>37,985,211</b>                | <b>20,904,883</b>                |
| Total  | <b>367,185,624</b>               | <b>350,105,296</b>               |

\* Dividend proposed to be distributed to equity shareholders is Rs. 0.30 (Previous Year NIL) per equity share.

**3. Long - term borrowings**

|   | <b>As at<br/>31st March 2016</b> | <b>As at<br/>31st March 2015</b> |
|---|----------------------------------|----------------------------------|
| <b>Secured</b>  |                                  |                                  |
| Term Loan<br>From SBI   | 45,250,531                       | 55,610,934                       |
| 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 @ 12.25% p.a, remaining 65 monthly installment . The loan is further secured by way of personal guarantee of three directors.   |                                  |                                  |
| From Kotak Mahindra Bank Ltd. Term Loan   | 5,618,652                        | -                                |
| Secured by way of first charge over the fixed assets situated at Plot No. 215 and second charge over the fixed assets situated at Plot No. 209 The said loan is repayable in 60 monthly installments from September 2015 and ending on September 2020 and carries interest @ 10.75% p.a. The loan is further secured by way of personal guarantee of three directors. |                                  |                                  |
| Vehicle loans   |                                  |                                  |
| From SBI SSI Branch (Polo)  | -                                | 184,881                          |
| From SBBJ (Ecosport)  | -                                | 88,576                           |
| From S.B.of Bikaner & Jaipur (Skoda)  | 166,614                          | 415,952                          |
| From Kotak Mahindra Prime Ltd (Creta)   | 439,700                          | -                                |
| (All loans secured by hypothecation of specific vehicles)   |                                  |                                  |
|   | <b>51,475,497</b>                | <b>56,300,343</b>                |

**TERMS OF REPAYMENT**

The Car Loan on Polo car was availed in the year 2011-12 to be repaid in 60 monthly installments of Rs. 14459/- each. Rate of interest applicable on this loan is 12.00% p.a.

The Skoda loan was availed in the year 2014-15 to be repaid by 08/09/2017. Total no of 34 monthly installments are repayable of Rs. 26000/- each, remaining 19 monthly installment outstanding Rate of interest applicable on this loan is 10.40% p.a.

The Creta Loan was availed in the year 2015-16 to be repaid by 01/08/2018 in 36 monthly installment of Rs. 32150/ Total no of 36 monthly installments are repayable of Rs. 32150/- each, remaining 28 monthly installment outstanding. Rate of interest applicable on this loan is 9.50%

### NOTES TO THE FINANCIAL STATEMENT

#### 4. Deferred Tax Liability (Net)

|                                       | As at<br>31st March 2016 | As at<br>31st March 2015 |
|---------------------------------------|--------------------------|--------------------------|
| <b>Deferred Tax Liability</b>         |                          |                          |
| Related to fixed assets               | 44278000                 | 42540800                 |
| Gross Deferred Tax Liability          | 44278000                 | 42540800                 |
| <b>Deferred Tax Assets</b>            |                          |                          |
| Disallowance under the Income Tax Act | 908500                   | 1333000                  |
| Carried forward Losses                | 24070700                 | 25402100                 |
| Mat Credit                            | 2606000                  | 1404900                  |
| Gross Deferred Tax Assets             | 27585200                 | 28140000                 |
| <b>Net Deferred Tax Liability</b>     | <b>16692800</b>          | <b>14400800</b>          |

#### 5. Other Long Term Liabilities

|                | As at<br>31st March 2016 | As at<br>31st March 2015 |
|----------------|--------------------------|--------------------------|
| Trade Payables | -                        | -                        |
| <b>Total</b>   | <b>-</b>                 | <b>-</b>                 |

#### 6. Short Term Borrowings

|  | As at<br>31st March 2016 | As at<br>31st March 2015 |
|--|--------------------------|--------------------------|
| <b>Secured</b>   |                          |                          |
| Working Capital Loan   |                          |                          |
| From SBI SSI Branch Indore   | 25,631,243               | 62,690,935               |
| From SBI Pithampur Branch  | 213,579                  | 2,450,584                |
| From SBI SSI SLC   | -                        | 4                        |
| Secured by way of hypothecation of present and future stock of raw material, stock in process, finished goods, stores and spares, and book debts and second charge on fixed assets of the company. The cash credit is repayable on demand and carries interest @ 12.05% p.a. These loans are further secured by personal guarantee of three directors. |                          |                          |
| From Kotak Mahindra Bank Limited (Cash Credit)   | (202)                    | -                        |
| Secured by way of hypothecation of present and future stock of raw material, stock in process, finished goods, stores and spares, and book debts and second charge on fixed assets of the company. The cash credit is repayable on demand and carries interest @ 10.75% p.a. These loans are further secured by personal guarantee of three directors. |                          |                          |
| <b>Total</b>   | <b>25,844,620</b>        | <b>65,141,523</b>        |

#### 7. Trade Payable

|  | As at<br>31st March 2016 | As at<br>31st March 2015 |
|--|--------------------------|--------------------------|
| Other than Micro, Small and Medium Enterprises | 26,489,382               | 32,180,754               |
| <b>Total</b>                                   | <b>26,489,382</b>        | <b>32,180,754</b>        |

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.

**NOTES TO THE FINANCIAL STATEMENT**

**8. Other Current Liabilities**

|   | <b>As at<br/>31-03-2016</b> | <b>As at<br/>31-03-2015</b> |
|---|-----------------------------|-----------------------------|
| (a) Current maturities of long-term debt (Refer Note No. 3) | 5,270,674                   | 10,166,266                  |
| (b) Creditors for Capital Expenditure                       | 880,927                     | 2,178,031                   |
| (c) Others (Tooling advance)                                | 9,495,483                   | 10,109,946                  |
| <b>Total</b>  | <b>15,647,084</b>           | <b>22,454,243</b>           |

**9. Short Term Provisions**

|  | <b>As at<br/>31.03.2016</b> | <b>As at<br/>31.03.2015</b> |
|--|-----------------------------|-----------------------------|
| <b>(a) Provision for employee benefits</b> |                             |                             |
| Bonus Payable                              | 1,940,563                   | 1,294,889                   |
| Directors Sitting Fees Payable             | -                           | 3,000                       |
| Leave Encashment (unfunded)                | 1,852,750                   | 2,813,580                   |
| E.S.I.C. Payable                           | 132,115                     | 127,788                     |
| Good Work Reward                           | 890,053                     | 862,023                     |
| Professional Tax Payable (Employees)       | 5,000                       | 22,120                      |
| Provident Fund Payable                     | 169,154                     | 155,842                     |
| Salary and Wages Payable                   | 2,774,835                   | 2,582,659                   |
| Unpaid Good work Reward                    | -                           | 10,103                      |
| Unpaid Salary & Wages                      | -                           | 8,323                       |
| <b>(b) Others (Specify nature)</b>         |                             |                             |
| Provision for Income Tax                   | 6,620,000                   | 3,650,000                   |
| Proposed Dividend                          | 4,530,000                   | -                           |
| Tax on Dividend                            | 922,218                     | -                           |
| TDS Payable                                | 549,116                     | 354,282                     |
| Excise Duty payable on finished goods      | 4,190,527                   | 3,798,275                   |
| Power & Fuel Payable (solar)               | 20,056                      | 16,304                      |
| Power & Fuel Payable                       | 3,041,000                   | 2,173,366                   |
| Commercial Tax on Construction             | -                           | 11,709                      |
| Entry Tax Payable                          | 50,039                      | 76,674                      |
| ESIC Payable (Contractors)                 | 29,469                      | 54,358                      |
| Professional Tax Payable (Co.)             | -                           | 2,500                       |
| Service Tax Payable                        | 50,663                      | 1,052                       |
| Telephone Expenses Payable                 | 62,689                      | 47,376                      |
| Audit Fees Payable                         | 60,000                      | 60,000                      |
| Professional Charges Payable               | 100,000                     | -                           |
| Water Charges Payable                      | 80,915                      | 66,495                      |
| Travelling Expenses Payable                | 9,520                       | -                           |
| <b>Total</b>                               | <b>28,080,682</b>           | <b>18,192,718</b>           |

**SCHEDULES FORMING PART OF THE BALANCE SHEET**  
**CONSOLIDATED ANNEXURE OF FIXED ASSETS**

| Sl. No. | Description of Assets     | GROSS BLOCK      |                          |                 |                        | DEPRECIATION     |                       |                 |                  | NET BLOCK        |                  |
|---------|---------------------------|------------------|--------------------------|-----------------|------------------------|------------------|-----------------------|-----------------|------------------|------------------|------------------|
|         |                           | As on 01.04.2015 | Addition during the Year | Deductions      | Total As on 31.03.2016 | Up to 31.03.2015 | Provided For the Year | Write off       | up to 31.03.2016 | As on 31.03.2016 | As on 31.03.2015 |
|         | <b>TANGIBLE ASSETS</b>    |                  |                          |                 |                        |                  |                       |                 |                  |                  |                  |
| 1       | LAND (FREEHOLD)           | 15634610         | 0                        | 0               | 15634610               | 0                | 0                     | 0               | 0                | 15634610         | 15634610         |
| 2       | LAND (LEASEHOLD)          | 2461888          | 0                        | 0               | 2461888                | 0                | 0                     | 0               | 0                | 2461888          | 2461888          |
| 3       | FACTORY BUILDING PLOT 209 | 91318205         | 67851                    | 0               | 91386056               | 29135300         | 2995136               | 0               | 32130436         | 59255620         | 62182905         |
| 4       | PLANT & MACHINERY         | 50033841         | 0                        | 0               | 50033841               | 43017421         | 592626                | 0               | 43610047         | 6423794          | 7016420          |
| 5       | MATERIAL HANDLING EQUIP.  | 62671395         | 2808575                  | 42615891        | 22864079               | 45515973         | 2683806               | 42615891        | 5583888          | 17280191         | 17155422         |
| 6       | TOOLS & PATTERNS          | 61476888         | 6965152                  | 19987713        | 48454327               | 43017566         | 3844561               | 19987713        | 26874414         | 21579913         | 18459322         |
| 7       | ELECTRICAL INSTALLATIONS  | 15038579         | 701761                   | 9555229         | 6185111                | 12619667         | 543402                | 9555229         | 3607840          | 2577271          | 2418912          |
| 8       | TESTING EQUIPMENTS        | 8192964          | 0                        | 2011383         | 6181581                | 5958550          | 294685                | 2011383         | 4241852          | 1939729          | 2234414          |
| 9       | AUXILIARY EQUIPMENTS      | 66104492         | 15811281                 | 15639657        | 66276116               | 35788545         | 6531781               | 15639657        | 26680669         | 39595447         | 30315947         |
| 10      | FURNITURE & FIXTURES      | 1086221          | 30500                    | 0               | 1116721                | 886884           | 57192                 | 0               | 944076           | 172645           | 199337           |
| 11      | OFFICE EQUIPMENTS         | 4772198          | 325915                   | 0               | 5098113                | 4487794          | 192128                | 0               | 4679922          | 418191           | 284404           |
| 12      | COMPUTER                  | 4824588          | 250170                   | 0               | 5074758                | 4492256          | 148867                | 0               | 4641123          | 433635           | 332332           |
| 13      | VEHICLES                  | 7060499          | 2950650                  | 1936105         | 8075044                | 2532171          | 632311                | 919797          | 2244685          | 5830359          | 4528328          |
| 14      | AIR POLLUTION EQUIPMENT   | 5517704          | 0                        | 0               | 5517704                | 3336548          | 245888                | 0               | 3582436          | 1935268          | 2181156          |
| 15      | PLANT & MACHINERY         | 135596165        | 0                        | 0               | 135596165              | 57445335         | 10199852              | 0               | 67645187         | 67950978         | 78150830         |
|         | <b>SOLAR PLANT</b>        |                  |                          |                 |                        |                  |                       |                 |                  |                  |                  |
| 1       | LAND (FREEHOLD))          | 2405250          | 0                        | 0               | 2405250                | 0                | 0                     | 0               | 0                | 2405250          | 2405250          |
| 2       | FACTORY BUILDING          | 3832027          | 0                        | 0               | 3832027                | 116101           | 124527                | 0               | 240628           | 3591399          | 3715926          |
| 3       | SOLAR PLANT               | 114789665        | 85000                    | 0               | 114874665              | 10523561         | 7580286               | 0               | 18103847         | 96770818         | 104266104        |
|         | <b>INTANGIBLE ASSETS</b>  |                  |                          |                 |                        |                  |                       |                 |                  |                  |                  |
|         | SOFTWARE & LICENSES       | 60465            | 749622                   | 0               | 810087                 | 17152            | 144798                | 0               | 161950           | 648137           | 43313            |
|         | <b>TOTAL</b>              | <b>652877644</b> | <b>30746475</b>          | <b>91745978</b> | <b>591878141</b>       | <b>298890824</b> | <b>36811846</b>       | <b>90729670</b> | <b>244973000</b> | <b>346905141</b> | <b>353986820</b> |
|         | <b>Previous Year</b>      | <b>674328223</b> | <b>33507116</b>          | <b>54957695</b> |                        |                  | <b>41721558</b>       | <b>53708263</b> | <b>244973000</b> | <b>353986820</b> | <b>363450692</b> |

**NOTES TO THE FINANCIAL STATEMENT**

**11. Non - Current Investments**

|   | As at<br>31.03.2016 | As at<br>31.03.2015 |
|---|---------------------|---------------------|
| Investment in Plot at Scheme No.78 IDA,Indore   | 8,442,665           | 6,980,843           |
| <b>Non Traded Investments</b>   |                     |                     |
| <b>Equity (Unquoted)</b>  | 125,000             | 125,000             |
| 12500 (PY 12500) equity shares of Pithampur Auto Cluster of Rs. 10/- each                         |                     |                     |
| <b>Mutual Funds (Quoted) units of Rs. 10/- each unless otherwise</b>                              |                     |                     |
| 4803.684 (Nil) units of Birla Sunlife 95 Fund (G)   | 2,640,000           | -                   |
| 478122.415 (478122.415) units of Birla Sunlife Medium Term Plan Fund (G)                          | 10,000,000          | 10,000,000          |
| 15800.631 (Nil) units of Birla Sunlife Top 100 Fund (G)   | 660,000             | -                   |
| 31250.242 (Nil) units of Franklin India Balanced Fund (G)   | 2,805,000           | -                   |
| 1152.935 (Nil) units of Franklin India Prima Plus Fund (G)  | 495,000             | -                   |
| 23247.724 (Nil) units of HDFC Balanced Fund (G)   | 2,475,000           | -                   |
| 31245.74 (Nil) units of ICICI Prudential Balanced Fund (G)  | 2,805,000           | -                   |
| 7469.05 (Nil) units of ICICI Prudential Value Discovery Fund (G)                                  | 825,000             | -                   |
| 7753.843 (Nil) units of L&T Equity Fund   | 450,000             | -                   |
| 19825.182 (Nil) units of TATA Balanced Fund (G)   | 3,300,000           | -                   |
| (Mutual Fund Units of 820671.446 (678122.45) NAV as on 31.03.2016 Rs. 29036220/- (P.Y.11559478/-) |                     |                     |
| <b>Total</b>  | <b>35,022,665</b>   | <b>17,105,843</b>   |

**12. Long Term Loans and Advances**

|  | As at<br>31.03.2016 | As at<br>31.03.2015 |
|--|---------------------|---------------------|
| (Unsecured and considered good)        |                     |                     |
| a. Capital Advances                    | 5,825,500           | 4,577,370           |
| b. Trade Advance                       | 4,824,000           | 5,045,561           |
| c. Loans and advances to related party | 43,896,286          | 43,971,996          |
| d. Other loans and advances            | 10,387,580          | 11,035,643          |
| <b>Total</b>                           | <b>64,933,366</b>   | <b>64,630,570</b>   |

**13. Other Non Current Assets**

|  | As at<br>31.03.2016 | As at<br>31.03.2015 |
|--|---------------------|---------------------|
| (Unsecured considered good)                |                     |                     |
| a. Deposit                                 | 7,154,373           | 8,256,293           |
| b. PF Demand                               | 402,472             | 402,472             |
| c. Entry Tax Receivable (Demand)           | -                   | 21,000              |
| d. Vat Tax Demand                          | 121,125             | 121,125             |
| e. VAT Claim Receivable                    | 16,206,660          | 33,728,721          |
| f. Renewable Energy Certificate Recievable | 24,531,471          | 31,930,471          |
| <b>Total</b>                               | <b>48,416,101</b>   | <b>74,460,082</b>   |

**14. Inventories**

| Particulars                                      | As at<br>31.03.2016 | As at<br>31.03.2015 |
|--|---------------------|---------------------|
| a. Raw Materials and components (Valued at Cost) | 32,428,673          | 31,379,145          |
| b. Work-in-progress (Valued at Cost)             | 7,642,342           | 35,599,796          |
| c. Finished goods (Valued at Cost)               | 37,714,739          | 34,184,472          |
| d. Stores and spares (Valued at Cost)            | 7,050,274           | 7,748,290           |
| <b>Total</b>                                     | <b>84,836,028</b>   | <b>108,911,703</b>  |

**15. Trade Receivable**

|                            | As at<br>31.03.2016 | As at<br>31.03.2015 |
|----------------------------|---------------------|---------------------|
| Unsecured, considered good | 60,251,354          | 58,707,404          |
| Others<br>Over Six Months  | -                   | 642,858             |
| <b>Total</b>               | <b>60,251,354</b>   | <b>59,350,262</b>   |

**16. Cash and Cash equivalents**

| Cash and cash equivalents                       | As at 31.03.2016 |                  | As at 31.03.2015 |                  |
|---|------------------|------------------|------------------|------------------|
| a. Balances with banks*                         |                  | 969,484          |                  | 985,916          |
| This includes:                                  |                  |                  |                  |                  |
| Bank Guarantees                                 | 939,030          |                  | 870,822          |                  |
| Other Commitments                               | 20,000           |                  | 20,000           |                  |
| Bank deposits with more than 12 months maturity | -                |                  | 20,000           |                  |
| b. Cash on hand*                                |                  | 93,968           |                  | 29,148           |
|   |                  | <b>1,063,452</b> |                  | <b>1,015,063</b> |

\*Repatriation restrictions, if any, in respect of cash and bank balances shall be separately stated.

**17 Short-term loans and advances**

|                             | As at<br>31st March<br>2016 | As at<br>31st March<br>2015 |
|-----------------------------|-----------------------------|-----------------------------|
| (Unsecured considered good) |                             |                             |
| Advance for expenses        | 279,034                     | 312,259                     |
| Loans to Employees          | 1,277,166                   | 377,000                     |
| Tour Advances               | 77,530                      | 53,722                      |
| <b>Total</b>                | <b>1,633,730</b>            | <b>742,980</b>              |

**18 Other Current Assets**

|                                | As at<br>31st March<br>2016 | As at<br>31st March<br>2015 |
|--------------------------------|-----------------------------|-----------------------------|
| Advance for Trade              | 16,346,555                  | 14,822,757                  |
| Cenvat Credit Receivable       | 2,598,064                   | 1,735,044                   |
| Balance with Excise Department | 10,939                      | 10,939                      |
| Advance Tax and TDS and TCS    | 4,041,881                   | 2,087,331                   |
| Prepaid Expenses               | 908,194                     | 971,542                     |
| <b>TOTAL</b>                   | <b>23,905,633</b>           | <b>19,627,613</b>           |

**19 Revenue From Operations**

|  | As at<br>31st March 2016 | As at<br>31st March 2015 |
|--|--------------------------|--------------------------|
| <b>Sale of Products:</b>               |                          |                          |
| CI & SG Iron Automobile Components     | 900,148,673              | 744,712,242              |
| Solar Power                            | 13,365,007               | 40,294,091               |
| Scrap                                  | 10,691,584               | 20,808,215               |
| Job Work Charges                       | 241,526                  | 1,500                    |
| <b>Revenue from operations (gross)</b> | <b>924,446,790</b>       | <b>805,816,048</b>       |
| Less: Excise duty                      | 99,046,471               | 80,214,977               |
| <b>Revenue from operations (net)</b>   | <b>825,400,319</b>       | <b>725,601,072</b>       |

**20 Other Income**

|                                | As at<br>31st March 2016 | As at<br>31st March 2015 |
|--------------------------------|--------------------------|--------------------------|
| Profit on sale of Fixed Assets | 113,692                  | -                        |
| Interest Income                | 76,493                   | 1,120,248                |
| <b>Total</b>                   | <b>190,185</b>           | <b>1,120,248</b>         |

**21 Cost of raw material consumed**

| Particulars                            | As at<br>31st March 2016 | As at<br>31st March 2015 |
|--|--------------------------|--------------------------|
| Inventory at the beginning of the year | 30,534,874               | 23,347,688               |
| Add: Purchases                         | 372,634,372              | 351,091,505              |
|  | 403,169,246              | 374,439,193              |
| Less: Inventory at the end of the year | 22,624,679               | 30,534,874               |
| Cost of raw material consumed          | <b>380,544,567</b>       | <b>343,904,319</b>       |
| <b>Cost of raw material consumed</b>   | <b>380,544,567</b>       | <b>343,904,319</b>       |

**Details of Stores & Consumables Consumed**

| Particulars                                     | As at<br>31st March 2016 | As at<br>31st March 2015 |
|---|--------------------------|--------------------------|
| Inventory at the beginning of the year          | 7,748,290                | 8,360,030                |
| Add: Purchases                                  | 14,405,930               | 13,343,787               |
|   | 22,154,220               | 21,703,817               |
| Less: Inventory at the end of the year          | 7,050,274                | 7,748,290                |
| <b>Cost of stores &amp; consumable consumed</b> | <b>15,103,946</b>        | <b>13,955,527</b>        |
| <b>Total Consumption</b>                        | <b>395,648,513</b>       | <b>357,859,846</b>       |

**Details of raw material consumed**

| Particulars  | As at<br>31st March 2016 | As at<br>31st March 2015 |
|--------------|--------------------------|--------------------------|
| Pig Iron     | 3,893,697                | 9,347,756                |
| Scrap        | 242,621,245              | 216,568,406              |
| Others       | 144,721,209              | 117,988,157              |
| <b>Total</b> | <b>380,544,567</b>       | <b>343,904,319</b>       |





|                                       | <b>For the year ended<br/>31 March 2016</b> | <b>For the year ended<br/>31 March 2015</b> |
|---------------------------------------|---|---|
| Miscellaneous Factory Overhead        | 1,340,393                                   | 1,174,863                                   |
| Power & fuel                          | 84,676,500                                  | 65,179,042                                  |
| Repairs & Maintenance                 | 3,978,598                                   | 2,234,731                                   |
| Repairs & Maintenance(Solar)          | 220,271                                     | 123,144                                     |
| Contract Wages                        | 37,574,707                                  | 28,123,454                                  |
| Contract Wages(Solar)                 | 392,000                                     | 425,000                                     |
| Provident Fund Contractor             | 29,791                                      | 21,203                                      |
| Tax Expenses (VAT)                    | 34,627,285                                  | 14,235,443                                  |
| Advertisement Expenses                | 148,458                                     | 126,805                                     |
| Solar Power Line Charges (Solar)      | 100,000                                     | 100,000                                     |
| Selling Expenses                      | 68,638                                      | 39,570                                      |
| Selling Expenses of REC (Solar)       | 58,848                                      | 8,681                                       |
| Joint Venture Expenses                | 1,718,286                                   | -   |
| Wealth Tax Expense                    | 200   | -   |
| Service Tax Expense                   | 3,893                                       | 1,359                                       |
| Service Tax on Freight Outward        | 152,035                                     | 74,240                                      |
| Service Tax Penalty                   | 4,964                                       | 4,540                                       |
| Swachh Bharat Cess                    | 105,724                                     | -   |
| Business Promotion                    | 641,674                                     | -   |
| Website Design Expense                | 60,700                                      | 28,250                                      |
| Computer software Development expense | 38,755                                      | 19,377                                      |
| Customer Entertainment Expenses       | 189,401                                     | 199,762                                     |
| Freight Outward                       | 4,355,668                                   | 3,313,978                                   |
| Auditor's Remuneration                | 60,000                                      | 60,000                                      |
| Books & Periodicals                   | 7,500                                       | 450   |
| Conveyance Expenses                   | 21,825                                      | 15,540                                      |
| Consultancy Fees                      | 523,484                                     | 253,065                                     |
| Gratuity Insurance Premium            | 50,686                                      | 47,688                                      |
| Lease Rent                            | 186,255                                     | 233,205                                     |
| Legal Expenses                        | 1,524,286                                   | 791,546                                     |
| Membership & Subscription             | 274,112                                     | 266,608                                     |
| Rebate and Discount                   | -   | 695,556                                     |
| Office Expenses                       | 145,802                                     | 323,564                                     |
| Office Expenses(Solar)                | 62,350                                      | 102,402                                     |
| Postage & Courier Charges             | 32,443                                      | 73,369                                      |
| Postage & Courier Charges (Solar)     | 1,407                                       | 1,538                                       |
| Professional fees                     | 801,893                                     | 493,396                                     |
| Property Tax                          | 154,564                                     | 154,564                                     |
| Recruitment Expenses                  | -   | 1,280                                       |
| Stationary & printing                 | 436,846                                     | 345,055                                     |
| Stationary & printing (Solar)         | 960   | 1,150                                       |
| Telephone Expenses                    | 539,534                                     | 551,258                                     |
| Telephone Expenses(Solar)             | 7,788                                       | 8,853                                       |
| Tender Fees                           | 54,870                                      | 19,000                                      |
| Training & seminar                    | 18,671                                      | 147,966                                     |
| Travelling Expenses                   | 1,854,945                                   | 2,117,933                                   |
| Vehicle Running & Maintenance         | 636,027                                     | 951,771                                     |
| Sundry Balances Written Off           | -   | 13,001                                      |
| Loss on sale of Fixed Assets          | -   | 112,432                                     |
| <b>Total</b>                          | <b>252,776,457</b>                          | <b>186,752,660</b>                          |

**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". Fixed assets on which CENVAT credit is not availed is shown at full value.

**(c) Depreciation:**

Depreciation on fixed assets is provided on the basis of estimated useful life of the assets as per straight-line method at the rates and in the manner prescribed in Schedule II of the Companies Act, 2013 as under:- .

|                             |   |                         |
|-----------------------------|---|-------------------------|
| 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 |

**(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 is net of excise duty.

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

These are accounted on accrual basis. Revenue recognition on sale of REC units is accounted for on receipt 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) 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.

**(h) Provisions for Contingent Liabilities**

Provisions in 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 note to the financial statements after careful evaluation by the Management of the facts and legal aspects of the matter involved.

**26. CONTINGENT LIABILITIES**

|   |                                      |
|---|--------------------------------------|
| a. Guarantee issued by Bank on behalf of the company (including LC)   | Rs.8,37,200 (Rs. 31,64,389/-)        |
| b. Vendor bill discounting limit with Bank (Earlier Axis Bank now Kotak Mahindra Bank)                                | Rs.14,73,54,628/- (Rs.6,73,84,873/-) |
| 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.58,10,660/- (Rs.55,33,480/-)      |
| e. Income tax demand for the assessment year 2010-11  | NIL (Rs.5,36,560/-)                  |
| f. VAT tax demand for financial year 2010-11  | Rs.1,38,029/- (Rs.1,38,029/-)        |
| g. VAT tax demand for financial year 2011-12  | Rs.2,56,111/- (Rs.2,56,111/-)        |
| h. VAT Input Disallowed for financial year 2013-14  | Rs.15,53,283/-(NIL)                  |

**27 VALUE OF STORES, SPARES AND PACKING MATERIAL CONSUMED**

|              | 2015-16         |                  | 2014-15         |                  |
|--------------|-----------------|------------------|-----------------|------------------|
|              | Amount in Rs.   | % of Consumption | Amount in Rs.   | % of Consumption |
| Imported     | 0               | 0                | 0               | 0                |
| Indigenous   | 15103946        | 100              | 13955527        | 100              |
| <b>TOTAL</b> | <b>15103946</b> | <b>100</b>       | <b>13955527</b> | <b>100</b>       |

**28. VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF**

|                                    | 2015-16 | 2014-15 |
|------------------------------------|---------|---------|
| Raw Material and Stock in trade    | Nil     | Nil     |
| Stores Spares and Packing Material | Nil     | Nil     |
| Capital Goods                      | Nil     | Nil     |

**29 EXPENDITURE IN FOREIGN CURRENCY**

|            | 2015-16 | 2014-15 |
|------------|---------|---------|
| Repairing  | 0       | 0       |
| Travelling | 147100  | 166230  |

**30 PAYMENT TO AUDITORS**

|                       | <b>2015-16</b> | <b>2014-15</b> |
|-----------------------|----------------|----------------|
| a. Auditor            | 45000          | 45000          |
| b. for other services | 15000          | 15000          |
| Total                 | 60000          | 60000          |

**31 EARNING PER SHARE**

| <b>Particular</b>   | <b>2015-16</b> | <b>2014-15</b> |
|---|----------------|----------------|
| Profit after tax as per Profit and Loss Account (Rs/Lacs)               | 22341978       | 11191498       |
| 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.) | 1.48           | 0.74           |

**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.

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                    | 2400000<br>(1500000)          | Nil<br>(Nil)   | 6600000<br>(4200000)                          | Nil<br>(Nil)                       |
| <b>Loan &amp; Advance (Dr.)</b> |                               |  |   |                                    |
| Opening Balance                 | Nil<br>(Nil)                  | Nil<br>(Nil)   | 43971996<br>(27929223)                        | Nil<br>(Nil)                       |
| Advance given                   | Nil<br>(Nil)                  | Nil<br>(Nil)   | 5356985<br>(44281328)                         | Nil<br>(Nil)                       |
| Advance received back           | Nil<br>(Nil)                  | Nil<br>(Nil)   | 5432695<br>(28238555)                         | Nil<br>(Nil)                       |
| Closing Balance                 | Nil<br>(Nil)                  | Nil<br>(Nil)   | 43896286<br>(43971966)                        | Nil<br>(Nil)                       |
| Trade Advance (Dr)              | Nil<br>(Nil)                  | Nil<br>(Nil)   | 15521666<br>(12930422)                        | Nil<br>(Nil)                       |
| Purchase of Goods               | Nil<br>(Nil)                  | Nil<br>(Nil)   | 7229229<br>(6923532)                          | Nil<br>(Nil)                       |
| Sale of Goods                   | Nil<br>(Nil)                  | Nil<br>(Nil)   | Nil<br>(Nil)                                  | Nil<br>(Nil)                       |
| Job work paid                   | Nil<br>(Nil)                  | Nil<br>(Nil)   | 33148365<br>(27801660)                        | Nil<br>(Nil)                       |
| Interest received               | Nil<br>(Nil)                  | Nil<br>(Nil)   | 5356985<br>(Nil)                              | Nil<br>(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  | 2400000      | 1500000       |
| Mr.Mukesh Jain    | 2400000      | 1500000       |
| Mr.Surendra Jain  | 2400000      | 1500000       |
| Mr. Shailesh Jain | 1800000      | 1200000       |

**Purchase of Goods**

| Related Party            | Current Year | Previous Year |
|--------------------------|--------------|---------------|
| Porwal Diesels Pvt. Ltd. | 7229229      | 6923532       |

**Job Work Paid**

| Related Party            | Current Year | Previous Year |
|--------------------------|--------------|---------------|
| Porwal Diesels Pvt. Ltd. | 33148365     | 27801660      |

**Interest Received**

| Related Party            | Current Year | Previous Year |
|--------------------------|--------------|---------------|
| Porwal Diesels Pvt. Ltd. | 5356985      | Nil           |

**Loans and Advances (Dr)**

| Related Party            | Current Year | Previous Year |
|--------------------------|--------------|---------------|
| Porwal Diesels Pvt. Ltd. | 43896286     | 43971966      |

**Trade Advances (Dr)**

| Related Party            | Current Year | Previous Year |
|--------------------------|--------------|---------------|
| Porwal Diesels Pvt. Ltd. | 15521666     | 12930422      |

33. 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.

**As per our report of even date**

For ASSG & ASSOCIATES  
(Firm Reg. 012120C)  
CHARTERED ACCOUNTANTS

**CA SANJAY GUPTA**  
PARTNER  
M.No. 72073  
DATED : 28/05/2016  
PLACE : INDORE

For and on behalf of the Board

**Devendra Jain**  
Managing Director  
DIN 00232920

**Mukesh Jain**  
Director  
DIN 00245111

**Arwa Saifee**  
Company Secretary

**Shailesh Jain**  
Chief Financial Officer



**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 |

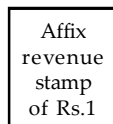
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Fourth Annual General Meeting of the Company, to be held on Wednesday the 28<sup>th</sup> day of September, 2016 at 1:30 PM at the registered office of the company at Plot No. 209, Sector No.1, Industrial Area, 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, 2016 and the Reports of the Board of Directors and Auditors thereon. |
| 2.                 | Declaration of Dividend on Equity Shares.  |
| 3.                 | Re-appointment of Mr. Surendra Jain who retires by rotation.   |
| 4.                 | Ratification of Appointment of Auditors and fixing their remuneration.   |
| Special Business:  |  |
| 5.                 | Increase in remuneration of Mr. Surendra Jain, Chairman of the company.  |
| 6.                 | Increase in remuneration of Mr. Devendra Jain, Managing Director of the company.   |
| 7.                 | Increase in remuneration of Mr. Mukesh Jain, Whole Time Director of the company.   |
| 8.                 | Investments under Section 186 of the Companies Act, 2013.  |
| 9.                 | Adoption of New Set of Articles of Association.  |

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016



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. 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**  
**24<sup>th</sup> ANNUAL GENERAL MEETING ON 28<sup>TH</sup> SEPTEMBER 2016.**

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 24<sup>th</sup> Annual General meeting of the company at the registered office of the company on 28<sup>th</sup> September, 2016.

(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