

To,  
General Manager-Listing,  
BSE Limited.  
1st Floor, New Trading Ring,  
P.J. Towers, Dalal Street,  
MUMBAI-400001

**Sub: Annual Report for the Financial Year 2017-2018 pursuant to the provisions of Regulation 34 of SEBI (LODR) Regulations, 2015.**

**Dear Sir,**

We are enclosing herewith Annual Report for the Financial Year 2017-2018 pursuant to the provisions of Regulation 34 of the SEBI (LODR) Regulations, 2015 duly approved and adopted by the Members of the company at 26<sup>th</sup> Annual General Meeting (AGM) of the Company held on Saturday, the 29th day of September, 2018 at 1.30 PM at Registered office of the Company at Plot No. 209, Sector No.1, Industrial Area, Pithampur, Distt Dhar, (M.P.) 454775.

This is for your information and records.

Thanking You,  
Your Sincerely



**Hansika Mittal**  
Company Secretary

Regd. Off. & Works :

Plot No. 209 & 215, Sector-1, Industrial Area, Pithampur - 454 775. (M.P) - INDIA

+91 7292 405101, 421300  +91 7292 405120

 admin@porwalauto.com  www.porwalauto.com

**CIN-L34300MP1992PLC006912**

**ANNUAL REPORT 2017 - 2018**



**TWENTY SIXTH ANNUAL REPORT 2017 - 2018**

**ANNUAL REPORT 2017 -18**

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

**CHIEF FINANCIAL & CHIEF OPERATING OFFICER**

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

**COMPANY SECRETARY**

MS. HANSIKA MITTAL

**STATUTORY AUDITORS**

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

**BANKERS**

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

**REGISTERED OFFICE & WORKS**

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

**REGISTRAR AND SHARE TRANSFER AGENT**

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

## **NOTICE**

NOTICE is hereby given that Twenty Sixth Annual General Meeting of the Members of the **Porwal Auto Components Limited** will be held on **Saturday**, the 29<sup>th</sup> day of September, 2018 at 01:30 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. Adoption of Audited Financial Statement for the Financial Year ended 31<sup>st</sup> March, 2018:**

To receive, consider and adopt the Audited Financial Statement of the Company for the Financial Year ended March 31, 2018, together with the Reports of the Board of Directors and the Auditors thereon.

**2. To declare Dividend on Equity Shares:**

To declare dividend on Equity Shares for the Financial Year ended on 31<sup>st</sup> March, 2018

**3. Appointment of Mr. Surendra Utsavlal Jain (DIN: 00245154), as Whole Time Director, liable to retire by rotation:**

To appoint a Director in place of Mr. Surendra Utsavlal Jain (DIN: 00245154), Whole time Director who retires by rotation and being eligible, offers himself for re-appointment.

### **SPECIAL BUSINESS:**

**4. Re-appointment of Mr. Nitin Dafria as an Independent Director:**

To consider and if thought fit, to pass the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152 and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) read with Schedule IV to the Companies Act, 2013, applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modification or amendment thereof, and pursuant to the recommendation of Nomination & Remuneration Committee and approval of Board, consent of the members be and is hereby accorded for the re-appointment of Mr. Nitin Dafria (DIN: 01560804) who was appointed as an Independent Director of the Company at the 22<sup>nd</sup> Annual General Meeting of the Company and who holds office of the Independent Director upto 31<sup>st</sup> March, 2019 and who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company for a second term of five consecutive years commencing from 01<sup>st</sup> April, 2019 upto 31<sup>st</sup> March, 2024 and he will not be liable to retire by rotation.

**5. Re-appointment of Mr. Surajmal Birdichand Kucheria as an Independent Director:**

To consider and if thought fit, to pass the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152 and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) read with Schedule IV to the Companies Act, 2013, applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modification or amendment thereof, and pursuant to the recommendation of Nomination & Remuneration Committee and approval of Board, consent of the members be and is hereby accorded for the re-appointment of Mr. Surajmal Birdichand Kucheria (DIN: 00027661) who was appointed as an Independent Director of the Company at the 22<sup>nd</sup> Annual General Meeting of the Company and who holds office of the Independent Director upto 31<sup>st</sup> March, 2019 and who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company for a second term of five consecutive years commencing from 01<sup>st</sup> April, 2019 upto 31<sup>st</sup> March, 2024 and he will not be liable to retire by rotation.

**6. Re-appointment of Mr. Ramesh C Kashyap as an Independent Director:**

To consider and if thought fit, to pass the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152 and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) read with Schedule IV to the

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Companies Act, 2013, applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modification or amendment thereof, and pursuant to the recommendation of Nomination & Remuneration Committee and approval of Board, consent of the members be and is hereby accorded for the re-appointment of Mr. Ramesh C Kashyap (DIN: 06593723) who was appointed as an Independent Director of the Company at the 22<sup>nd</sup> Annual General Meeting of the Company and who holds office of the Independent Director upto 31<sup>st</sup> March, 2019 and who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company for a second term of five consecutive years commencing from 01<sup>st</sup> April, 2019 upto 31<sup>st</sup> March, 2024 and he will not be liable to retire by rotation.

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

**Place:** Pithampur  
**Date:** 11<sup>th</sup> August, 2018

**Hansika Mittal**  
Company Secretary

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF /HERSELF AND THE PROXY NEED NOT TO BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXIES IN ORDER TO BE EFFECTIVE MUST BE DULY COMPLETED, STAMPED, SIGNED AND DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. THE PROXY FORM FOR THE AGM IS ENCLOSED HEREWITH.
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. If the Company receives multiple proxies for the same holdings of a Member, the proxy which is dated last will be considered as valid. If such multiple proxies are not dated or they bear the same date without specific mention of time, all such proxies shall be considered as invalid. Proxy will be valid until written notice of revocation has been received by the Company before the commencement of the Meeting.
5. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed and forms part of the Notice.
6. Brief details of Directors seeking re-appointment / appointment at the 26<sup>th</sup> Annual General Meeting scheduled to be held on **Saturday**, the 29<sup>th</sup> day of September, 2018 [pursuant to Regulation 36 (3) of the SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 and SS-2] forms part of the notice.
7. The report on the Corporate Governance and Management Discussion and Analysis also forms part to the report of the Directors.
8. The Company has notified closure of register of members and share transfer books (For the purpose of AGM) Saturday, 22<sup>nd</sup> September, 2018 to Saturday, 29<sup>th</sup> September, 2018 (both days inclusive).
9. 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.

10. Members seeking any information are requested to write to the Company by e-mail at [admin@porwalauto.com](mailto:admin@porwalauto.com) at least 7 days before the date of the AGM to enable the management to reply appropriately at the AGM.
11. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
12. Members who hold shares in physical form in multiple folios in identical names or joint holding in same order of names are requested to send the share certificates to Link Intime India Private Limited, RTA of the Company for consolidation into a single folio.
13. 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 Link Intime India Private Limited, C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400083.
14. Members holding shares in physical form are requested to consider converting their holding to dematerialized form as SEBI has decided that securities of listed companies can be transferred only in dematerialised form from 5<sup>th</sup> December 2018. In view of above and to avail various benefits of dematerialisation, Members are advised to dematerialise shares held by them in physical form.
15. 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, Link Intime India Private Limited to enable the Company to send all communications electronically.
16. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's share transfer agent. In respect of shares held in electronic form, the nomination form may be filed with the respective depository participant.
17. Members may also note that the Annual Report for FY 2017-18 is also available for downloading on Company's website <http://www.porwalauto.com/>.
18. Pursuant to Provisions of Section 91 of the Companies Act, 2013, the Register of Members and share transfer book of the Company will remain closed during the period from Saturday, 22nd September, 2018 to Saturday, 29th September, 2018 (both days inclusive) for the purpose of payment of dividend to those members whose name stand on the Register of Members as on Saturday, 22nd September, 2018. The dividend, if declared at the Annual General Meeting, would be paid/dispached after 29th September, 2018 to those persons or their mandates.
  - The Dividend in respect of equity shares held in electronic form will be payable to the beneficial owner of the equity shares as at the end of business hours on Saturday, 22nd September, 2018, as per the details furnished by the depositories for this purpose.
  - The Dividend in respect of equity shares held in physical form after giving effect to all valid share transfers lodged with the Company before closing hours on Saturday 22nd September, 2018.

The Register of Members and Share Transfer Books of the Company will be closed from Saturday, 22nd September, 2018 to Saturday, 29th September, 2018 (both days inclusive).

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

Financial Year Ended	Date of declaration of dividend	Last date for claiming unpaid/unclaimed dividend
31st March 2016	28th September 2016	26th October 2023
31st March 2017	28th September 2017	26th October 2024

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

- Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details and unclaimed amounts on the website of the Company [www.porwalauto.com](http://www.porwalauto.com).
  - Pursuant to sections 124 and 125 of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer, and Refund) Rules, 2016 ("the IEPF Rules") notified by the Ministry of Corporate Affairs with effect from 7th September, 2016, as amended, all unclaimed/ unpaid dividend, application money, debenture interest and interest on deposits as well as principal amount of debentures and deposits remaining unpaid or unclaimed for a period of 7 years from the date they became due for payment, are required to be transferred to the Investor Education and Protection Fund ("IEPF") administered by the Central Government.
  - Further, pursuant to the provisions of section 124 of Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 all shares on which dividend has been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.
19. The Securities and Exchange Board of India (SEBI) vide its Circular No. SEBI/HO/MIRSD/DOP1/ CIR/P/2018/73 dated 20th April, 2018 has mandated registration of PAN and Bank Account Details for all security holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account details to Link Intime India Private Limited along with a self-attested copy of PAN Card and original cancelled cheque. The original cancelled cheque should bear the name of the Member. In the alternative Members are requested to submit a copy of bank passbook/statement attested by the bank. Members holding shares in Demat form are requested to submit the aforesaid information to their respective Depository Participant.
20. The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Companies Act, 2013 requires the Company/ Registrar and Transfer Agents to record additional details of Members, including their PAN details, e-mail address, etc. A form for compiling the additional details is being sent along with this Notice. Members holding shares in physical form are requested to submit the form duly completed to the Company or its Registrar and Transfer Agents. Members holding shares in electronic form are requested to submit the details to their respective Depository Participants.
21. 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.
22. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is omitted vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the 25th Annual General Meeting, held on 28th September, 2017.
23. The route map showing directions to reach the venue of the Twenty Sixth AGM is annexed.
24. **Voting through electronic means**
- (i) In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to exercise their right to vote on resolutions proposed to be considered at the ensuing Annual General Meeting (AGM) by electronic means. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by CDSL.
  - (ii) The facility for voting through polling paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their rights at the meeting through polling paper.
  - (iii) The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
  - (iv) The Board of Directors has appointed Ms. Shraddha Jain, Practicing Company Secretary (Membership No. ACS 39488) as the Scrutinizer to scrutinize the voting at the meeting and to conduct remote e-voting process in a fair and transparent manner.

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- (v) **The instructions for shareholders voting electronically are as under:**
- a. The voting period begins on **26<sup>th</sup> September, 2018** (09:00 am) and ends on **28<sup>th</sup> September, 2018** (05:00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **22<sup>nd</sup> September, 2018** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - b. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - c. Click on Shareholders/Members tab.
  - d. Now Enter your User ID
    - For CDSL: 16 digits beneficiary ID,
    - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - e. Next enter the Image Verification as displayed and Click on Login.
  - f. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - g. If you are a first time user follow the steps given below:

<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) ➤ Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field.
	➤ In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (d).

- h. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. **22<sup>nd</sup> September, 2018** may obtain the login ID and password by sending a request to Link Intime India Private Limited at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).
- i. After entering these details appropriately, click on "SUBMIT" tab.
- j. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- k. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- l. Click on the EVSN for the **PORWAL AUTO COMPONENTS LIMITED** on which you choose to vote.
- m. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- n. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.



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- o. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- p. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- q. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- r. If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - (vi) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
  - (vii) **Note for Non – Individual Shareholders and Custodians**
    - a. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
    - b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
    - c. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
    - d. The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
    - e. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - (viii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - (ix) 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. **22<sup>nd</sup> September, 2018**.
  - (x) 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.
  - (xi) 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.
  - (xii) 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.
  - (xiii) The voting results declared along with the Scrutinizer's Report shall be placed on the Company's website <http://www.porwalauto.com/> and on the website of CDSL immediately after the declaration of the result by the Chairman or a person authorized by the Chairman. The results shall also be immediately forwarded to BSE Limited.

**PLACE:** Pithampur  
**DATE:** 11.08.2018

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

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

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

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

**ITEM No : 4**

Mr. Nitin Dafria joined the Board on 30<sup>th</sup> September, 2002 as an Independent Director and has served as director of the Company for over 16 years. He is a Practicing Chartered Accountant since last 27 years and also holds the degree of MBA. He has wide experience in the finance and taxation matters. He is not a Director in any other Company and does not hold any Equity shares in the Company.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company has proposed to re-appoint Mr. Nitin Dafria (DIN: 01560804) as an Independent Director of the Company for the second term of five years commencing from 01st April, 2019 to 31st March 2024, subject to consent by the Members of the Company at the ensuing Annual General Meeting ("AGM").

The Company has also received a declaration from Mr. Nitin Dafria (DIN: 01560804) confirming that he meets the criteria of independence as prescribed under the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The Company has received from Mr. Nitin Dafria (DIN: 01560804) consent in writing to act as Director in form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 and intimation in Form DIR-8 in terms of Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of section 164 of the Companies Act, 2013.

In the opinion of the Board, Mr. Nitin Dafria (DIN: 01560804) fulfils the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulations and he is independent of the management. Mr. Nitin Dafria (DIN: 01560804) is not related to any other Director and Key Managerial Personnel of the Company. None of the Directors, Key Managerial Personnel and their relatives, except Mr. Nitin Dafria (DIN: 01560804), are in any way, concerned or interested in the said resolution. The Board recommends to pass Special Resolution as set out in Item No.4 of the notice.

**ITEM No : 5**

Mr. Surajmal Kucheria joined the Board of Directors of the Company on 23rd April, 2007 as Additional Director of the Company. He is a Commerce Graduate and holds the degree of CAIIB. He has served State Bank of Saurashtra for many years, from where he retired as MD. He has wide experience in the field of Banking and Finance. Mr. Surajmal Kucheria does not hold by himself any Equity shares in the Company.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company has proposed to re-appoint Mr. Surajmal Birdichand Kucheria (DIN: 00027661) as an Independent Director of the Company for the second term of five years commencing from 01st April, 2019 to 31st March, 2024, subject to consent by the Members of the Company at the ensuing Annual General Meeting ("AGM").

The Company has also received a declaration from Mr. Surajmal Birdichand Kucheria (DIN: 00027661) confirming that he meets the criteria of independence as prescribed under the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The Company has received from Mr. Surajmal Birdichand Kucheria (DIN: 00027661) consent in writing to act as Director in form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 and intimation in Form DIR-8 in terms of Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of section 164 of the Companies Act, 2013.

In the opinion of the Board, Mr. Surajmal Birdichand Kucheria (DIN: 00027661) fulfils the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulations and he is independent of the management. Mr. Surajmal Birdichand Kucheria (DIN: 00027661) is not related to any other Director and Key Managerial Personnel of the Company. None of the Directors, Key Managerial Personnel and their relatives, except Mr. Surajmal Birdichand Kucheria (DIN: 00027661), are in any way, concerned or interested in the said resolution. The Board recommends to pass Special Resolution as set out in Item No.5 of the notice.

**ITEM No : 6**

Mr. Ramesh C Kashyap joined the Board of Directors of the Company on 28<sup>th</sup> May, 2013 as Additional Director of the Company. He is a Post Graduate in M.COM and also holds the degree of LLB and having 36 Years of experience in Banking

## ≡≡≡ **Porwal Auto Components Ltd.** ≡≡≡≡≡≡≡≡≡ Annual Report 2017 - 2018 ≡≡≡

Sector. He has served Punjab National Bank for many years, from where he retired as Assistant General Manager in the year 2002. He has wide experience in the field of Banking and Finance and he does not hold any Equity shares in the Company.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company has proposed to re-appoint Mr. Ramesh C Kashyap (DIN: 06593723) as an Independent Director of the Company for the second term of five years commencing from 01st April, 2019 to 31st March 2024, subject to consent by the Members of the Company at the ensuing Annual General Meeting ("AGM").

The Company has also received a declaration from Mr. Ramesh C Kashyap (DIN: 06593723) confirming that he meets the criteria of independence as prescribed under the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The Company has received from Mr. Ramesh C Kashyap (DIN: 06593723) consent in writing to act as Director in form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 and intimation in Form DIR-8 in terms of Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of section 164 of the Companies Act, 2013.

In the opinion of the Board, Mr. Ramesh C Kashyap (DIN: 06593723) fulfils the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulations and he is independent of the management. Mr. Ramesh C Kashyap (DIN: 06593723) is not related to any other Director and Key Managerial Personnel of the Company. None of the Directors, Key Managerial Personnel and their relatives, except Mr. Ramesh C Kashyap (DIN: 06593723), are in any way, concerned or interested in the said resolution. The Board recommends to pass Special Resolution as set out in Item No.6 of the notice.

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

S. No.	Name of Directors	Mr. Surendra Utsavlal Jain	Mr. Nitin Dafria	Mr. Surajmal Birdichand Kucheria	Mr. Ramesh C Kashyap
1.	DIN	00245154	01560804	00027661	06593723
2.	Date of Birth	19.10.1952	26.12.1964	17.02.1940	01.09.1942
3.	Date of first appointment	07.06.2005	30.09.2002	23.04.2007	28.05.2013
4.	Qualification	B.E. (Mech)	CA, MBA	Commerce Graduate, CAIIB	M.COM, LLB
5.	Expertise / Experience in specific functional areas	Having 42 years of experience in business & Industry.	Having more than 27 years of experience as a Practicing Chartered Accountant	Having wide experience in the field of Banking and Finance	Having more than 36 years experience in Banking Sector
6.	Terms and conditions of appointment/ re-appointment	Re-appointed as Whole time Director of the company.	Re-appointed as Independent Director not liable to retire by rotation	Re-appointed as Independent Director not liable to retire by rotation	Re-appointed as Independent Director not liable to retire by rotation
7.	Details of remuneration of last drawn (2017-18)	36,00,000 p.a	NIL	NIL	NIL
8.	Details of remuneration proposed to be paid	36,00,000 p.a	NIL	NIL	NIL
9.	No. & % of Equity Shares held	2.578%	NIL	NIL	NIL

S. No.	Name of Directors	Mr. Surendra Utsavlal Jain	Mr. Nitin Dafria	Mr. Surajmal Birdichand Kucheria	Mr. Ramesh C Kashyap
10.	Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Mr. Devendra Jain, Mr. Mukesh Jain, Mr. Shailesh Jain & Mr. Surendra Utsavlal Jain, are Brothers.	---	---	---
11.	Number of Meetings of the Board attended during the year	6	5	5	6
12.	List of outside Company Directorship held	---	---	Prestige Agro-Tech Limited	---
13.	Chairman / Member of the Committees of the Board of Directors of the Company	---	<b>Chairman</b> - Audit Committee - Stake holder Relationship Committee <b>Member</b> - Nomination and Remuneration Committee	<b>Chairman</b> - Nomination and Remuneration Committee <b>Member</b> - Audit Committee - Stake holder Relationship Committee	<b>Member</b> - Audit Committee - Nomination and Remuneration Committee
14.	Chairman / Member of the Committees of the Board of Directors of other Companies in which he is director	---	---	<b>Prestige Agro-Tech Limited</b> <b>Chairman</b> - Nomination and Remuneration Committee - Audit Committee - Stake holder Relationship Committee	---

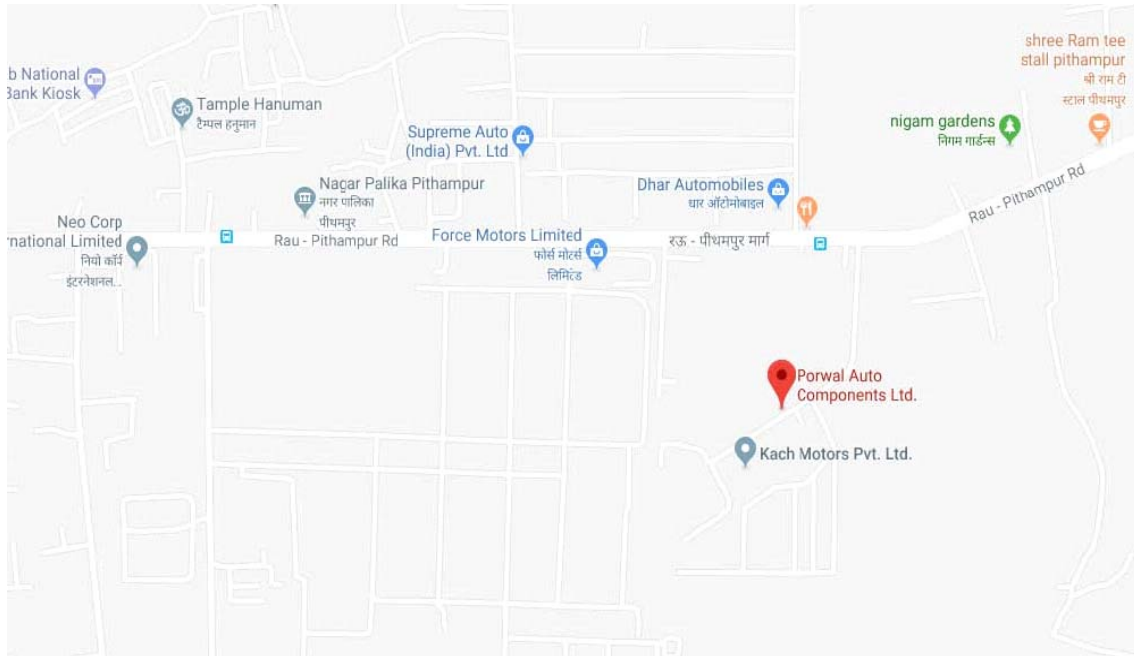
By order of the Board of Directors  
**Porwal Auto Components Limited**

**PLACE:** Pithampur  
**DATE:** 11.08.2018

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

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

Route Map for the Venue of AGM



**BOARDS' REPORT**

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

Your Directors have immense pleasure in presenting 26<sup>th</sup> Boards' Report of **Porwal Auto Components Ltd**, together with the audited financial statements for the year ended March 31, 2018.

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

**a. Financial Performance**

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

(Rs. in lacs)

Particulars	As on 31.03.2018	As on 31.03.2017
<b>Revenue from Operations</b>	11014.29	9175.27
Other Income	121.34	20.48
Total Expenses [excluding interest & depreciation]	9808.31	8221.76
<b>Profit before Interest, Depreciation &amp; Tax</b>	<b>1327.32</b>	<b>974.00</b>
Less: Depreciation	479.21	416.75
Less: Interest	210.70	108.11
<b>Profit / (Loss) Before Tax</b>	<b>637.41</b>	<b>449.13</b>
Less: Tax Expenses		
Current Tax	129.97	91.57
Deferred Tax	2.23	149.36
<b>Net Profit / (Loss) after Tax</b>	<b>505.21</b>	<b>208.20</b>
<b>Add:</b> Amount brought forward from Last Year	496.80	379.85
<b>Balance carried forward to Balance Sheet</b>	<b>1002.01</b>	<b>588.05</b>
<b>Appropriations:</b>		
(a) Proposed Dividend on Equity Shares	-113.25	-75.50
(b) Tax on Proposed Dividend	-23.05	-15.37
(c) Income Tax/Wealth tax of earlier years	-1.43	-0.38
Balance carried forward to Balance Sheet	864.28	496.80

Your Company's financial statements for the year ended 31<sup>st</sup> March, 2018 are the financial statements prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as applicable.

During the year under review the Company has reported a turnover of Rs. 11014.29 Lacs against the turnover of Rs. 9175.27 Lacs in the Previous Financial Year, registering an increment of Rs. 1839.03. The overall expense of the Company has also increased from Rs. 8221.76 Lacs to Rs. 9808.31 Lacs. The Company has earned a net profit of Rs. 505.22 Lacs as compared to profit of Rs. 208.20 in previous Financial Year.

**b. Operations And Future Outlook**

The Indian auto-components industry has experienced healthy growth over the last few years. The Indian auto-components market contributes almost seven per cent to India's GDP and employs as many as 19 million people. As per Automobile Component Manufacturers Association (ACMA) forecasts, automobile component exports from India are expected to reach US\$ 70-billion by 2026 from US\$ 10.9 billion in FY17. The Indian auto component industry aims to achieve US\$ 200 billion in revenues by 2026.

The auto-components industry accounts for 2.3 per cent of India's Gross Domestic Product (GDP) and employs as many as 1.5 million people directly and indirectly each. A stable government framework, increased purchasing power, large domestic market, and an ever increasing development in infrastructure have made India a favourable destination for investment.

India is emerging as global hub for auto component sourcing. A cost-effective manufacturing base keeps costs lower by 10-25 per cent relative to operations in Europe and Latin America. Relative to competitors, India is geographically closer to key automotive markets like the Middle East and Europe. Global auto component players are increasingly adopting a dual-shore manufacturing model, using overseas facilities to manufacture few types of components and Indian facilities to manufacture the others.

Government has drafted Automotive Mission Plan (AMP) 2016-26 which will help the automobile industry to grow and will benefit Indian economy in the following ways:-

- ◆ Contribution of auto industry in the country's GDP will rise to 13 per cent, currently which is less than 10 percent
- ◆ More than 100 million jobs will be created in the economy
- ◆ Companies will invest around US \$80 billion as a part of their capital expenditure.

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. The future outlook of your Company remains positive as your Company is actively working on both the strategic front and the operations front to take advantage of the turning trends which includes Research and Development, improving operational performances, focus on quality, broaden the customer base etc.

The Indian auto-components industry is set to become the third largest in the world by 2025 Indian auto-component makers are well positioned to benefit from the globalisation of the sector as exports potential could be increased by up to four times to US\$ 40 billion by 2020.

Solar power in India is a fast developing industry. The country's solar installed capacity reached 23 GW as of 30 June 2018 India expanded its solar-generation capacity 8 times from 2,650 MW on 26 May 2014 to over 20 GW as on 31 January 2018.

Solar power being the best suited energy source, the Company in 2013-2014 has set up solar power generation unit at village KadodiyaTarana District, Ujjain, Madhya Pradesh for captive consumption. The Company again has setup another solar power plant in the year 2017-18 of three mega wattat village KadodiyaTarana, Ujjain. By putting solar power generation unit, the company provides electricity units to Madhya Pradesh PaschimKashetraVidyutVitaran Co. Ltd (MPPVVCL) and receives the credit of the same by the settlement of the electricity bill

**c. Change in nature of Business**

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

**d. Changes in Share Capital**

During the Financial Year 2017-18 there was no change in capital structure of the company. The paid up equity capital as on 31<sup>st</sup> March, 2018 was Rs. 15,10,00,000. During the year under review, the company has not issued shares with differential voting rights nor has granted any stock option or sweat equity shares.

**e. Revision of Annual Financial Statements**

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

**2. Transfer to Reserves**

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

**3. Dividend**

The Directors has recommended a dividend of Rs. 0.75 per share (7.5%) on the Equity Shares of the Company (Previous year Rs. 0.50 per share,). If the dividend, as recommended above, is declared by the Members at the Annual General Meeting ('AGM'), the total outflow towards dividend on Equity Shares for the year would be Rs. 1,13,25,000 (excluding dividend tax) (Previous Year Rs. 75,50,000).

**4. Deposits**

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

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

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

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

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

**7. Extract of Annual Return**

The extract of the Annual Return of the Company as on 31<sup>st</sup> March, 2018 in Form MGT - 9 in accordance with Section 92 (3) of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, are set out in the Annexure I to this report.

Further, As per Section 134 (3) (a) of the Companies Act, 2013, the Annual Return of the Company as on 31<sup>st</sup> March, 2017 in Form MGT – 7, has been posted the website of the Company and can be accessed through Company's web link at [http://www.porwalauto.com/pdf/MGT-7\\_PACL.pdf](http://www.porwalauto.com/pdf/MGT-7_PACL.pdf) and Annual Return for the Financial Year 31<sup>st</sup> March 2018 will be posted on website of the Company once the same will be filed with Registrar of Companies.

**8. Directors and Key Managerial Personnel**

In accordance with the provisions of Section 152 of the Act and in terms of the Articles of Association of the Company, Mr. Surendra Jain retires by rotation and being eligible, offers himself for reappointment at the ensuing 26<sup>th</sup> Annual General Meeting. The Board recommends his re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

The term of office of Mr. Nitin Dafria (DIN: 01560804), Mr. Surajmal Birdichand Kucheria (DIN: 00027661) & Mr. Ramesh C Kashyap (DIN: 06593723) will expire on 31<sup>st</sup> March 2019. Based on the recommendation of Nomination and Remuneration Committee, the Board in its meeting held on Saturday 11<sup>th</sup> August 2018, proposed the re-appointment of Mr. Nitin Dafria (DIN: 01560804), Mr. Surajmal Birdichand Kucheria (DIN: 00027661) & Mr. Ramesh C Kashyap (DIN: 06593723) as an Independent Director for a second term of five (5) years commencing from 01<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024. The Board recommends the re-appointment of Mr. Nitin Dafria, Mr. Surajmal Birdichand Kucheria & Mr. Ramesh C Kashyap as Independent Director of the Company at the ensuing Annual General Meeting.

During the year under review, Mr. Devendra Jain (DIN- 00232920) has been re-appointed as Managing Director of the Company for a period of three years commencing from 01<sup>st</sup> August, 2017 to 31<sup>st</sup> July, 2020, pursuant to the provisions of sections 196, 197, 203 and applicable provisions if any, of Companies Act, 2013.

During the year under review, Mr. Mukesh Utsavlal Jain (DIN- 00245111), has been re-appointed as Whole-Time Director of the Company for a period of three years commencing from 01<sup>st</sup> August, 2017 to 31<sup>st</sup> July, 2020, pursuant to the provisions of sections 196, 197, 203 and applicable provisions if any, of Companies Act, 2013.

During the year under review, Mr. Surendra Utsavlal Jain (DIN- 00245154), has been re-appointed as Whole-Time Director of the Company for a period of three years commencing from 01<sup>st</sup> August, 2017 to 31<sup>st</sup> July, 2020, pursuant to the provisions of sections 196, 197, 203 and applicable provisions if any, of Companies Act, 2013.

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

\*Ms. Hansika Mittal was appointed as a Company Secretary and Compliance Officer of the Company on 08<sup>th</sup> February, 2018 in place of Mrs. Arwa Saifee, who had been resigned from the office of Company Secretary on 01<sup>st</sup> December, 2017.

**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 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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



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

#### **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.

#### **9. Committees of the Board Of Directors**

During the year under review, the Company has three committees which have been constituted as a part of the good corporate governance practices and the same are in compliance with the requirements of the relevant provisions of applicable laws and statutes. The following are the details of the Board Committees during the Financial Year 2017-18:

- (i) Audit Committee
- (ii) Nomination and Remuneration Committee
- (iii) Stakeholders Relationship Committee

#### **Audit Committee:**

Your Company has an adequately qualified and experienced Audit Committee with Mr. Nitin Dafria (Chairperson), Mr. Ramesh C Kashyap and Mr. Surajmal Birdichand Kucheria as Members. The recommendations of the Audit Committee were duly approved and accepted by the Board during the year under review.

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

#### **Corporate Social Responsibility Committee:**

Your Company has formed the CSR Committee in the Board Meeting dated 18th May, 2018 as the Company's Net Profit for the year ended 31st March, 2018 exceeds Five Crore Rupees i.e. one of the condition fulfill as per Section 135 of Companies Act, 2013. The composition and other details of the CSR Committee are given in the Corporate Governance Report.

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

- a. **Board Meetings:** During the year under review the Board has met 6 (six) times viz. **27th May, 2017; 31st July, 2017; 12th August, 2017; 11th Nov, 2017; 01st December, 2017; 08th February, 2018**. The details of meetings of the Board and the attendance of Directors are provided in the Corporate Governance Report.
- b. **Committee Meetings:** During the year under review, the Committees duly met and the details of the Meetings held and attendance of the Directors at such Meetings, are provided in the Corporate Governance Report.
- c. **Separate Meeting of Independent Director:** During the year under review, a separate meeting of Independent Directors was held on 28<sup>th</sup> March, 2018. Details of the attendance of the Directors at such meeting and details about familiarization programme are provided in the Corporate Governance Report.

#### **11. NOMINATION AND REMUNERATION POLICY**

Pursuant to the provisions of Section 178(3) of the Companies Act, 2013, and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee has formulated a policy relating to the remuneration for the Directors, key managerial personnel (KMP) and other employees which is being approved and adopted by the Board and has been posted on the website of the Company and can be accessed through web link [http://www.porwalauto.com/pdf/NRC\\_POLICY\\_PACL.pdf](http://www.porwalauto.com/pdf/NRC_POLICY_PACL.pdf) .

**Salient Features of the policy:** The policy covers the following:

- Definitions
- Appointment Criteria for Directors and Key Management Personnel.
- Additional Criteria for Appointment of Independent Directors.
- Tenure of the Directors.
- Performance Evaluation Criteria.
- Removal of the Directors.
- Policy on Board Diversity.
- Policy Review.
- Remuneration Criteria for Non Executive Directors & Managing Director & Key Managerial Personnel & senior management.

**Changes made in Nomination and Remuneration Policy**

Further the Nomination and Remuneration Policy is amended with respect of the definition of the "Independent Director" which is amended as per the Companies Amendment Act, 2017 and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors in their meeting held on 18<sup>th</sup> May, 2018.

**12. Performance Evaluation of the Board**

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

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

**13. Directors' Responsibility Statement**

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

- a. In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- b. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company at the end of the financial year and of the profit for the year ended on that period.
- c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- d. The Directors had prepared the annual accounts on a going concern basis.
- e. The Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f. The Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

**14. Auditors:**

**a. Statutory Auditors**

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

The Company has received a certificate from the auditors confirming that their appointment is in accordance

with Section 139 read with Section 141 of the Act.

**Explanation to Auditor's Remark**

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

**Reporting of fraud by Statutory Auditors**

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

**b. Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the company has appointed Ms. Shraddha Jain, Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report for the financial year ended March 31<sup>st</sup>, 2018 is annexed herewith marked as **Annexure II** to this Report.

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

**c. Cost Record and Cost Audit**

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

**d. Internal Auditor**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**19. Risk Management**

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

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

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

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

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil Mechanism Policy under which the employees are free to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or policy. The same is posted on the website of the Company at <http://www.porwalauto.com/>. It is hereby affirmed by the Board that no personnel have been denied access to the Audit Committee to lodge their grievances.

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

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

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

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

**24. Particulars of Employees**

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

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

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

As required under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Managing Director and Chief Financial Officer of the Company have certified to the Board regarding the Financial Statements for the year ended 31st March, 2018.

**26. Voting Rights of employees**

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

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

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

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

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

**29. Corporate Governance Report**

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

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

**30. Corporate Social Responsibility**

As your Company meet the requirements of Section 135 of Companies Act, 2013 the Corporate Social Responsibility (CSR) committee was established by the Board.

The details with respect to the composition, powers, roles, terms of reference, Meetings held and attendance of the Directors at such Meetings are given in detail in the Report on Corporate Governance of the Company which forms part of this Report. The Corporate Social Responsibility Policy of the Company forms part of this report as **Annexure VII.**

**31. Management Discussion and Analysis Report**

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

**32. Listing at Stock Exchange**

The Equity shares of the Company are listed on Bombay Stock Exchange Limited, Mumbai and the Listing Fee for the year 2017-18 has been duly paid.

**33. Insurance**

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

**34. Business Responsibility Report**

The Business Responsibility Reporting as required by Regulation 34(2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, is not applicable to your Company for the financial year ending March 31, 2018.

**35. Depository System**

Your Company's shares are tradable compulsorily in electronic form and your Company has connectivity with both the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Service (India) Limited (CDSL). As per the SEBI (Listing Obligations & Disclosure Requirements) (Fourth Amendment) Regulations, 2018, vide Gazette notification dated June 8, 2018, Share transfer shall be mandatorily carried out in dematerialized form only w.e.f. December 5, 2018. 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.

**36. 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.

**37. 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.

**38. Disclosure as required under Section 22 of Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and constitution of Internal Complaints Committee**

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

**Date:** 11.08.2018

**Place:** Pithampur

**Registered office**

Plot No. 209, Sector No. 1,

Industrial Area,

Pithampur (M.P.) 454775

CIN: L34300MP1992PLC006912

For and on behalf of the Board of Directors

**Porwal Auto Components Limited**

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

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

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

**EXTRACT OF ANNUAL RETURN**

As on Financial Year ended on 31.03.2018  
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. C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 Tel: +91 22 49186000 Email Id : rnt.helpdesk@linkintime.com

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

S.No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	CI & SG Iron Automobile Components	29301	97.6974%

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

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

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

**A) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year[As on 1- 04-2017]				No. of Shares held at the end of the year[As on 31-03-2018]				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	%Change during the year
A. Promoters									
1 Indian									
a Individual/HUF	28,58,542	0	28,58,542	18.9307	28,09,442	0	28,09,442	18.6056	-0.3251
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.	27,50,000	0	27,50,000	18.2119	27,50,000	0	27,50,000	18.2119	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>Sub-total (A) (1):-</b>	<b>56,08,542</b>	<b>0</b>	<b>56,08,542</b>	<b>37.1426</b>	<b>55,59,442</b>	<b>0</b>	<b>55,59,442</b>	<b>36.8174</b>	<b>-0.3251</b>

**Porwal Auto Components Ltd. Annual Report 2017 - 2018**

Category of Shareholders	No. of Shares held at the beginning of the year[As on 1- 04-2017]				No. of Shares held at the end of the year[As on 31-03-2018]				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	%Change during the year
<b>2 Foreign</b>									
NRIs -	0	0	0	0	0	0	0	0	0
a Individuals	0	0	0	0	0	0	0	0	0
b Other -Individuals	0	0	0	0	0	0	0	0	0
c Bodies Corp.	0	0	0	0	0	0	0	0	0
d Banks / FI	0	0	0	0	0	0	0	0	0
e Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>56,08,542</b>	<b>0</b>	<b>56,08,542</b>	<b>37.1426</b>	<b>55,59,442</b>	<b>0</b>	<b>55,59,442</b>	<b>36.8174</b>	<b>-0.3252</b>
<b>B Public Shareholding</b>									
<b>1 Institutions</b>									
a Mutual Funds	0	0	0	0	0	0	0	0	0
b Banks / FI	0	0	0	0	0	0	0	0	0
c Central Govt	0	0	0	0	0	0	0	0	0
d State Govt(s)	0	0	0	0	0	0	0	0	0
e Venture Capital Funds	0	0	0	0	0	0	0	0	0
f Insurance Companies	0	0	0	0	0	0	0	0	0
g FIs	0	0	0	0	0	0	0	0	0
h Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2 Non-Institutions</b>									
<b>a Bodies Corp.</b>									
i Indian	35,61,503	1,96,600	37,58,103	24.8880	35,55,886	1,95,700	37,51,586	24.8449	-0.0432
ii Overseas	0	0	0	0	0	0	0	0	0
<b>b Individuals</b>									
i Individual share-holders holding nominal share capital upto Rs. 1 lakh	3636528	408303	4044831	26.7870	3884932	404603	4289535	28.4075	1.6205
ii Individual share-holders holding nominal share capital in excess of Rs 1 lakh	1067012	44700	1111712	7.3623	974544	44700	1019244	6.7500	-0.6123
<b>c Others (specify)</b>									
Hindu Undivided Family	2,60,436	0	2,60,436	1.7247	2,41,903	0	2,41,903	1.6020	-0.1227
Non Resident Indians (Repat)	62,870	0	62,870	0.4164	77,865	0	77,865	0.5157	0.0993
Non Resident Indians (Non-Repat)	52,915	0	52,915	0.3504	59,202	0	59,202	0.3921	0.0417
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Market maker	0	0	0	0	0	0	0	0	0
Clearing Members	2,00,591	0	2,00,591	1.3284	1,01,223	0	1,01,223	0.6703	-0.6581
Trusts	0	0	0	0	0	0	0	0	0
Bodies Corporate	3561503	196600	3758103	24.8881	3555886	195700	3751586	24.8449	-0.0432
Foreign Bodies-DR	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2):-</b>	<b>8841855</b>	<b>649603</b>	<b>9491458</b>	<b>47.5497</b>	<b>8895555</b>	<b>645003</b>	<b>9540558</b>	<b>47.7957</b>	<b>0.2460</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>8841855</b>	<b>649603</b>	<b>9491458</b>	<b>47.5497</b>	<b>8895555</b>	<b>645003</b>	<b>9540558</b>	<b>47.7957</b>	<b>0.2460</b>

Category of Shareholders	No. of Shares held at the beginning of the year[As on 1- 04-2017]				No. of Shares held at the end of the year[As on 31-03-2018]				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	%Change during the year
C. Shares held by Custodian for GDRs & ADRs									
<b>Grand Total (A+B+C)</b>	14450397	649603	15100000	100.0000	14454997	645003	15100000	100.0000	

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

S. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2017)			Shareholding at the end of the year (As on 31-03-2018)			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in shareholding during the year
1	Surendra Jain	3,89,280	2.578	0	3,89,280	2.578	0	0
2	Devendra Jain	3,52,299	2.3331	0	3,52,299	2.3331	0	0
3	Mukesh Jain	2,81,105	1.8616	0	2,81,105	1.8616	0	0
4	Gajendra Utsavlat ji Jain	2,75,989	1.8277	0	2,75,989	1.8277	0	0
5	Shailesh Jain	1,92,800	1.2768	0	1,92,800	1.2768	0	0
6	Chandanbai Utsavlat Jain	1,64,000	1.0861	0	1,64,000	1.0861	0	0
7	Sunita Jain	1,14,600	0.7589	0	1,14,600	0.7589	0	0
8	Pramila Jain	1,10,000	0.7285	0	1,10,000	0.7285	0	0
9	Pushpa Jain	95,000	0.6291	0	95,000	0.6291	0	0
10	Manju Jain	94,900	0.6285	0	94,900	0.6285	0	0
11	Premlata Jain	92,000	0.6093	0	92,000	0.6093	0	0
12	Atin Jain	78,500	0.5199	0	78,500	0.5199	0	0
13	Santosh Aidasani	75,000	0.4967	0	75,000	0.4967	0	0
14	Arshui Jain	72,500	0.4801	0	72,500	0.4801	0	0
15	Devendra Jain HUF	69,000	0.457	0	69,000	0.457	0	0
16	Gajendra Jain HUF	66,000	0.4371	0	66,000	0.4371	0	0
17	Mukesh Jain HUF	59,000	0.3907	0	59,000	0.3907	0	0
18	Sejal Jain	34,500	0.2285	0	34,500	0.2285	0	0
19	Sonali Parekh	30,800	0.204	0	30,800	0.204	0	0
20	ParulAtin Jain	26,500	0.1755	0	26,500	0.1755	0	0
21	Richa Devendra Jain	24,000	0.1589	0	24,000	0.1589	0	0
22	Reema Devendra Jain	23,000	0.1523	0	23,000	0.1523	0	0
23	Shailesh Jain HUF	20,500	0.1358	0	20,500	0.1358	0	0
24	Surendra Jain HUF	19,500	0.1291	0	19,500	0.1291	0	-0.2649
25	Cherry Sanman Kapale	21,500	0.1424	0	17,500	0.1158	0	-0.0266
26	Rohan Mukesh Jain	17,500	0.1159	0	17,500	0.1159	0	0
27	Riti Dawra	9,000	0.0596	0	9,000	0.0596	0	0
28	Anish Jain	4,000	0.0265	0	4,000	0.0265	0	0
29	Shikha Gawade	5,769	0.0382	0	669	0.0044	0	-0.0338
30	Flag Vittawas Limited	27,50,000	18.2119	0	27,50,000	18.2119	0	0
	<b>Total</b>	<b>56,08,542</b>	<b>37.1427</b>	<b>0</b>	<b>55,59,442</b>	<b>36.8173</b>	<b>0</b>	<b>0</b>

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

S. No.	Particulars	Shareholding at the beginning of the year (As on 01-04-2017)		Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	56,08,542	37.1426%	56,08,542	37.1426%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.) :			Note-1	
	At the end of the year	55,59,442	36.8175%	55,59,442	36.8175%

**Note :** There is change in the total shareholding of promoters between 01-04-2017 and 31-03-2018 and the same details are given below.



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

SI. No.	Name	Shareholding					Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
		No. of Shares at the beginning (01-04-17)/ end of the year (31-03-18)	% of total shares of Company	Date	Increase/ Decrease in share-	Reason	No. of Shares	% of total shares of Company
1.	Surendra Jain HUF	59500	0.3940	01.04.2017			59500	0.3940
				13.10.2017	-40000	Transfer	19500	0.1291
		19500	0.1291	31.03.2018			19500	0.1291
2.	Cherry Sanman Kapale	21500	0.1424	01.04.2017			21500	0.1424
				27.10.2017	-4000	Transfer	17500	0.1159
		17500	0.1159	31.03.2018			17500	0.1159
3.	ShikhaGawade	5769	0.0382	01.04.2017			5769	0.0382
				27.10. 2017	-5100	Transfer	669	0.0044
		669	0.0044	31.03.2017			669	0.0044

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

SI. No.	Name (For Each of the Top 10 Shareholders)	Shareholding at the beginning of the year (As on 01-04-2017)		Date	Increase/ Decrease in share-holding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
		No. of Shares at the beginning (01-04-17)	% of total shares of Company				No. of Shares	% of total shares of Company
1	PORWAL FINSEC PVT. LIMITED	3288300	21.7768%	Nil movement during the year			3288300	21.7768%
2	PADMA PIRLAMARLA	296311	1.9623	Nil movement during the year			296311	1.9623
3	AZIZ YAKUB SHAIKH	13350	0.0884	1st April,2017	0		13350	0.0884
				02 Jun ,2017	22153	Transfer	35503	0.2351
				25 Aug, 2017	3232	Transfer	38735	0.2565
				24 Nov 2017	10685	Transfer	49420	0.3273
				31st Mar. 2018	0		49420	0.3273
4	KEYNOTE INDUSTRIES PRIVATE LIMITED	49000	0.3245	Nil movement during the year			49000	0.3245
5	SURANA INTERNATIONAL PRIVATE LIMITED	46900	0.3106	Nil movement during the year			46900	0.3106
6	EDELWEISS BROKING LTD	26443	0.1751	1st April 2017	0		26443	0.1751
				07 Apr 2017	36	Transfer	26479	0.1754
				14 Apr 2017	1536	Transfer	28015	0.1855
				21 Apr 2017	(455)	Transfer	27560	0.1825
				28 Apr 2017	295	Transfer	27855	0.1845

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Sl. No.	Name (For Each of the Top 10 Shareholders)	Shareholding at the beginning of the year (As on 01-04-2017)		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
		No. of Shares at the beginning (01-04-17)	% of total shares of Company				No. of Shares	% of total shares of Company
				05 May 2017	2706	Transfer	30561	0.2024
				12 May 2017	116	Transfer	30677	0.2032
				19 May 2017	(1540)	Transfer	29137	0.1930
				26 May 2017	116	Transfer	29253	0.1937
				02 Jun 2017	(26607)	Transfer	2646	0.0175
				09 Jun 2017	(882)	Transfer	1764	0.0117
				16 Jun 2017	38	Transfer	1802	0.0119
				23 Jun 2017	145	Transfer	1947	0.0129
				30 Jun 2017	(60)	Transfer	1887	0.0125
				07 Jul 2017	2328	Transfer	4215	0.0279
				14 Jul 2017	(942)	Transfer	3273	0.0217
				21 Jul 2017	(1480)	Transfer	1793	0.0119
				28 Jul 2017	2553	Transfer	4346	0.0288
				11 Aug 2017	9758	Transfer	14104	0.0934
				18 Aug 2017	6550	Transfer	20654	0.1368
				25 Aug 2017	(9332)	Transfer	11322	0.0750
				01 Sep 2017	50	Transfer	11372	0.0753
				08 Sep 2017	5110	Transfer	16482	0.1092
				15 Sep 2017	(4424)	Transfer	12058	0.0799
				22 Sep 2017	4283	Transfer	16341	0.1082
				29 Sep 2017	318	Transfer	16659	0.1103
				13 Oct 2017	5360	Transfer	22019	0.1458
				20 Oct 2017	246	Transfer	22265	0.1475
				27 Oct 2017	15080	Transfer	37345	0.2473
				03 Nov 2017	(2885)	Transfer	34460	0.2282
				10 Nov 2017	(200)	Transfer	34260	0.2269
				17 Nov 2017	3950	Transfer	38210	0.2530
				24 Nov 2017	(14427)	Transfer	23783	0.1575
				01 Dec 2017	300	Transfer	24083	0.1595
				08 Dec 2017	200	Transfer	24283	0.1608
				15 Dec 2017	(200)	Transfer	24083	0.1595
				22 Dec 2017	1175	Transfer	25258	0.1673
				29 Dec 2017	(2575)	Transfer	22683	0.1502
				05 Jan 2018	100	Transfer	22783	0.1509
				12 Jan 2018	2760	Transfer	25543	0.1692
				19 Jan 2018	21971	Transfer	47514	0.3147
				26 Jan 2018	(674)	Transfer	46840	0.3102
				02 Feb 2018	(300)	Transfer	46540	0.3082
				09 Feb 2018	(1204)	Transfer	45336	0.3002
				23 Feb 2018	(8906)	Transfer	36430	0.2413
				02 Mar 2018	(6260)	Transfer	30170	0.1998
				23 Mar 2018	1	Transfer	30171	0.1998
				31 Mar 2018	14123	Transfer	44294	0.2933
7	JATIN RASIKLAL MANSATA	1000	0.0066	1st April 2017	0		1000	0.0066
				27 Oct 2017	(1000)	Transfer	0	0.0000

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Sl. No.	Name (For Each of the Top 10 Shareholders)	Shareholding at the beginning of the year (As on 01-04-2017)		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
		No. of Shares at the beginning (01-04-17)	% of total shares of Company				No. of Shares	% of total shares of Company
				02 Mar 2018	35867	Transfer	35867	0.2375
				31st March 2018	0		35867	0.2375
8	AJIT KAKUBHAI VAJANI	0	0.0000	1st April 2017	0		0	0.0000
				09 Mar 2018	28000	Transfer	28000	0.1854
				16 Mar 2018	7000	Transfer	35000	0.2318
				31st Mar. 2018	0		35000	0.2318
9	MUTHULAKSHMI M	32026	0.2121	Nil movement during the year			32026	0.2121
10	KUNJITA IMPEX PRIVATE LIMITED	29378	0.1946	Nil movement during the year			29378	0.1946
11	INDIANIVESH SECURITIES LIMITED	100400	0.6649	1st April 2017	0		100400	0.6649
				28 Apr 2017	(400)	Transfer	100000	0.6623
				12 May 2017	1199	Transfer	101199	0.6702
				19 May 2017	(1199)	Transfer	100000	0.6623
				02 Jun 2017	500	Transfer	100500	0.6656
				09 Jun 2017	(400)	Transfer	100100	0.6629
				16 Jun 2017	(100)	Transfer	100000	0.6623
				11 Aug 2017	(98626)	Transfer	1374	0.0091
				18 Aug 2017	(1374)	Transfer	0	0.0000
				08 Sep 2017	2	Transfer	2	0.0000
				15 Sep 2017	(2)	Transfer	0	0.0000
				20 Oct 2017	250	Transfer	250	0.0017
				03 Nov 2017	750	Transfer	1000	0.0066
				10 Nov 2017	(1000)	Transfer	0	0.0000
				17 Nov 2017	50	Transfer	50	0.0003
				23 Mar 2018	1644	Transfer	1694	0.0112
				31 Mar 2018	(644)	Transfer	1050	0.0070
12	MAHESH KURUNGHAT SUKUMARAN	87914	0.5822	1st April 2017	0		87914	0.5822
				12 May 2017	(4730)	Transfer	83184	0.5509
				19 May 2017	(17607)	Transfer	65577	0.4343
				02 Jun 2017	(830)	Transfer	64747	0.4288
				16 Jun 2017	(6170)	Transfer	58577	0.3879
				14 Jul 2017	(54257)	Transfer	4320	0.0286
				11 Aug 2017	54	Transfer	4374	0.0290
				22 Sep 2017	(4374)	Transfer	0	0.0000
				31st Mar. 2018	0		0	0.0000
13	GOVINDBHAI LALJIBHAI KAKADIA	32935	0.2181	1st April 2017			32935	0.2181
				12 May 2017	10000	Transfer	42935	0.2843
				23 Jun 2017	(7790)	Transfer	35145	0.2327
				30 Jun 2017	(5500)	Transfer	29645	0.1963
				07 Jul 2017	(6800)	Transfer	22845	0.1513
				14 Jul 2017	(12845)	Transfer	10000	0.0662
				21 Jul 2017	(5000)	Transfer	5000	0.0331
				01 Sep 2017	(5000)	Transfer	0	0.0000
				31st Mar. 2018	0		0	0.0000

V. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name (For Each of the Top 10 Shareholders)	Shareholding at the beginning of the year (As on 01-04-2017)		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
		No. of Shares at the beginning (01-04-17)	% of total shares of Company				No. of Shares	% of total shares of Company
<b>A. DIRECTOR</b>								
1	Mr. Devendra Jain Managing Director	352299	2.3331			Nil movement during the year	352299	2.3331
2	Mr. Mukesh Jain Whole Time Director	281105	1.8616			Nil movement during the year	281105	1.8616
3	Mr. Surendra Jain Whole Time Director	389280	2.5780			Nil movement during the year	389280	2.5780
4	Mr. Nitin Dafria Independent Director	0	0			Nil Holding during the year	0	0
5	Mr. Surajmal Kucheria Independent Director	0	0			Nil Holding during the year	0	0
6	Mr. Ramesh kashyap Independent Director	0	0			Nil Holding during the year	0	0
7	Mrs. Rajni Jain Independent Director	0	0			Nil Holding during the year	0	0
<b>B. KEY MANAGEMENT PRSONNEL</b>								
1	Mr. Shailesh Jain-CFO	1,92,800	1.2768	01-04-17 31-03-18		Nil Move-ment during the year	1,92,800	1.2768
2	Ms. Arwa Saifee-CS	0	0	01-04-2017 30-11-17	0	Nil Holding during the year	0	0
3	Ms. Hansika Mittal-CS	0	0	08-02-18 31-03-18		Nil Holding during the year	0	0

Note : CS Arwa Saifee has resigned from office of Company Secretary as on 1st December, 2017.

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

SN	Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
	<b>Indebtedness at the beginning of the financial year (01.04.2017)</b>				
i)	Principal Amount	7,82,88,919	-	-	7,82,88,919
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	-	-	-
	<b>Total (i+ii+iii)</b>	<b>7,82,88,919</b>	<b>-</b>	<b>-</b>	<b>7,82,88,919</b>
	<b>Change in Indebtedness during the financial year</b>				
	*Addition	11,03,94,546/-	-	-	11,03,94,546/-
	*Reduction	(1,08,93,814)/-	-	-	(1,08,93,814)/-
	<b>Net Change</b>	<b>99500732/-</b>	<b>-</b>	<b>-</b>	<b>99500732/-</b>
	<b>Indebtedness at the end of the financial year (31.03.2018)</b>				
i)	Principal Amount	177789651/-	-	-	177789651/-
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	-	-	-
	<b>Total (i+ii+iii)</b>	<b>177789651/-</b>	<b>-</b>	<b>-</b>	<b>177789651/-</b>

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

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

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

**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	5000	5000	6000	6000	22000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	5000	5000	6000	6000	22000
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	5000	5000	6000	6000	22000
	Total Managerial Remuneration	5000	5000	6000	6000	22000

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

SN	Particulars of Remuneration	Key Managerial Personnel			
		CFO	CS	CS	Total Amount
		Shailesh Jain	Arwa Saifee	Ms. Hansika Mittal	
1	Gross salary	2700000	172000	37270	2958000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	
2	Stock Option	-	-	-	
3	Sweat Equity	-	-	-	
4	Commission	-	-	-	
	- as % of profit	-	-	-	
	- others, specify...	-	-	-	
5	Others, please specify	-	-	-	
	Total (A)	2700000	172000	37270	2958000

Note: CS Arwa Saifee has resigned from office of Company Secretary as on 1.12.2017 and Ms. Hansika Mittal appointed as Company Secretary of the Company w.e.f. 08.02.2018.

**VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:** There were no Penalties/ Punishment/ Compounding of Offences for the year ended 31<sup>st</sup> March 2018.

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>			<b>NIL</b>		
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

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

**Date:** 11.08.2018

**Place:** Pithampur

**Registered office**

Plot No. 209, Sector No. 1,

Industrial Area,

Pithampur (M.P.) 454775

CIN: L34300MP1992PLC006912

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

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

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

**Annexure – II  
FORM No. MR-3  
SECRETARIAL  
AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2018**

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

To,  
The Members,  
**PORWAL AUTO COMPONENTS LIMITED**  
**(L34300MP1992PLC006912)**  
**Plot No. 209, Sector 1,**  
**Industrial Area, Pithampur**  
**MP 454775 IN**

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2018 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made 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;
- 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;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; which is not applicable to the company during audit period;
  - 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 during audit period;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; which is not applicable to the company during audit period;

- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; which is not applicable to the company during audit period
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; which is not applicable to the company during audit period
- i. The Securities and Exchange Board of India (Listing obligations And Disclosure Requirements) Regulations, 2015 (in so far as they are made applicable from time to time).

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

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

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

I further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the year under review there has been no change took place in the composition of Board of Directors.

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

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

I further report that, based on the information provided and the representation made by the Company, that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, and there were no other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc. having a major bearing on the Company's affairs.

Place: Indore  
Date: 11.08.2018

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



**ANNEXURE – III**

The information under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2018 is given here below and forms part of the Board Report.

**A. Conservation of Energy :**

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

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

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

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

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

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

The Company has setup solar power plant in the year 2013-14 for environment protection and conservation of energy. The Company has invested Rs. 11.97 crores as capital investment on energy conservation equipment. In the year 2016-2017 and 2017-2018, the Company has earned total receipt of Rs. 142.80 Lacs and Rs. 144.88 Lacs respectively from the solar power generation unit.

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

**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 Rs. 40.51 Lacs approximately towards Research and Development.**

<b>C. Foreign exchange earnings and Outgo-</b>	<b>2017-18</b>	<b>2016-17</b>
Foreign exchange earnings	NIL	NIL
Foreign exchange outgo	9.48 lacs	NIL
(Travelling Expenses)		

**Date:** 11.08.2018

**Place:** Pithampur

**Registered office**

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

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

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

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

Annexure – IV

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

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 and the comparison of remuneration of each key Managerial Personnel (KMP) against the performance of the Company are as under:

S. No.	Name of Director/ KMP and Designation	Designation	Remuneration of Director/ KMP for financial year 2017-18	% increase in Remuneration in the Financial Year 2017-18	Ratio of Remuneration of each Director to median remuneration of employees
1.	Mr. Devendra Jain	Managing Director	36,00,000	5.88%	33:1
2.	Mr. Mukesh Jain	Whole Time Director	36,00,000	5.88%	33:1
3.	Mr. Surendra Utavlal Jain	Whole Time Director	36,00,000	5.88%	33:1
4.	Mr. Surajmal Kucheria	Independent Non Executive Director	—	—	NA
5.	Mr. Nitin Dafria	Independent Non Executive Director	—	—	NA
6.	Mr. Ramesh Kashyap	Independent Non Executive Director	—	—	NA
7.	Mrs. Rajni Jain	Independent Non Executive Director	—	—	NA
8.	Mr. Shailesh Jain	CFO	2700000	5.88%	—
9.	Ms. Arwa Saifee	Company Secretary	172000	—	—
10.	Ms. Hansika Mittal	Company Secretary	37270	—	—

**NOTE:**

- None of the Independent Directors of the Company received any remuneration during the financial year 2017-18
- Ms. Hansika Mittal was appointed on 08.02.2018. Therefore no percentage Increase/decrease in Remuneration in the Financial Year 2017-18 is seen.
- (ii) The percentage increase in the median remuneration of employees in the financial year- 6.33%
- (iii) The number of permanent employees on the rolls of Company as on March 31, 2018- 325 Employees
- (iv) Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2017-18 was 13.55% whereas there is increase in the managerial remuneration for the same financial year was 17.64%. There are no exceptional circumstances for increase/decrease in the managerial remuneration.
- (v) The key parameters for any variable component of remuneration availed by the directors are approved by the Board of Directors based on the recommendation of Nomination & Remuneration Committee.
- (vi) It is hereby affirmed that the remuneration paid is as per the Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

**Annexure – V**

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

S. No.	Name	Designation	Remuneration received	Qualification and Experience	Date of Joining	Age	Last Employment
1	Mr. Surendra Jain	Whole Time Director	36,00,000	B. E. (Mech), 42 Years experience of Business & Industry.	07.06.2005	66 Years	Trivent Conductors Limited, Indore
2	Mr. Devendra Jain	Managing Director	36,00,000	B. E. (Mech), 41 Years experience of Business & Industry	03.02.1992	64 years	Porwal Diesel Pvt. Ltd., Pithampur
3	Mr. Mukesh Jain	Whole Time Director	36,00,000	Graduate in commerce, 38 Years experience of Business & Industry	31.03.1998	62 years	Porwal Udhog
4	Mr. Shailesh Jain	CFO	27,00,000	B. Com ; 34 Years	01.04.1999	60 years	Porwal Diesela Pvt. Ltd., Pithampur
5	Mr. Atin Jain	Chief Operating Officer	24,00,000	MBA (Foreign), 16 Years	01.04.2014	41Years	Porwal Diesel Pvt. Ltd., Pithampur
6	Mr. Anish Jain	Commercial Manager	21,00,000	BBA MBA, 10 Years	01.04.2008	31 years	.....
7	Mr. Praveen Sinha	Vice President (Oper.)	16,80,000	B. Tech , MCA ; 33 Years	25.11.2015	58 Years	Priyanshi Casting Pvt. Ltd., Pithampur
8	Mr. Nutan Joshi	Maintanance Manager	8,40,000	B. Sc , DME ; 34 Years	05.09.2015	58 Years	Pioneer Enginee. P. Ltd. Ujjain
9	Mr. Sunil Lanjewar	Quality Manager	804000	B. E. (Mech), 18 Years	19.09.2006	41 Years	Raneka Industries Ltd., Pithampur
10	Mr. Narendra Malakar	NPD Manager	7,92,000	B.E. (Mech), 17 Years	02.02.2010	38 Years	.....
11	Mr. Bhupesh Singh	Manager Production	7,20,000	B. SC., 17 Years	18.02.2017	43 years	-----
12	Mr. G. L. Tirole	Accounts & Finance Manager	684000	M. Com., MBA Finance; 27 years	02.02.1995	52 Years	N. K. Machines Pvt. Ltd., Indore
13	Mr. R. K. Sahu	H R Manager	6,24,000	B. A. 20 years	02.02.2001	48 Years	Gomtesh Engineering, Pithampur
14	Mr. Anil Mendiratta	Marketing Manager	5,40,000	B.A. ; 26 Years	01.05.2014	51 Years	Phooltas Temper Pvt. Ltd. New Delhi
15	Neeraj Kumar Hundi	Assistant Manager	4,50,000	BE (Electronics);	01.04.2015	35 Years	Apicom Automation Pvt. Ltd. Bangalore

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

**ANNEXURE – VI**

**CORPORATE GOVERNANCE REPORT 2017-18**

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

The Directors present the Report on compliance with the Corporate Governance provisions as prescribed under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (“SEBI (LODR) Regulations, 2015”) for the year ended March 31, 2018.

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

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

**1. COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE**

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

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

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

**2. BOARD OF DIRECTORS**

**a. Composition & Category:**

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

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

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

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

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

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

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

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

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

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

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

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

- (i) 27<sup>th</sup> May, 2017;
- (ii) 31<sup>st</sup> July, 2017;
- (iii) 12<sup>th</sup> August, 2017;
- (iv) 11<sup>th</sup> Nov, 2017;
- (v) 01<sup>st</sup> December, 2017;
- (vi) 08<sup>th</sup> February, 2018.

**c. Details of attendance of each Director at Board Meetings and at the last year’s Annual General Meeting with particulars of their other Directorships and Chairman/Membership of Board Committees showing the position as at 31<sup>st</sup> March, 2018 are given in the following table:**

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

**d. Separate Meeting of Independent Directors:** Pursuant to the Regulation 25(3) of the SEBI (LODR) Regulations, 2015 and Schedule IV of the Companies Act, 2013, a separate meeting of the Independent Directors of the Company was held on 28<sup>th</sup> March, 2018, without the attendance of non-independent directors and members of management. They discussed following at the meeting:

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

Attendance of Independent Directors in Independent Directors meeting :

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

**e. Familiarization Programme:**

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

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

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

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

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

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

In accordance with the provisions of Section 152 of the Act and in terms of the Articles of Association of the Company, Mr. Surendra Utsavlal Jain (DIN: 00245154) retires by rotation and being eligible, offers himself for re-appointment at the ensuing 26<sup>th</sup> Annual General Meeting. The Board recommends his re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

The term of office of Mr. Nitin Dafria (DIN: 01560804), Mr. Surajmal Birdichand Kucheria (DIN: 00027661) & Mr. Ramesh C Kashyap (DIN: 06593723) will expire on 31st March 2019. Based on the recommendation of Nomination and Remuneration Committee, the Board in its meeting held on Saturday 11th August 2018, proposed the re-appointment of Mr. Nitin Dafria (DIN: 01560804), Mr. Surajmal Birdichand Kucheria (DIN: 00027661) & Mr. Ramesh C Kashyap (DIN: 06593723) as an Independent Director for a second term of five (5) years commencing from 01st April, 2019 to 31st March, 2024. The Board recommends the re-appointment of Mr. Nitin Dafria, Mr. Surajmal Birdichand Kucheria & Mr. Ramesh C Kashyap as Independent Director of the Company at the ensuing Annual General Meeting.

Mr. Devendra Jain (DIN- 00232920) has been re-appointed as Managing Director of the Company for a period of three years commencing from 01<sup>st</sup> August, 2017 to 31<sup>st</sup> July, 2020, pursuant to the provisions of sections 196, 197, 203 and applicable provisions if any, of companies act 2013.

Mr. Mukesh Utsavlal Jain (DIN- 00245111), has been re-appointed as Whole-Time Director of the Company for a period of three years commencing from 01<sup>st</sup> August, 2017 to 31<sup>st</sup> July, 2020, pursuant to the provisions of sections 196, 197, 203 and applicable provisions if any, of companies act 2013.

Mr. Surendra Utsavlal Jain (DIN- 00245154), has been re-appointed as Whole-Time Director of the Company for a period of three years commencing from 01<sup>st</sup> August, 2017 to 31<sup>st</sup> July, 2020, pursuant to the provisions of sections 196, 197, 203 and applicable provisions if any, of companies act 2013.

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

\*Ms. Hansika Mittal was appointed as a Company Secretary and Compliance Officer of the Company on 08th February, 2018 in place of Mrs. Arwa Saifee, who has been resigned from the office of Company Secretary on 01st December, 2017.

**1. COMMITTEES OF THE BOARD:**

**Board has four Committees, viz.**

- a. Audit Committee;
- b. Nomination and Remuneration Committee;
- c. Stakeholder Relationship Committee;
- d. CSR Committee (Constituted on 18th May, 2018)

The above said Committees consist of 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:**

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

**i. Terms of reference**

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

**ii. Composition and Meetings:**

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

During the financial year ended 31<sup>st</sup> March, 2018, four Audit Committee Meetings were held and the dates on which the said meetings were held are as follows:

- (i) **May 27, 2017;**
- (ii) **August 12, 2017;**
- (iii) **November 11, 2017;**
- (iv) **February 08, 2018.**

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

Name	Category	Number of Meetings during the year 2017-18	
		Held	Attended
Mr. Nitin Dafria	Chairman, Independent Director	4	4
Mr. Ramesh C Kashyap	Member, Independent Director	4	4
Mr. Surajmal Birdichand Kucheria	Member, Independent Director	4	4

**b. NOMINATION AND REMUNERATION COMMITTEE**

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

**i. Terms of reference**

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

**ii. Composition and Meetings**

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

During the financial year ended 31<sup>st</sup> March, 2018, three meetings of Nomination and Remuneration Committee were held and the dates on which the said meetings were held on are:

- (i) **May 27, 2017;**
- (ii) **July 31, 2017;**
- (iii) **February 08, 2018.**

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

Name	Category	Number of Meetings during the year 2017-18	
		Held	Attended
Mr. Surajmal Birdichand Kucheria	Chairman, Independent Director	03	03
Mr. Ramesh C Kashyap	Member, Independent Director	03	03
Mr. Nitin Dafria	Member, Independent Director	03	03

**iii. Criteria for Performance Evaluation**

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





**ii. Composition and Meetings**

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

During the financial year ended 31st March, 2018, four meetings of Stakeholders Relationship Committee were held and the dates on which the said meetings were held are

**May 27, 2017;**

**August 12, 2017;**

**November 11, 2017;**

**February 08, 2018.**

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

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

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

S.NO	PARTICULARS OF INVESTOR GRIEVANCES	NUMBER OF INVESTORS GRIEVANCES
1.	Complaints received during the Year	03
2.	Complaints disposed of during the Year	03
3.	Complaints pending at the end of the year	00

**Compliance Officer**

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

Ms. Hansika Mittal,  
Plot No. 209, Sector No. 1,  
Industrial Area, Pithampur, (M. P.) 454775  
Email: [admin@porwalauto.com](mailto:admin@porwalauto.com)  
Telephone: 07292-405101  
Fax: 07292-405120  
[www.porwalauto.com](http://www.porwalauto.com)

**d. CSR Committee**

The CSR Committee is constituted on 18<sup>th</sup> May, 2018 in accordance with the provisions of Section 135 of the Companies Act, 2013 and any other rules and regulations made thereunder.

**i) Terms of reference**

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

**ii) Composition and Meetings**

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

The Committee comprises the following members are :

1. Mr. Devendra Jain (Chairman) 2. Mr. Nitin Dafria (Member) 3. Mr. Mukesh Jain (Member)

As the CSR committee formed after 31<sup>st</sup> March, 2018, Therefore, no meetings of CSR committee were held.

**2. GENERAL BODY MEETINGS**

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

AGM/EGM	Date	Venue	Time
AGM-2015	30 <sup>th</sup> September, 2015	Registered office of the Company	01:30 PM
AGM-2016	28 <sup>th</sup> September, 2016	Registered office of the Company	01:30 PM
AGM-2017	28 <sup>th</sup> September, 2017	Registered office of the Company	01:30 PM

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

AGM/EGM	Date	Special Business Transacted
AGM-2015	30th 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>
AGM-2016	28 <sup>th</sup> Sept. 2016	<ul style="list-style-type: none"> <li>▪ Increase in the remuneration of Mr. Surendra Jain, Chairman of the Company from Rs.2,00,000/-pm to Rs.3,00,000/-pm.</li> <li>▪ Increase in the remuneration of Mr. Devendra Jain, Managing Director of the Company from Rs.2,00,000/-pm to Rs.3,00,000/-pm.</li> <li>▪ Increase in the remuneration of Mr. Mukesh Jain, Whole-Time Director of the Company from Rs.2,00,000/-pm to Rs.3,00,000/-pm.</li> <li>▪ To make investment under section 186 of the Companies Act, 2013.</li> <li>▪ Adoption of new set of Article of Association of the Company.</li> </ul>
AGM-2017	28 <sup>th</sup> Sept. 2017	<ul style="list-style-type: none"> <li>▪ Re-appointment of Mr. Devendra Jain (DIN: 00232920) as Managing Director of Company.</li> <li>▪ Re-appointment of Mr. Mukesh Jain (DIN: 00245111) as Whole Time Director of Company.</li> <li>▪ Re-appointment of Mr. Surendra Jain (DIN: 00245154) as Whole Time Director of Company.</li> <li>▪ To approve the expenses for services of documents to members.</li> </ul>

No Extra-ordinary General Meeting of the shareholders was held during the year.

c. No special resolutions were passed nor proposed to be passed during 2017-18 through postal ballot.

**3. MEANS OF COMMUNICATION**

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

**4. GENERAL SHAREHOLDERS INFORMATION**

**a. Annual General Meeting**

Date, Time & Venue of Annual General Meeting - on Saturday, the 29<sup>th</sup> day of September 2018 at 1:30 PM at the Registered Office of the Company.

**b. Financial Year:** The financial year covers the period from 1<sup>st</sup> April, to 31<sup>st</sup> March.

**c. Financial Calendar**

**(Tentative)**

Results for the Quarter ending 30 <sup>th</sup> June, 2018	:	First Fortnight of August, 2018
Results for the Quarter ending 30 <sup>th</sup> Sept, 2018	:	First Fortnight of November, 2018
Results for the Quarter ending 31 <sup>st</sup> Dec, 2018	:	First Fortnight of February, 2019
Results for the Quarter ending 31 <sup>st</sup> Mar, 2019	:	Last week of May 2019

**d. Dividend**

The Board of Directors of the Company has proposed a dividend of Rs. 0.75 per equity share for the financial year 2017-18, subject to the approval by the shareholders at the ensuing annual general meeting. The same shall be dispatched to the shareholders within 30 days from the date of AGM.

**e. Book Closure**

Saturday, 22<sup>nd</sup> September 2018 to Saturday, 29<sup>th</sup> September 2018 (both days inclusive) for the purpose of AGM and Dividend.

**f. Listing**

- **Stock Exchange:** Bombay Stock Exchange Limited
- **Stock Code:**532933
- **ISIN No.:** INE386101018
- Listing Fees has been paid for 2017-18.

**g. 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)

**h. Investor Correspondence Address**

➤ **Registrars and Share Transfer Agents**

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

➤ **Compliance Officer**

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

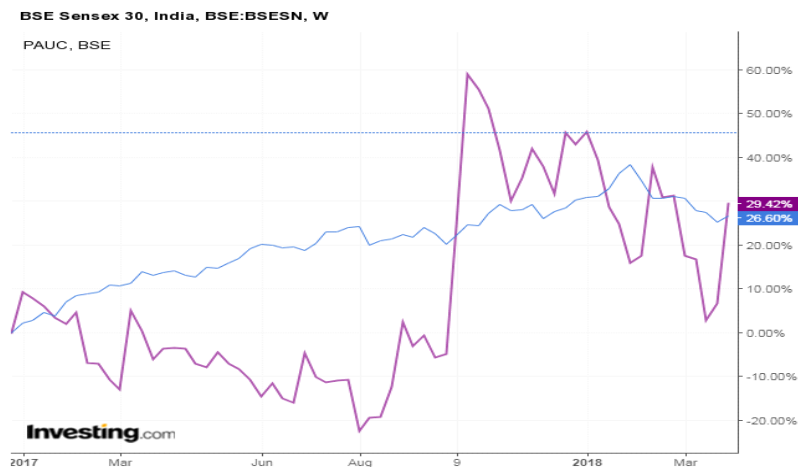
**i. Stock Market Data:**

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

**Monthly highs and lows Quotes at the BSE 2017-18**

Year	High(Rs.)	Low(Rs.)	Close(Rs.)
Mar 2018	58.00	42.60	45.80
Feb 2018	61.35	46.05	56.35
Jan 2018	64.25	51.10	52.70
Dec 2017	66.45	54.05	61.50
Nov 2017	70.50	55.00	60.05
Oct 2017	72.00	40.00	69.10
Sep 2017	45.90	35.00	40.55
Aug 2017	39.60	30.00	36.10
Jul 2017	42.45	36.00	38.10
Jun 2017	39.70	34.50	36.10
May 2017	45.10	36.35	37.60
Apr 2017	44.20	38.15	39.90

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



k. Registrars and Share Transfer Agents

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

l. Share Transfer System:

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

m. Distribution of shareholding as on 31st March, 2018:

SHAREHOLDING OF NOMINAL SHARES	NUMBER OF SHAREHOLDERS	PERCENTAGE OF TOTAL	SHARE AMOUNT RS.	PERCENTAGE OF TOTAL
1 – 5000	7879	79.0350	14996110	9.9312
5001 – 10000	1056	10.5928	8533900	5.6516
10001 – 20000	557	5.5873	8331630	5.5176
20001 – 30000	160	1.6050	4090610	2.7090
30001 – 40000	73	0.7323	2589770	1.7151
40001 – 50000	60	0.6019	2809660	1.8607
50001 – 100000	96	0.9630	6972060	4.6173
100001 – *****	88	0.8827	102676260	67.9975
<b>TOTAL</b>	<b>9969</b>	<b>100.0000</b>	<b>151000000</b>	<b>100.0000</b>



- f. **Disclosure of commodity price risks and commodity hedging activities.**  
Your Company does not deal in any commodity and hence is not directly exposed to any commodity price risk.
- g. **Disclosure of Accounting Treatment**  
The Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 and other relevant provisions of the Act.
- h. **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.
- i. **Disclosure of Subsidiaries**  
Your Company does not have any material subsidiary.

**8. MANAGEMENT DISCUSSION AND ANALYSIS:**

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

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

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

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

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

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

**13. Code of Conduct**

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

In accordance with Regulation 17(5) of the SEBI Listing Regulations, 2015, the Company has adopted Code of Conduct for all the Board Members and senior management team and the code of conduct for Independent Directors separately and both the codes are available on Company's website at [www.porwalauto.com](http://www.porwalauto.com). All Directors and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct, for the Financial Year ended March 31<sup>st</sup>, 2018.

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

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

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

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.

For and on behalf of the Board of

**Porwal Auto Components Limited**

**Date:** 11.08.2018

**Place:** Pithampur

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

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



**DECLARATION**

This is to confirm that for the year 2017-18, all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct applicable to all the Directors and Senior Management of the Company. The Code of Conduct is displayed on the website of the Company at [www.porwalauto.com](http://www.porwalauto.com).

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

**MD / CFO CERTIFICATION**

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

Dear Sir's

- (a) We have reviewed the audited Financial Statements for the financial year ended 31<sup>st</sup> March 2018 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:** 11/08/2018

**Shailesh Jain**  
Chief Financial Officer

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



- To ensure that PACL corporate website displays the approved CSR policy of the company
- To monitor the CSR Policy, Projects and Programs from time to time.

5.3. Meetings of CSR Committee

The CSR Committee shall meet at least once in six months. The meeting shall be held either at the registered office of the company or any other place, as may be decided by the members.

Physical presence of a minimum of two members of the committee shall constitute the quorum.

5.4. Notice of Meeting

At least three days advance notice of every meeting, specifying the day, place and timing of Meeting and the general nature of the business to be transacted there at shall be given to the members. In urgency, a meeting may be convened by shorter notice.

**6. Areas of CSR Activities**

The Company is hereby devoted to direct its CSR resources, to a reasonable extent, for improving the quality of life of the people by focusing on the social causes, including but not limited to the following areas:

- (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water.
- (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- (iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- (iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
- (v) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;
- (vi) measures for the benefit of armed forces veterans, war widows and their dependents;
- (vii) training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports;
- (viii) contribution to the prime minister's national relief fund or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- (ix) contributions or funds provided to technology incubators located within academic institutions which are approved by the central govt.
- (x) rural development projects;
- (xi) slum area development.

**7. EXCLUSIONS:**

Following activities shall be excluded from the CSR expenditure of PACL:

- a) Activities which are exclusively for the benefit of employees of the company or their family members;
- b) Activities undertaken in pursuance of normal course of business of the Company;
- c) Direct or indirect contribution to political parties;
- d) Expenditure on item/s not in conformity with Schedule VII of the Companies Act 2013;
- e) Surplus arising out of CSR projects shall not form part of the business profits of Company instead the same will be further used for CSR purposes only.





Given the economic outlook, the automobiles and auto-component sectors are expected to see moderate recovery in FY 2018-19. Over the medium to long term, growth in the auto component industry is likely to be higher than the underlying automotive industry growth given the increasing localization by Original Equipment Manufacturers and higher component content per vehicle. Auto component export is another key growth driver. The "Make in India" pitch may further boost the growth of the component industry.

Rising vendor consolidation, faster aftermarket growth, and increasing localisation of procuring components are likely to bolster the sector, going forward. Moreover, expanding number of electronic components per vehicle will induce the Indian auto component segment to consistently develop.

#### **Risks and concerns**

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

1. Today the international markets are so saturated and the cut throat competition is spread all over the globe as the whole world has become a single market. The rule of 'survival of the fittest' is applied at every stage and in all the sectors. This enabled Indian auto industry to grow at certain extent. The threat of other competitive countries and the internal country policies affecting the sector directly or indirectly, the loop holes are stretching the limbs behind and withdrawing its roots of development. On one side the automobile industry is flourishing while on the other side the Indian auto component/ parts which is a spine of Indian automobile industry is shrinking. The Company is aware of the increasing competition and is taking measures to remain competitive in the market place.
2. We are highly dependent on the performance of the automotive industry in India and Europe. Any adverse changes in the conditions affecting these markets may adversely affect our business, results of operations, financial condition and prospects. Your company is monitoring the situation so that corrective actions are immediately taken in response to any demand movements.

#### **Internal control systems and their adequacy:**

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

#### **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. 505.22 lacs as compared to Profit of Rs. 208.20 Lacs in previous year.

Secured Loans – As on 31st March 2018 the Company has a secured loan of Rs.1777.89 Lacs out of which Rs.57.16 Lacs are current liabilities.

Fixed assets –The total gross block of Land, Building, Plant and Machinery and other fixed assets was Rs. 6402.86 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 263.87 Lacs.

Turnover - The total turnover registered for the financial year 2017-18 was Rs. 11014.29 lacs as compared to Rs. 9175.27 lacs of financial year 2016-17.

#### **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, 2018, there were 325 employees on the roll of the Company.

**ANNEXURE: IX**

**AUDIORS CERTIFICATE ON CORPORATE GOVERNANCE**

To,

The Members of

**PORWAL AUTO COMPONENTS LIMITED**

We have examined the compliance of conditions of Corporate Governance by Porwal Auto Components Limited, for the year ended on 31 March, 2018, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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

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

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

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

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

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31 March, 2018.

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

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

**Date:** 18/05/2018

**Place:** Indore

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





been audited by the predecessor auditor who had audited the financial statements for the relevant periods. The report of the predecessor auditor on the comparative financial information and the opening balance sheet dated May 27, 2017 expressed an unmodified opinion.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at March 31st 2018, and its **Profit** (including other comprehensive income), changes in equity 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, 2016 ("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" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the Ind AS financial statements comply with the Indian Accounting Standards notified under the Act (which are deemed to be applicable as per Section 133 of the Act).
  - e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, 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:
    - (a) The Company has disclosed the impact of pending litigation as at March 31st 2018, on its financial position in its financial statements refer note no. 26 to the financial statements:
    - (b) The Company has made provisions, as required under the applicable law or accounting standards for material foreseeable losses, if any on long term contracts.
    - (c) 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 2018.

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

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

Place: Indore  
Date 18/05/2018

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

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

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

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Major items of fixed assets have been physically verified by the management during the year in accordance with a programmed of verification, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The management, during the year under review, has conducted physical verification of inventory and no material discrepancies were noticed on such verification.
- (iii) The company has granted loans to one body corporate covered in the register maintained under section 189 of the Companies Act, 2013.
  - (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 2018 except the following.

<b>Name of the Statute</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>
Employee Provident Fund & Mis. Provisions Act 1952	Provident	Rs. 8.05 lacs	F.Y. 2005-06	Employee Provident Fund Appellate Tribunal
MP VAT Tax	Vat Tax	Rs.1.38 lacs	F.Y. 2010-11	M.P. Commercial Tax Appellate Board, Bhopal
MP VAT Tax	Vat Tax	Rs. 2.56 lacs	F.Y. 2011-12	M.P. Commercial Tax Appellate Board, Bhopal
MP VAT Tax	Vat Tax	Rs. 2.48 lacs	F.Y. 2013-14.	Appellate Authority Additional Commissioner of Commercial Tax, Indore
MP VAT Tax Act, 1944	Vat Tax Duty	Rs. 0.74 lacs	F.Y. 2015-16.	Appellate Authority Additional Commissioner of Commercial Tax, Indore
Excise Duty Act, 1944	Excise Duty	Rs. 64.43 lacs	March 2005-Oct. 2011	CESTAT Delhi

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

**For S N Gadiya & Co.**

Chartered Accountants  
Firm Reg. No.00205

**(CA Satyanarayan Gadiya)**

Proprietor  
M.No.071229

Place: Indore  
Date 18/05/2018

**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 2018 in conjunction with our audit of the Ind AS 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 Act.

**Auditors' Responsibility**

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

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

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

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

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

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

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

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For S N Gadiya & Co.**

Chartered Accountants

Firm Reg. No.002052C

**(CA Satyanarayan Gadiya)**

Proprietor

M.No.071229

Place: Indore  
Date 18/05/2018

**Annexure VII**

Independent Auditor's Report on Year to Date Financial Result of PORWAL AUTO COMPONENTS LTD Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To Board of Directors of

**PORWAL AUTO COMPONENTS LIMITED**

We have audited the financial results of PORWAL AUTO COMPONENTS LIMITED for the year ended 31<sup>st</sup> March 2018, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This statement which is the responsibility of Company's Management and approved by the Board of Directors, has been compiled from the related Standalone Ind- AS Financial Statements, which have been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant Rules issued there under ('Ind AS') and other Accounting Principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such Standalone Financial Statement.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s).

An audit involved performing procedures to obtain audit evidence about the amount and the disclosure in the Statement. The procedure selected depends on the Auditor's judgement, including the assessment of the risk of material misstatement of the statement whether due to fraud or error. In making those risk assessment, the Auditor considers internal control relevant to the Company's preparation and fair presentation of the statement in order to design audit procedure that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the Accounting Policy used and the reasonableness of the Company's estimate made by the Management, as well as evaluating the overall presentation of the statement.

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

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

- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.and
- (ii) give a true and fair view in conformity with the aforesaid Indian Accounting Standards and other Accounting principles generally accepted in India of the net profit and other financial information for the year ended 31<sup>st</sup> March 2018.

**For S N Gadiya & Co.**

Chartered Accountants

Firm Reg. No.002052C

**(CA Satyanarayan Gadiya)**

Proprietor

M.No.071229

Place: Indore

Date 18/05/2018

Balance Sheet as at 31st March, 2018

Particulars	Note No	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
		INR	INR	INR
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	486,916,697	357,394,241	346,257,006
Capital work-in-progress	3	21,546,796	21,089,633	15,448,219
Investment properties	3	-	14,103,576	8,442,665
Intangible assets	4	759,147	587,829	648,137
Financial assets				
Investments	5	63,435,564	44,280,000	26,580,000
Loans	6	57,250,100	83,031,004	71,276,043
Other non-current assets	7	35,661,549	32,135,786	42,073,424
		<b>665,569,853</b>	<b>552,622,069</b>	<b>510,725,494</b>
<b>Current assets</b>				
Inventories	8	109,190,855	70,253,067	84,836,028
Financial assets				
Trade receivables	9	133,968,697	93,355,729	60,251,534
Cash and cash equivalents	10	174,257	211,669	172,630
Bank balance other than cash and cash equivalents	11	1,039,141	959,030	890,822
Loans	12	1,237,174	1,275,219	1,277,166
Other receivables	13	5,781,367	276,500	16,346,555
Other current assets	14	13,066,964	12,586,440	7,915,460
		<b>264,458,455</b>	<b>178,917,654</b>	<b>171,690,195</b>
<b>Total Assets</b>		<b>930,028,308</b>	<b>731,539,723</b>	<b>682,415,689</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital	15	151,000,000	151,000,000	151,000,000
Other equity	16	415,629,364	378,881,142	367,185,624
<b>Total Equity</b>		<b>566,629,364</b>	<b>529,881,142</b>	<b>518,185,624</b>
<b>Non-current liabilities:</b>				
Financial liabilities				
Borrowings	17	93,476,483	38,288,495	51,475,497
Deferred tax liabilities (net)	18	31,851,900	31,628,500	16,692,800
		<b>125,328,383</b>	<b>69,916,995</b>	<b>68,168,297</b>
<b>Current liabilities:</b>				
Financial liabilities				
Borrowings	17	78,596,276	33,825,813	25,844,620
Trade payables	19	75,549,734	33,494,011	26,489,382
Other current financial liabilities	20	29,895,152	24,178,416	15,647,084
Other current liabilities	21	54,029,399	40,243,346	28,080,682
Current tax liabilities (net)		<b>238,070,561</b>	<b>131,741,586</b>	<b>96,061,768</b>
<b>Total equity and liabilities</b>		<b>930,028,308</b>	<b>731,539,723</b>	<b>682,415,689</b>

Significant Accounting Policies  
As per report of even date

For and on behalf of Board

**For S N Gadiya & Co**

Chartered Accountants  
Firm Reg No. 002052C

(CA S N Gadiya)

Proprietor

M. N. 71229

Place : Indore

Date : 18/05/2018

**Devendra Jain**

Managing Director

DIN 00232920

**Hansika Mittal**

Company Secretary

**Mukesh Jain**

Whole Time Director

DIN 00245111

**Shailesh Jain**

Chief Financial Officer

**Statement of Profit and Loss for the year ended 31st March, 2018**

<b>S. No.</b>	<b>Particulars</b>	<b>Note No</b>	<b>As at 31st March 2018</b>	<b>As at 31st March 2017</b>
	Revenue From Operations	22	<b>1101429974</b>	917527262
	Other income	23	<b>12134520</b>	2048287
	<b>Total Income</b>		<b>1113564494</b>	<b>919575549</b>
	<b>Expenses:</b>			
	Cost of materials consumed	24	<b>572536480</b>	423782890
	Purchases of stock-in-trade	25	<b>6238122</b>	10807320
	Changes in inventories of finished goods (including stock-in-trade) and work-in-progress	26	<b>-10085728</b>	7054468
	Employee benefits expenses	27	<b>87858349</b>	79854545
	Finance costs	28	<b>21069535</b>	10810653
	Depreciation and amortisation expenses	29	<b>47921207</b>	41675472
	Other expenses	30	<b>324283993</b>	300677274
	<b>Total expenses</b>		<b>1049821958</b>	<b>874662622</b>
	<b>Profit before exceptional items and tax</b>		<b>63742536</b>	<b>44912928</b>
	<b>Exceptional items</b>		<b>0</b>	<b>0</b>
	<b>Profit before tax</b>		<b>63742536</b>	<b>44912928</b>
	<b>Tax expenses</b>			
	Current tax		<b>12997000</b>	9157000
	Deferred tax credit/(charge)		<b>223400</b>	14935700
	<b>PROFIT FOR THE YEAR</b>		<b>50522136</b>	<b>20820228</b>
	<b>Other Comprehensive Income</b>		<b>0</b>	<b>0</b>
	<b>Total Comprehensive Income for the period</b>		<b>50522136</b>	<b>20820228</b>
	<b>Earnings per equity share</b>			
	Basic (Face value of Re. 10 each)		<b>3.35</b>	<b>1.38</b>
	Diluted (Face value of Re. 10 each)		<b>3.35</b>	<b>1.38</b>

Significant Accounting Policies  
As per report of even date

**For S N Gadiya & Co**  
Chartered Accountants  
Firm Reg No. 002052C  
(CA S N Gadiya)  
Proprietor  
M. N. 71229  
Place : Indore  
Date : 18/05/2018

**Devendra Jain**  
Managing Director  
DIN 00232920

**Hansika Mittal**  
Company Secretary

For and on behalf of Board

**Mukesh Jain**  
Whole Time Director  
DIN 00245111

**Shailesh Jain**  
Chief Financial Officer

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018**

	<b>31.03.2018</b>	<b>31.03.2017</b>
<b>Operating Activities</b>		
Profit before tax	63742536	44912926
Add: Depreciation	47921206	41675472
Add: Interest/ Finance Cost	21069535	10810654
Less: Non Operating Income	-12134520	-2048287
Add: Loss on Sale of Fixed Assets	-11847649	-1975897
<b>Cash Flow from operating activities</b>	<b>108751107</b>	<b>93374867</b>
Add Increase CL (including bank borrowings)	106328976	35679818
Less increase in current assets	-85498102	-7120210
Less tax paid	-13220400	-24092700
Less Interest Paid	-21069535	-10810654
<b>Net Operating Cash Flow</b>	<b>95292047</b>	<b>87031121</b>
<b>Investing Activities</b>		
In flow :		
Increase in Deferred Tax Liability	223400	14935700
Short Provision W/ o	-143411	-37708
Sale of Fixed Assets	12381791	2550000
<b>Outflow</b>		
Increase in Fixed Assets	-178149122	-53326503
Increase in Non current Assets/Invesments	16745988	-30819647
<b>Net Cash from Investing Activities</b>	<b>-148941354</b>	<b>-66698158</b>
<b>Financial Activities</b>		
Inflow :		
Net Change in Long term Borrowing	55187989	-13187002
Net Non Operating Income	12134520	2048287
Dividend Paid	-11325000	-7550000
Dividend Distribution Tax	-2305503	-1537002
<b>Net Cash from Financial Activities</b>	<b>53692006</b>	<b>-20225717</b>
Opening Cash	1170699	1063452
Cash Surplus/Deficit	42699	107246
Closing Cash	1213398	1170699

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

As per report of even date

For and on behalf of Board

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

**Devendra Jain**  
Managing Director  
DIN 00232920

**Mukesh Jain**  
Whole Time Director  
DIN 00245111

(CA S N Gadiya)  
Proprietor  
M. N. 71229  
Place : Indore  
Date : 18/05/2018

**Hansika Mittal**  
Company Secretary

**Shailesh Jain**  
Chief Financial Officer



Reconciliation of equity as at 1 April 2017 (date of transition to Ind AS)

Footnotes	"Indian GAAP" 31/03/2017"	Adjustments	"Ind AS" 31/03/2017"	"Indian GAAP" 31/03/2016"	Adjustments	"Ind AS" 31/03/2016"
<b>ASSETS</b>						
<b>Non-current Assets</b>						
Property, plant and equipment	357,394,241.00	-	357,394,241.00	346,257,006.00	-	346,257,006.00
Capital work-in-progress	21,089,633.00	-	21,089,633.00	15,448,219.00	-	15,448,219.00
Investment properties	14,103,576.00	-	14,103,576.00	8,442,665.00	-	8,442,665.00
Intangible assets	587,829.00	-	587,829.00	648,137.00	-	648,137.00
Financial Assets:						
Investments	44,280,000.00	-	44,280,000.00	26,580,000.00	-	26,580,000.00
Long-term loans and advances	83,031,004.00	-	83,031,004.00	71,276,043.00	-	71,276,043.00
Other non-current assets	32,135,786.00	-	32,135,786.00	42,073,424.00	-	42,073,424.00
	552,622,069.00	-	552,622,069.00	510,725,494.00	-	510,725,494.00
<b>Current Assets</b>						
Inventories	70,253,067.00	-	70,253,067.00	84,836,028.00	-	84,836,028.00
<b>Financial Assets:</b>						
Trade receivables	93,355,729.00	-	93,355,729.00	60,251,534.00	-	60,251,534.00
Cash and cash equivalents	211,669.00	-	211,669.00	172,630.00	-	172,630.00
Bank Balance other than cash and cash equivalents	959,030.00	-	959,030.00	890,822.00	-	890,822.00
Short-term loans and advances	1,275,219.00	-	1,275,219.00	1,277,166.00	-	1,277,166.00
Other current financial assets	276,500.00	-	276,500.00	16,346,555.00	-	16,346,555.00
Other current assets	12,586,440.00	-	12,586,440.00	7,915,460.00	-	7,915,460.00
	178,917,654.00	-	178,917,654.00	171,690,195.00	-	171,690,195.00
<b>Total Assets</b>	<b>731,539,723.00</b>	-	<b>731,539,723.00</b>	<b>682,415,689.00</b>	-	<b>682,415,689.00</b>
<b>EQUITY AND LIABILITIES</b>						
Equity						
Equity Share Capital	151,000,000.00	-	151,000,000.00	151,000,000.00	-	151,000,000.00
Other Equity	378,881,141.52	-	378,881,141.52	367,185,624.00	-	367,185,624.00
	529,881,141.52	-	529,881,141.52	518,185,624.00	-	518,185,624.00
<b>Non-current Liabilities</b>						
Financial Liabilities						
Long term borrowings	38,288,495.00	-	38,288,495.00	51,475,497.00	-	51,475,497.00
Deferred tax liabilities (net)	31,628,500.00	-	31,628,500.00	16,692,800.00	-	16,692,800.00
	69,916,995.00	-	69,916,995.00	68,168,297.00	-	68,168,297.00
<b>Current Liabilities</b>						
Financial Liabilities						
Short-term borrowings	33,825,813	-	33,825,813.00	25,844,620	-	25,844,620
Trade payables	33,494,011	-	33,494,011.00	26,489,382	-	26,489,382
Other current financial liabilities	24,178,416.00	-	24,178,416.00	15,647,084.00	-	15,647,084.00
Other current liabilities	40,243,346.21	-	40,243,346.21	28,080,682.00	-	28,080,682.00
	131,741,586.21	-	131,741,586.21	96,061,767.92	-	96,061,767.92
<b>Total liabilities</b>	<b>201,658,581.21</b>	-	<b>201,658,581.21</b>	<b>164,230,064.92</b>	-	<b>164,230,064.92</b>
<b>Total Equity and Liabilities</b>	<b>731,539,722.73</b>	-	<b>731,539,722.73</b>	<b>682,415,688.92</b>	-	<b>682,415,688.92</b>

**Reconciliation of Statement of Profit & Loss for the year ended 31 March, 2017 (date of transition to Ind AS)**

Footnotes	Indian GAAP figures year ended 31/03/2018	Adjustments	Ind AS figures year ended 31/03/2018	Indian GAAP figures year ended 31/03/2017	Adjustments	Ind AS figures year ended 31/03/2017
Revenue from operations	1,101,429,973.85	-	1,101,429,973.85	917,527,262.11	-	917,527,262.11
Other operating income	12,134,520.00	-	12,134,520.00	2,048,287.00	-	2,048,287.00
<b>TOTAL INCOME</b>	<b>1,113,564,493.85</b>	-	<b>1,113,564,493.85</b>	<b>919,575,549.11</b>	-	<b>919,575,549.11</b>
<b>EXPENSES</b>						
Cost of materials consumed	572,536,480.00	-	572,536,480.00	423,782,890.00	-	423,782,890.00
Purchases of stock-in-trade	6,238,122.00	-	6,238,122.00	10,807,320.00	-	10,807,320.00
Changes in inventories of finished goods (including stock-in-trade) and work-in-progress	(10,085,728.00)	-	(10,085,728.00)	7,054,468.00	-	7,054,468.00
Employee benefits expenses	87,858,349.00	-	87,858,349.00	79,854,545.00	-	79,854,545.00
Finance costs	21,069,535.00	-	21,069,535.00	10,810,653.00	-	10,810,653.00
Depreciation and amortisation expenses	47,921,207.00	-	47,921,207.00	41,675,472.00	-	41,675,472.00
Other expenses	324,283,992.85	-	324,283,992.85	300,677,273.59	-	300,677,273.59
<b>TOTAL EXPENSES</b>	<b>1,049,821,957.85</b>	-	<b>1,049,821,957.85</b>	<b>874,662,621.59</b>	-	<b>874,662,621.59</b>
<b>Profit before exceptional items and tax</b>	<b>63,742,536.00</b>	-	<b>63,742,536.00</b>	<b>44,912,927.52</b>	-	<b>44,912,927.52</b>
Exceptional items	-	-	-	-	-	-
<b>Profit before tax</b>	<b>63,742,536.00</b>	-	<b>63,742,536.00</b>	<b>44,912,927.52</b>	-	<b>44,912,927.52</b>
Tax expenses	12,997,000.00	-	12,997,000.00	9,157,000.00	-	9,157,000.00
Current tax	223,400.00	-	223,400.00	14,935,700.00	-	14,935,700.00
Deferred tax credit/(charge)	-	-	-	-	-	-
<b>PROFIT FOR THE YEAR</b>	<b>50,522,136.00</b>	-	<b>50,522,136.00</b>	<b>20,820,227.52</b>	-	<b>20,820,227.52</b>

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018**

**EQUITY SHARE CAPITAL**

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

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

**OTHER EQUITY**

**For the year ended 31 March 2018**

	Securities Premium Reserve	General Reserve	Retained Earning	Total
<b>As at 1st April 2017</b>	326000000	3200413	49680729	378881142
Profit for the period	0	0	50522136	50522136
Other comprehensive income	0	0	0	0
<b>Total comprehensive income</b>	0	0	0	0
Dividends	0	0	-11325000	-11325000
Dividend distribution tax on dividend	0	0	-2305503	-2305503
Income Tax for earlier years	0	0	-143411	-143411
Transfer from retained earnings	0	0	0	0
Transfer to General Reserve	0	0	0	0
<b>As at 31 March 2018</b>	326000000	3200413	86428951	415629364
<b>For the year ended 31/3/2017</b>				
<b>As at 1st April 2016</b>	326000000	3200413	37985211	367185624
Profit for the period	0	0	20820228	20820228
Other comprehensive income	0	0	0	0
<b>Total comprehensive income</b>	0	0	0	0
Dividends	0	0	-7550000	-7550000
Dividend distribution tax on dividend	0	0	-1537002	-1537002
Income Tax for earlier years	0	0	-37708	-37708
Transfer from retained earnings	0	0	0	0
Transfer to General Reserve	0	0	0	0
<b>As at 31 March 2017</b>	326000000	3200413	49680729	378881142

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

Significant Accounting Policies  
As per report of even date

For and on behalf of Board

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

**Devendra Jain**  
Managing Director  
DIN 00232920

**Mukesh Jain**  
Whole Time Director  
DIN 00245111

(CA S N Gadiya)  
Proprietor  
M. N. 71229  
Place : Indore  
Date : 18/05/2018

**Hansika Mittal**  
Company Secretary

**Shailesh Jain**  
Chief Financial Officer

Note 3 : Property, Plant and Equipment

Cost	Solar Plant - Division 1										Solar Plant - Division 2												
	Free hold land	Leasehold land	Buildings	Plant & machinery	Material Handling Equipments	Tools and Patterns	Electrical Installations	Testing Equip-ments	Auxiliary Equipments	Furnitures and fixtures	Office equipments	Computer	Vehicles	Architects Equip-ment	Plant and Machinery	Land (Freehold)	Factory Building	Solar Plant	Factory Building	Solar Plant	Computer	Trail	
At 1 April 2016	159640	24688	592500	642794	1728794	2579912	267271	197729	395544	17295	48191	4836	58329	192536	679528	243250	397199	927818					3425206
Additions			216278	592204	592204	858413	264226		306646	1731	26586	24687	44388					98542					524303
Disposals																							
At 31 March 2017	159640	24688	619798	282996	2232315	2342226	524597	197729	702008	18976	62889	46222	89623	192246	679528	243250	397199	927818	98542				39481726
Additions			97138	32000	688239	299127	646468		2297708	2262	62845	12946	19405					7821	142825	1294283	1607		17796942
Disposals																							
At 31 March 2018	159640	24688	626534	609945	2720254	2641463	199726	299529	932797	21238	92254	85290	92749	192536	679528	243250	397199	927818	142825	1294283	1607		57106267
Depreciation																							
At 1 April 2016																							
Depreciation for the year			307180	592626	194876	289426	68284	28540	127947	4141	80270	14820	147252	24688	1079982			764202					4511704
At 31 March 2017			307180	242218	194876	289426	68284	28540	127947	4141	80270	14820	147252	24688	1079982			764202					4511704
Depreciation for the year			302254.5	683666	252127	272328	102625	34826	147885	3549	16491	26391	194510	24688	1079982			764202	1483	254083	53		3781094
Disposals																							
At 31 March 2018			611439.5	2242183.5	617003	512384	179129	63436	265792	7690	20974	36212	34080	49176	2099704			1512864	1483	254083	53		84689202
Net Book Value																							
At 31 March 2018	159640	24688	561099.5	822094.5	2897211	2088649	988756	283163	703885	13628	67280	46708	772293	144492	655124	243250	342020	814254	13942	1344200	1607		46914686
At 31 March 2017	159640	24688	386278	578763	208959	204880	43725	16419	538206	14825	46819	58201	83097	169480	575126	243250	394200	820286	98542				3724292
At 1 April 2016	159640	24688	592500	642794	1728794	2579913	267271	197729	395544	17295	48191	4836	58329	192536	243250	397199	927818						3425206

Details of Capital Work in Progress

	At 31 March 2018	At 31 March 2017	At 1 April 2016
Plant, property and equipment			15448219
Furniture & Fixtures	271546796	21089633	
Office Equipments			15448219
Vehicles			
Investment Property	21546796	21089633	
Investment in Plot at Scheme No.78 (DA,Indore)			
	At 31 March 2018	At 31 March 2017	At 1 April 2016
		14103576	8442665
		14103576	8442665

Note 4: Intangible assets

	At 31 March 2018	At 31 March 2017	At 1 April 2016
Software and licenses			
Cost			
At 1 April 2016	648137		
Additions	83400		
Disposals			
At 31 March 2017	731537		
Additions	186280		
Disposals			
At 31 March 2018	918417		
Amortization and impairment			
At 1 April 2016	143708		
Depreciation charge for the year	143708		
At 31 March 2017	143708		
Additions	14962		
Disposals			
At 31 March 2018	158670		
Net Book Value	759147		
At 31 March 2017	587829		
At 1 April 2016	648137		

NOTES TO THE FINANCIAL STATEMENT

Note 5: Investments

	31 March 2018	31 March 2017	1 April 2016 2016
<b>Investments in unquoted equity Instruments</b>	125,000	125,000	125,000
<b>Investments</b> at fair value through OCI (fully paid)			
<b>Unquoted equity shares</b>			
<b>Quoted equity shares</b>			
<b>Mutual Funds (Quoted) units of Rs. 10/- each unless otherwise specified</b>			
12441.058 (9465.649) units of Aditya Birla Sunlife 95 Fund (G)	7,680,000	5,520,000	2,6420,000
5233.233 (Nil) Aditya Birla SC Pure Value Fund	337,500	-	-
41380.580 (31515.351) units of Aditya Birla Sunlife Top 100 Fund (G)	1,920,000	1,380,000	660,000
NIL (678122.415) units of Birla Sunlife Top 100 Fund (G)	-	10,000,000	10,000,000
83199.505 (62435.804) units of Franklin India Balanced Fund (G)	8,160,000	5,865,000	2,805,000
3026.132 (2293.093) units of Franklin India Balanced Fund (G)	1,440,000	1,035,000	495,000
64841.357 (46020.327) units of HDFC Balance Fund (G)	7,875,000	5,175,000	2,475,000
88168.348 (61019.347) units of ICICI Prudential and Debt (G)	9,225,000	5,865,000	2,805,000
19844.630 (14917.11) units ICICI Prudential Value Discovery (G)	2,400,000	1,725,000	825,000
11149.839 (Nil) units IDFC Classic Equity (G)	510,000	-	-
563027.839 (Nil) units IDFC Dynamic Equity (G)	7,200,000	-	-
23614.197 (Nil) units Kotak Opportunity (G)	2,700,000	-	-
7393.134 (16197.458) L & T Equity (G)	547,759	990,000	450,000
96072.781 (Nil) units of L & T India Value Fund (G)	3,510,000	-	--
443.064 (Nil) units Sundaram Mid Cap (G)	225,000	-	-
63758.944 (Nil) units Sundaram Rural and Consumption (G)	2,700,000	-	-
23544.647 (Nil) units TATA Equity PE (G)	3,240,000	-	-
18597.509 (38346.711) units of Tata Hybrid Equity (G)	3,640,305	6,600,000	3,300,000
(Mutual Fund Units of 1125736.797 (960333.27) units NAV as on 31.03.2018 7,00,32,605/- (P.Y.Rs. 53086415/-)			
	<b>63,435,564</b>	<b>44,280,000</b>	<b>26,580,000</b>

Note 6: Loans

	31 March 2018	31 March 2017	1 April 2016 2016
Loans (secured good unless otherwise stated)			
Deposits with related party	14,700,000	35,697,023	43,896,286
Capital advances	3,999,000	18,723,938	5,825,500
Supplier advances paid	4,706,000	3,177,442	4,824,000
<b>Deposits and balances with government authorities</b>			
PF Demand	402,472	402,472	402,472
VAT Tax demand	141,125	121,125	121,125
VAT Claim Receivable	33,301,504	24,909,004	16,206,660
	<b>57,250,100</b>	<b>83,031,004</b>	<b>71,276,043</b>

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

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

	31 March 2018	31 March 2017	1 April 2016
Deposit	14,317,615	7,442,285	7,154,373
Renewable Energy Certificate Receivable	18,183,971	18,839,972	24,531,471
Others	3,159,963	5,853,529	10,387,580
	<b>35,661,549</b>	<b>32,135,786</b>	<b>42,073,424</b>

**Note 8: Inventories**

	31 March 2018	31 March 2017	1 April 2016
Raw materials (at cost)	45,992,189	17,300,079	32,428,673
Work in progress (at cost)	20,059,828	6,518,870	7,642,342
Finished goods (at lower of cost and net realisable value)	30,691,650	40,591,638	37,714,739
Stores and spares	12,447,188	5,842,480	7,050,274
	<b>109,190,855</b>	<b>70,253,067</b>	<b>84,836,028</b>

**Note 9: Trade and other receivables**

	31 March 2018	31 March 2017	1 April 2016
Trade receivables	<b>133,968,697</b>	<b>93,355,729</b>	<b>60,251,534</b>
Receivables from an associate	-	-	-
Receivables from other related parties	-	-	-
	<b>133,968,697</b>	<b>93,355,729</b>	<b>60,251,534</b>
<b>Break-up for security details:</b>			
<b>Trade receivables</b>			
Secured, considered good	133,968,697	93,355,729	60,251,534
Unsecured, considered good	-	-	-
Doubtful	-	-	-
<b>Total trade receivables</b>	<b>133,968,697</b>	<b>93,355,729</b>	<b>60,251,534</b>

**Note 10: Cash and cash equivalents**

	31 March 2018	31 March 2017	1 April 2016
Balances with banks			
In current accounts	87,513	80,554	78,662
In deposit accounts			
Cheques on hand			
Cash on hand	86,744	131,115	93,968
	<b>174,257</b>	<b>211,669</b>	<b>172,630</b>

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







<b>General reserve</b>	
<b>At 1 April 2016</b>	3200413.00
<b>At 31 March 2017</b>	3200413.00
<b>At 31 March 2018</b>	3200413.00

<b>Retained earnings</b>	
<b>At 1 April 2016</b>	37985211.00
Add: Profit during the year	20820227.52
Less: Proposed Dividend	-7550000.00
Less: Dividend Tax	-1537002.00
Less: Income tax/Wealth tax of earlier years	-37708.00
Less: Transfer to debenture redemption reserve	0.00
<b>At 31 March 2017</b>	<u>49680728.52</u>
Add: Profit during the year	50522136.00
Less: Proposed Dividend	-11325000.00
Less: Dividend Tax	-2305503.00
Less: Income tax/Wealth tax of earlier years	-143411.00
Less: Transfer to debenture redemption reserve	
<b>At 31 March 2018</b>	<u>86428950.52</u>

<b>Total other equity</b>	
<b>At 1 April 2016</b>	<u>367185624.00</u>
<b>At 31 March 2017</b>	<u>378881141.52</u>
<b>At 31 March 2018</b>	<u>415629363.52</u>

**Note 17: Borrowings**  
**Non-current borrowings**

	Effective interest rate	Maturity	31 March 2018	31 March 2017	1 April 2016
<b>Non-current interest bearing loans and borrowings:</b>					
<b>Term loans</b>					
State Bank of India	9.35%	Repayable in 89 monthly installments ending on May 2021	20,927,025	25,633,331	45,250,531
Kotak Mahindra Bank	9.65%	Repayable in 60 monthly installments ending on September 2020	6,994,642	11,321,611	5,618,652
ICICI Bank	9.00%	Repayable in 72 monthly installments ending on Dec 2024	65,312,505	-	-

Term Loan from State Bank of India is secured by way of charge over the fixed assets of the Solar Plant and is repayable in 89 monthly installments ending on May 2021 and carries interest @ 9.35% p.a, remaining 27 monthly installment . The loan is further secured by way of personal guarantee of three directors.

## ≡≡≡ **Porwal Auto Components Ltd.** ≡≡≡≡≡≡≡≡≡ Annual Report 2017 - 2018 ≡≡≡

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

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

### Vehicle loan from banks

HDFC Bank Ltd Car Loan (Innova)	9.50%	To be repaid by June 2019 in 36 monthly installments of Rs. 48170/- each.	99,974	586,570	-
HDFC Bank Ltd Car Loan (Innova)	9.50%	To be repaid by July 2019 in 36 monthly installments of Rs. 48170/- each.	142,337	625,043	-
From S.B.of Bikaner & Jaipur (Skoda)	10.40%	To be repaid by Sept 2017 in 34 monthly installments of Rs. 26000/- each	-	-	166,614
From Kotak Mahindra Prime Ltd (Creta)	9.50%	To be repaid by Aug 2018 in 36 monthly installment of Rs. 32,150/- each.	-	121,940	439,700

(All loans secured by hypothecation of specific vehicles)

<b>Total secured loans</b>	<b>93,476,483</b>	<b>38,288,495</b>	<b>51,475,497</b>
<b>Total non-current interest bearing loans and borrowings</b>	<b>93,476,483</b>	<b>38,288,495</b>	<b>51,475,497</b>

### Current borrowings

#### Loan repayable on demand (from bank)

##### Secured loans

Working capital loan from banks

From SBI SSI Branch Indore	71521893	26439852	25631243
From SBI Pithampur Branch	7074383	7385961	213579

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 first charge over the fixed assets of the company situated at Plot No. 209 Sector I, Pithampur. The loans is further secured by way of personal guarantee of three directors. The loan is repayable on demand and carries interest @ 8.95% p.a.

From Kotak Mahindra Bank Limited (Cash Credit)

	-202
	<b>78,596,276</b>
	<b>33,825,813</b>
	<b>25,844,620</b>

#### Current maturity of long term loans

From Kotak Mahindra Bank Term Loan	4404000	4404000	
HDFC Bank Ltd	578040	578040	
HDFC Bank Ltd	578040	578040	
From State Bank of India (SBBJ)	0	228731	
From Kotak Mahindra Bank	156812	385800	
<b>Total current borrowings</b>	<b>84,313,168</b>	<b>40,000,424</b>	<b>25,844,620</b>
Less: Amount clubbed under "other current liabilities"	5,716,892	6,174,611	-

#### Net current borrowings

	<b>78,596,276</b>	<b>33,825,813</b>	<b>25,844,620</b>
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**Porwal Auto Components Ltd.** **Annual Report 2017 - 2018**

Ind AS 107 only requires disclosure of information that enables users of the financial statements to evaluate the significance of financial instruments for its financial position and performance. Ind AS compliant Schedule III requires that a company to disclose terms of repayment of term loan and other loan. Accordingly, to comply with the requirement of Ind AS compliant Schedule III the group has disclosed effective interest rate and maturity date for all the borrowings.

**Note 18: Deffered Tax**

Deffered tax relates to the following:

	Balance Sheet			Profit & Loss	
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017
Accelerated depreciation for tax purposes	45,361,100	42,772,000	44,278,000		
Disallowances and Losses available for offsetting against future taxable income	1,472,400	3,403,300	24,979,200		
MAT credit entitlement	12,036,800	7,740,200	2,606,000		
<b>Deffered tax expense/(income)</b>				223,400	14,935,700

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

Reflected in the balance sheet as follows:

	31 March 2018	31 March 2017	1 April 2016
Deffered tax assets	(13,509,200)	(11,143,500)	(27,585,200)
Deffered tax liabilities	45,361,100	42,772,000	44,278,000
<b>Deffered tax liabilities, net</b>	31,851,900	31,628,500	16,692,800

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

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

**Note 19: Trade payables**

	31 March 2018	31 March 2017	1 April 2016
Trade payables - retention from business associates	75,549,734	33,494,011	26,489,382
	<b>75,549,734</b>	<b>33,494,011</b>	<b>26,489,382</b>

**Note 20: Other current financial liabilities**

	31 March 2018	31 March 2017	1 April 2016
Current maturities of long term debt	19,466,888	6,174,611	5,270,674
Payables for capital expenditure	2,209,993	9,133,029	880,927
Others (Tooling advance)	8,218,271	8,870,776	9,495,483
	<b>29,895,152</b>	<b>24,178,416</b>	<b>15,647,084</b>

**Note 21: Other current liabilities**

	31 March 2018	31 March 2017	1 April 2016
<b>(a) Provision for employee benefits</b>			
Bonus Payable	2,512,977	2,231,778	1,940,563
Leave Encashment (unfunded)	3,824,023	1,995,318	1,852,750
E.S.I.C. Payable	178,641	166,859	132,115
Good Work Reward	1,193,784	1,180,509	890,053
Professional Tax Payable (Company)	2,500	-	5,000
Provident Fund Payable	214,196	188,770	169,154

Salary and Wages Payable	3,686,443	3,277,440	2,774,835
Unpaid Good work Reward	-	2,829	-
Unpaid Salary & Wages	-	4,957	-
Director Sitting Fees Payable	22,000	24,000	-

**(b) Others (Specify nature)**

Provision for Income Tax	12,997,000	9,157,000	6,620,000
Proposed Dividend	11,325,000	7,550,000	4,530,000
Tax on Dividend	2,305,503	1,537,002	922,218
TDS Payable	629,490	135,114	549,116
Excise Duty payable on finished goods	-	4,510,182	4,190,527
Power & Fuel Payable	8,900,000	7,478,305	3,061,056
Entry Tax Payable	-	85,507	50,039
ESIC Payable (Contractors)	67,725	46,981	29,469
Service Tax Payable	-	46,154	50,663
Telephone Expenses Payable	12,863	60,394	62,689
Audit Fees Payable	75,000	60,000	60,000
Professional Charges Payable	20,000	9,444	100,000
Web site Design Expenses Payable	57,500	-	-
Water Charges Payable	102,293	84,899	80,915
Travelling expenses payable	-	-	9,520
Solar Line Charges Payable	200,000	200,000	-
Software AMC Charge Payable	-	52,500	-
GST Payable	5,702,462	-	-
CST PAYABLE	-	157,404	-
	<b><u>54,029,399</u></b>	<b><u>40,243,346</u></b>	<b><u>28,080,682</u></b>

**22. Revenue from operations**

	<u>31 March 2018</u>	<u>31 March 2017</u>
<b><u>Sale of products</u></b>		
CI & SG Iron Automobile Components	1,284,398,497	1,001,037,510
Solar Power	24,089,232	14,280,262
Scarp	6,238,122	10,807,321
Job Work Charges	-	90,560
Less: Excise duty	(213,295,877)	(108,688,391)
	<b><u>1,101,429,974</u></b>	<b><u>917,527,262</u></b>

**23. Other income**

	<u>31 March 2018</u>	<u>31 March 2017</u>
Interest income	60,828	72,390
Fair value gain on financial instruments at fair value through profit or loss	12,073,692	1,975,897
	<b><u>12,134,520</u></b>	<b><u>2,048,287</u></b>

**24. Cost of materials consumed**

	<u>31 March 2018</u>	<u>31 March 2017</u>
<b><u>Raw Material Consumed</u></b>		
Inventory at the beginning of the year	16,303,980	22,624,679
Add: Purchases	573,731,701	399,395,374
Less: inventory at the end of the year	(38,551,332)	(16,303,980)
Cost of raw material and components consumed	<b><u>551,484,349</u></b>	<b><u>405,716,073</u></b>





Travelling Expenses	1,337,643	1,184,488
Vehicle Running & Maintenance	986,277	795,732
Cess (Prevention and pollution control)	-	606
Late Delivery Charges (L.D.)	2,013,772	684,543
Loss on sale of Fixed Assets	226,043	-
	<u>324,283,993</u>	<u>300,677,274</u>

**Payments to the auditor:**

**As auditor**

Audit fee	60,000.00	45,000.00
Tax audit fee	15,000.00	15,000.00
Limited review	-	-
	<u>75,000</u>	<u>60,000</u>

**Details of CSR expenditure:**

	<u>31 March 2018</u>	<u>31 March 2017</u>	
Gross amount required to be spent by the group during the year			
Amount spent during the year ending on 31 March 2018	<b>Not Applicable</b>	<b>Not Applicable</b>	<b>Total</b>
Construction/acquisition of any asset On purposes other than above			
Amount spent during the year ending on 31 March 2017	<b>Not Applicable</b>	<b>Not Applicable</b>	<b>Total</b>
Construction/acquisition of any asset On purposes other than above			

**Notes to the Ind AS financial statements for the year ended March 31, 2018**

**1. COMPANY OVERVIEW**

Porwal Auto Components Limited (referred to as "the Company" hereinafter) was incorporated Porwal Auto Components Ltd. was incorporated in the year 1992 as an ancillary to M/s. Eicher Motors Limited now VE Commercial Vehicles Ltd. (A Volvo group and Eicher Motors joint venture). Porwal Auto Components Ltd is involved in the manufacture of a variety of Ductile Iron, Grey Cast Iron Steel and Steel Alloy Casting Components and Subassemblies. PACL caters to various sectors including Automobile, Engineering, Pumps and Valves, Agriculture and Tractor Equipments etc.

**2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

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

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the consolidated financial statements:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

**b) Basis of measurement**

The Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities, including derivative financial instruments which have been measured at fair value as described below and defined benefit plans which have been measured at actuarial valuation as required by relevant Ind ASs.

**SIGNIFICANT ACCOUNTING POLICIES**

The Company has applied following accounting policies to all periods presented in the Ind AS Financial Statement.

**a) Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable, net of discounts, volume rebates, outgoing sales taxes and excise duty.

Revenue from sales is recognised when all significant risks and rewards of ownership of the commodity sold are transferred to the customer which generally coincides with delivery. Revenues from sale of byproducts are included in revenue.

Revenue from sale of power is recognised when delivered and measured based on rates as per bilateral contractual/ collective agreements with buyers and at rate arrived at based on the principles laid down under the relevant power purchase agreements/regulations in vogue as applicable.

Export benefits are accounted on recognition of export sales. Dividend income is recognised when the right to receive payment is established. Interest income is recognised using effective rate of interest method.

**b) Property, Plant and Equipment**

**(i) Property, plant and equipment**

The Company has applied Ind AS 16 with retrospective effect for all of its property, plant and equipment as at the transition date, viz., 1 April 2017. The initial cost of property, plant and equipment comprises its purchase price,



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

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

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

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

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

**(ii) Capital work in progress**

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

**(iii) Depreciation**

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

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

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

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

**c) Intangible assets**

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

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

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

**d) Cash and cash equivalents**

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

**e) Borrowing Costs**

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

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

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

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



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

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

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

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

#### **j) Employee benefit schemes**

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

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

##### **Compensated absences:**

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

##### **(ii) Post-employment benefits**

##### **Gratuity**

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

##### **Provident Fund**

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

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

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

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

**l) Foreign currency transactions**

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

**m) Earnings per share**

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

**n) Cash Flow Statement**

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

**o) Research and development**

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

**30. CONTINGENT LIABILITIES**

a.	Guarantee issued by Bank on behalf of the company (including LC)	Rs.52,26,306 (Rs. 95,23,759/-)
b.	Vendor bill discounting limit with Bank	Rs.13,32,09,214/- (Rs.107374059/-)
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.75,38,000/- (Rs.105029009/-)
e.	VAT tax demand for financial year 2010-11	Rs.1,38,029/- ( Rs.1,38,029/-)
f.	VAT tax demand for financial year 2011-12	Rs.2,56,111/- (Rs.2,56,111/- )
g.	VAT Input Disallowed for financial year 2013-14	Rs. 2,48,526/- ( Rs.2,48,526/-)
h.	VAT Input Disallowed for financial year 2015-16	Rs. 74518/-
i.	Excise duty demand on account of show cause notice issued for the period March 2005- Oct. 2011 against which the Company has filed appeal before Honorable Commissioner (Appeals) Customs Excise and Service Tax, Bhopal. The Appealate Authority passed decision against the company for which appeal has been filed with the CEGAT Delhi.	Rs. 64,43,134/- (Nil)

**31 EARNING PER SHARE**

Particular	2017-18	2016-17
Profit after tax as per Profit and Loss Account (Rs/Lacs)	50522136	20820226
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.)	3.35	1.38

**32. RELATED PARTY TRANSACTIONS**

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

1. Relationship

a. Key Managerial Personnel and Relatives

Mr. Devendra Jain, Managing Director

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

❖ Mr. Surendra Jain, Brother

❖ Mr. Shailesh Jain, Brother

❖ Mr. Mukesh Jain, Brother

Porwal Diesels Pvt. Ltd.

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

Particulars	With Key Management Personnel	Entities owned or significantly influenced by Key Management Personnel	Relative of Key Management Personnel/Director	Associate and subsidiary companies
Remuneration	3600000 (3400000)	Nil (Nil)	9900000 (9350000)	Nil (Nil)
Purchase of Goods	Nil (Nil)	Nil (Nil)	8858002 (4173153)	Nil (Nil)
Sale of Goods	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Job work paid	Nil (Nil)	Nil (Nil)	68279120 (51432982)	Nil (Nil)
Interest received	Nil (Nil)	Nil (Nil)	127054 (5221841)	Nil (Nil)

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

**Remuneration**

Related Party	Current Year	Previous Year
Mr. Devendra Jain	3600000	3400000
Mr. Mukesh Jain	3600000	3400000
Mr. Surendra Jain	3600000	3400000
Mr. Shailesh Jain	2700000	2550000

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

**Remuneration**

Related Party	Current Year	Previous Year
Mr. Devendra Jain	3600000	3400000
Mr. Mukesh Jain	3600000	3400000
Mr. Surendra Jain	3600000	3400000
Mr. Shailesh Jain	2700000	2550000

**Purchase of Goods**

Related Party	Current Year	Previous Year
Porwal Diesels Pvt. Ltd.	8858002	4173153

**Job Work Paid**

Related Party	Current Year	Previous Year
Porwal Diesels Pvt. Ltd.	68279120	51432982

**Interest Received**

Related Party	Current Year	Previous Year
Porwal Diesels Pvt. Ltd.	127054	4028379.00

**Loans and Advances (Dr)**

Related Party	Current Year	Previous Year
Porwal Diesels Pvt. Ltd.	14700000	35697023

**Sundry Creditors (Cr)**

Related Party	Current Year	Previous Year
Porwal Diesels Pvt. Ltd.	7844857	0

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

	2017-18		2016-17	
	Amount in Rs.	% of Consumption	Amount in Rs.	% of Consumption
Imported	0	0	0	0
Indigenous	21052131	100	1,80,66,817	100
TOTAL	21052131	100	1,80,66,817	100

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

	2017-18	2016-17
Raw Material and Stock in trade	Nil	Nil
Stores, Spares and Packing Material	Nil	Nil
Capital Goods	Nil	Nil

**35. EXPENDITURE IN FOREIGN CURRENCY**

	2017-18	2016-17
Repairing	0	0
Travelling	0	0

36. Fair Value Measurement (IND AS 113)

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

37. Effectively July 01, 2017 sales are recorded net of GST whereas earlier sales were recorded net of excise duty including VAT, which formed part of expenses. Hence revenue from operations for the year ended March 31, 2018 are not comparable with the previous year corresponding figures.
38. Previous year figures have been regrouped/reclassified wherever necessary to correspond with the current years classification/disclosure.

As per report of even date

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

(CA S N Gadiya)  
Proprietor  
M. N. 71229  
Place : Indore  
Date : 18/05/2018

**Devendra Jain**  
Managing Director  
DIN 00232920

**Hansika Mittal**  
Company Secretary

**Mukesh Jain**  
Whole Time Director  
DIN 00245111

**Shailesh Jain**  
Chief Financial Officer





**KYCFORM**

To  
**Link intime India Private Limited**  
 C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai-400083.  
 Unit : Porwal Auto Components Ltd.

Date: \_\_\_\_\_

FolioNo: \_\_\_\_\_

No of Shares: \_\_\_\_\_

Dear Sir Madam,

We refer to the current KYC status as provided by you in the below table:

Name of the shareholder(s)	PAN(A)	Bank details (B)	Specimen Signature (C)	Email ID (D)	Mobile No. ( E)	Nominee Details (F)
Aaa	Registered	Registered	Required	Required	Required	Required
Bbb	Required	Not Applicable	Required	Not Applicable	Not Applicable	Not Applicable
Ccc	Required	Not Applicable	Required	Not Applicable	Not Applicable	Not Applicable
Ddd	Required	Not Applicable	Required	Not Applicable	Not Applicable	Not Applicable

Based on the above data, we are forwarding herewith the required supporting documents by ticking in the appropriate checkbox below for all the fields where the status is shown as 'Required' in the above table).

**A For registering PAN of the registered and/or joint shareholders (as applicable)**

Registered shareholder  Jointholder  Jointholder2  Joint holder 3 (self-attested copy for all Shareholders attached)

**B For registering Bank details of the registered shareholder**

Aadhar/Passport/utilitybill  Original cancelledchequeleaf  Bank Passbook/BankStatement

**C For registering the Specimen Signature of registered and/or joint shareholders (as applicable)**

Affidavit  Banker verification  Original cancelledchequeleaf  Bank Passbook/ Bank Statement (for all)

**D For Updating the email id**

E : Mobile No

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**F For registering the nominee details by the registered shareholder**

Form SH-13 (Nomination registration form attached)

**Note:- For residents of Sikkim instead of PAN provide Aadhar Card/Voters Card/Driving License/Passport or any other identity proof issued by Govt.**

I /We hereby state that the above mentioned details are true and correct and we consent towards updating the particulars based on the self-attested copies of the documents enclosed with this letter by affixing my/our signature(s) to it

Sign: \_\_\_\_\_ Sign: \_\_\_\_\_ Sign: \_\_\_\_\_ Sign: \_\_\_\_\_  
 Registeredholder Jointholder1 Jointholder2 Joint holder3

Postal barcode
Mr/ Ms/Mrs _____ (Registered Holder)
_____ (Address 1)
_____ (Address 2)
_____ (Address 3)

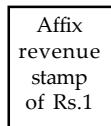
**NOTE:**

Dematerialization of shares :Further, we would like to mention you that as per SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulation, 2018, physical shares will be transferable only upto 4th Dec. 2018.



<b>Ordinary Business:</b>	
1.	Receive, consider and adopt the Audited Financial Statements for the financial year ended March 31, 2018 and the Reports of the Board of Directors and Auditors thereon.
2.	Declaration of Dividend on Equity Shares for the year ended March 31, 2018.
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
<b>Special Business:</b>	
4.	Re-appointment of Mr. Nitin Dafria (DIN- 01560804) as the Independent Director of Company.
5.	Re-appointment of Mr. Surajmal B Kucheria (DIN- 00027661) as the Independent Director of Company.
6.	Re-appointment of Mr. Ramesh C Kashyap (DIN- 06593723) as the Independent Director of Company.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018



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.



**ATTENDANCE SLIP**  
**26<sup>th</sup> ANNUAL GENERAL MEETING ON 29<sup>TH</sup> SEPTEMBER 2018.**

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 26<sup>th</sup> Annual General meeting of the company at the registered office of the company on 29<sup>th</sup> September, 2018.

(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