

04th September, 2021

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

Scrip Code - 532933 ; ISIN - INE386I01018

Sub: Submission of 29th Annual Report for the Financial Year 2020-2021 pursuant to the provisions of Regulation 34 of SEBI (LODR) Regulations, 2015.

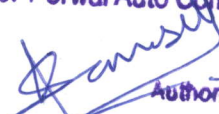
Dear Sir/ Madam,

Pursuant to the provisions of Regulation 34 of the SEBI (LODR) Regulations, 2015 we are enclosing herewith 29th Annual Report for the financial year 2020-21 along with the Notice of 29th Annual General Meeting (AGM) of the Company to be held on Wednesday, 29th day of September, 2021 at 03:00 P.M. through Video Conferencing or Other Audio Video Means (OAVM) for which purposes the registered office of the Company shall be deemed as the venue for the Meeting. The same is also available on the company's website at www.porwalauto.com.

Please take the same on record.

Thanking You,
Yours' Sincerely

For, PORWAL AUTO COMPONENTS LIMITED
For Porwal Auto Components Ltd


Authorised Signatory

HANSIKA MITTAL
COMPANY SECRETARY

Enclosure: Annual Report for the F.Y. 2020-21 along with Notice of AGM.



Porwal

Auto Components Ltd.

29th

**ANNUAL REPORT
2020-2021**

ANNUAL REPORT 2020 – 2021

TWENTY NINTH ANNUAL REPORT 2020 - 2021

ANNUAL REPORT 2020-21

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

CHIEF FINANCIAL OFFICER & 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.)
STATE BANK OF INDIA
Pithampur, 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
admin@porwalauto.com
www.porwalauto.com

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Pvt Ltd.
C 101, 247 Park, L B S Marg, Vikhroli
West, Mumbai -400083
Tel: +91 22 49186270
Fax: +91 22 49186060
E Mail: rnt.helpdesk@linkintime.co.in

NOTICE

NOTICE is hereby given that Twenty Ninth Annual General Meeting of the Members of the Porwal Auto Components Limited will be held on **Wednesday, 29th September, 2021 at 03:00 P.M. (IST)** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business: -

The proceedings of the Annual General Meeting ("AGM") shall be deemed to be conducted at the Registered Office of the Company at Plot No.209, Sector No.1, Industrial Area, Pithampur, District, Dhar, (M.P.) 454775 which shall be the deemed venue of the AGM.

ORDINARY BUSINESS:**1. Consideration & Adoption of Audited Financial Statements for the Financial Year ended 31st March, 2021:**

To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2021, together with the Reports of the Board of Directors and the Auditors thereon.

2. Appointment of Mr. Mukesh Utsavlal Jain (DIN: 00245111), as Whole Time Director, liable to retire by rotation.

To appoint a Director in place of Mr. Mukesh Utsavlal Jain (DIN- 00245111), who retires by rotation and being eligible, offers himself for re-appointment.

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

Place: Pithampur
Date: 10th August, 2021

Hansika Mittal
Company Secretary

Notes:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circular No. 02/2021 dated 13th January, 2021 and MCA General Circular No. 20/2020 dated 5th May, 2020 read together with MCA General Circular Nos. 14 & 17/2020 dated 8th April, 2020 and 13th April, 2020 respectively, and Securities and Exchange Board of India ("SEBI") Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.

Central Depository Services (India) Limited shall be providing facility for voting through remote e-voting, for participation in the AGM through VC/OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC/OAVM is explained at Note No. 26 below.

2. In view of the massive outbreak of the COVID-19 pandemic, social distancing has to be a pre-requisite. Pursuant to the above mentioned MCA Circulars, **physical attendance of the Members is not required at the AGM, and attendance of the Members through VC/OAVM will be counted for the purpose of reckoning the quorum under section 103 of the Companies Act, 2013.**

3. The relevant details, pursuant to Regulations 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed.
4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
5. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a certified copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address at csshraddhajain@gmail.com with a copy marked to www.evotingindia.com
6. The voting rights of Shareholders shall be in proportion of shares held by them to the total paid up equity shares of the company as on Wednesday, 22nd September, 2021, being the cut-off date.
7. In compliance with applicable provisions of the Companies Act, 2013 ("the Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") read with above mentioned MCA and SEBI Circulars, the AGM of the Company is being conducted through VC/OAVM. In accordance with the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") read with Clarification/Guidance on applicability of Secretarial Standards - 1 and 2 dated 15th April, 2020 issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.
8. The report on the Corporate Governance and Management Discussion and Analysis also forms part to the report of the Directors.
9. M/s. S N Gadiya & Company, Chartered Accountants, were appointed as Statutory Auditors of the Company at the 25th Annual General Meeting held on 28th September, 2017 to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2022. Pursuant to the Notification issued by the Ministry of Corporate Affairs on 7th May, 2018 amending section 139 of the Act and the Rules framed thereunder, the mandatory requirement for ratification of appointment of Auditors by the Members at every Annual General Meeting has been omitted, and hence the Company is not proposing an item on ratification of appointment of Auditors at this AGM.
10. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of Companies Act, 2013 and relevant documents referred to in this Notice of AGM, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members on the date of AGM, i.e. 29th September, 2021. Members seeking to inspect such documents can send an email to investors.pacl@gmail.com.
11. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Link Intime India Private Limited for assistance in this regard.

12. **BOOK CLOSURE:** The Register of Members and Transfer Books of the Company will be closed from **Thursday 23rd September, 2021 to Wednesday 29th September, 2021 (both days inclusive)**. (Both days inclusive) for the purpose of AGM.
13. Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 31st March, 2021 on the website of the Company at <https://www.porwalauto.com/> and also on the website of the MCA at <http://www.iepf.gov.in/>.

Last date for claiming unclaimed and unpaid dividends declared by the Company for the financial year 2015-2016, 2016-2017, 2017-18 & 2018-19 and thereafter.

Financial Year Ended	Date of declaration of dividend	Last date for claiming unpaid/unclaimed dividend
31 st March 2016	28 th September 2016	27 th October 2023
31 st March 2017	28 th September 2017	26 th October 2024
31 st March 2018	29 th September 2018	28 th October 2025
31 st March 2019	28 th September 2019	28 th October 2026 (tentative)

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 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.

14. Members are requested to notify immediately any change in their address and E – Mail ID to their respective Depository Participants (DPs) in respect of their electronic share accounts, to the Registrar and Share Transfer Agent of the Company at Link Intime India Private Limited, C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai - 400083.
15. The MCA General Circular No. 02/2021 dated January 13, 2021 and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, have granted relaxations to the companies in view of the prevailing situation and owing to the difficulties involved in dispatching physical copies of the financial statements (including Board's Report, Auditor's Report or other documents required to be attached therewith) for the Financial Year ended 31st March, 2021 pursuant to Section 136 of the Act and Notice calling the AGM pursuant to Section 101 of the Act read with the Rules framed thereunder, such statements including the Notice of AGM are being sent only **through electronic mode** to those Members whose email addresses are registered with the Company/Depositories. For Members who have not registered their e-mail address and those members who have become the members of the Company after Friday 27th August, 2021 being the cut-off date for sending soft copy of the Notice of 29th AGM and Annual Report for the financial year 2020-2021, in Portable Document Format (PDF), will also be available on the Company's website www.porwalauto.com, website of CDSL i.e. www.evotingindia.com and on website of stock exchanges viz. www.bseindia.com.

16. Members, who hold shares in multiple Demat accounts and those who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are advised to consolidate their holdings in single Demat account/ Folio.
17. For ease of conduct of AGM, members who wish to ask questions/express their views on the items of the businesses to be transacted at the meeting are requested to write to the Company's investor email-id investors.pacl@gmail.com , at least 7 days before the date of the AGM, mentioning their name, demat account no./folio number, email ID, mobile number etc. The queries may be raised precisely and in brief to enable the Company to answer the same. Those Members who have registered themselves as a speaker will be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
18. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
19. **Investor Grievance Redressal:** The Company has designated an exclusive e-mail ID i.e. investors.pacl@gmail.com to enable the investors to register their complaints / send correspondence, if any for the purpose of AGM.
20. **Webcast:** Members who are entitled to participate in the AGM can view the proceedings of AGM by logging in the website of CDSL i.e. www.evotingindia.com using the login credentials.
21. The Chairman shall at the AGM at the end of discussion on the resolutions on which voting is to be held, allow e-voting to all those members who are present/logged in at the AGM but have not cast their votes by availing the remote e-voting facility.
22. A person who has acquired the shares and has become a member of the Company after dispatch of notice of AGM and prior to the Cut-off date i.e. Wednesday, 22nd September, 2021, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or e-voting system on the date of AGM by following the procedure mentioned in this Notice.
23. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
24. 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.
25. **SCRUTINISER FOR E-VOTING:** Ms. Shraddha Jain, Practicing Company Secretary (Membership No. ACS 39488) has been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.
26. 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 by the Companies (Management and Administration) Amendment Rules, 2015 (including any statutory modification(s), clarifications, exemptions or reenactments thereof for the time being in force), Regulation 44 of the SEBI Listing Regulations and Secretarial Standard on General Meetings (SS-2), the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Central Depository Services (India) Limited ('CDSL') on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.
The process/manner for availing e-voting facility and the instructions for members voting electronically are as under:

THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER

- (i) The voting period begins on Sunday 26th September 2021 from 9:00 A.M. and ends on Tuesday 28th September, 2021 at 5:00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd September, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e - Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e - Voting page of the e - Voting service provider for casting your vote during the remote e - Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LI NKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e - Voting page by providing Demat Account Number and PAN No. from a e - Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e -Voting option where the evoting is in progress and also able to directly access the system of all e -Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e - Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e -Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e -Voting" under e -Voting services and you will be able to see e -Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e - Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e -Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e -Voting website of NSDL. Open web browser by typing the

	<p>following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e -Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e -Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting</p>
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/C DSL for e -Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e -Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022 - 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e -Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

- c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> 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.

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e -voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant Porwal Auto Components Ltd. on which you choose to vote.
- (x) 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.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) 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.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; (investors.pacl@gmail.com) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM/EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **Seven days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at investors.pacl@gmail.com . The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **Seven days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at investors.pacl@gmail.com . These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company(investors.pacl@gmail.com)/RTA (rnt.helpdesk@linkintime.co.in).**
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

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

Place: Pithampur
Date: 10th August, 2021

Hansika Mittal
Company Secretary

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

S. No	Particulars	Mr. Mukesh Jain
1.	Date of Birth	02.10.1956
2.	Background details	Associated with the company since 31.03.1998
3.	Brief Profile	He has earned his B.Com in the year 1976 from Gujrati College, Indore.
4.	Expertise in specific functional areas/ Job Profile and his suitability	He is having 40 Years of experience in business & Industry and earlier appointed as Whole -time director of the company from 2020-2023
5.	No. & % of Equity Shares held	281105(1.86%)
6.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Besides the remuneration proposed to be paid to them, the Directors do not have any other pecuniary relationship with the Company. However Mr. Devendra Jain, Mr. Mukesh Jain and Mr. Surendra Jain, are Brothers.
7.	List of outside Company directorship held	NIL
8.	Chairman / Member of the Committees of the Board of Directors of the Company	Member
9.	Chairman / Member of the Committees of the Board Directors of other Companies in which he is director	NIL
10.	Past remuneration during the financial year ended 31st March, 2021	32,25,000/-

By order of the Board of Directors
Porwal Auto Components Limited

Place: Pithampur
Date: 10th August, 2021

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

HANSIKA MITTAL
 COMPANY SECRETARY

BOARDS' REPORT

To
 The Members,
Porwal Auto Components Ltd.
Pithampur-454775

Your Directors have immense pleasure in presenting 29th Boards' Report of **Porwal Auto Components Ltd**, together with the Audited Financial Statements for the year ended March 31, 2021.

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:

(Rupees in lakhs)

Particulars	As on 31.03.2021	As on 31.03.2020
Revenue from operations	6,967.93	7,872.33
Other Income	111.76	0.90
Total Expenses [excluding interest & depreciation]	6,275.18	7,182.23
Profit before Interest, Depreciation & Tax	804.51	691.01
Less: Depreciation	609.10	608.31
Less: Interest	90.09	123.24
Profit / (Loss) Before Tax	105.32	-40.54
Less: Tax Expenses	-	-
Current Tax	18.80	-
Deferred Tax	-6.61	-96.59
Net Profit / (Loss) after Tax	93.13	56.05
Add: Amount brought forward from Last Year	1262.26	1,206.21
Balance carried forward to Balance Sheet	1,355.39	1,262.26
Appropriations:		
(a) Proposed Dividend on Equity Shares	-	-
(b) Tax on Proposed Dividend	-	-
(c) Income Tax/Wealth tax of earlier years	-	-
Balance carried forward to Balance Sheet	1,355.39	1,262.26

Your Company's financial statements for the year ended March 31, 2021 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. 6,967.93 Lacs against the turnover of Rs. 7,872.33 Lacs in the previous year, registering decrement of Rs. 904.4 Lacs (approx). The overall expenses of the Company have also decreased from Rs. 7,182.23 Lacs to Rs. 6,275.18 Lacs. The Company has earned a net profit of Rs. 93.13 Lacs as compared to profit of Rs. 56.06 Lacs in the previous year. Your Company is trying their best to uplift the profit in the coming period.

b. Operations And Future Outlook

The automotive industry is rapidly growing due to the introduction of new innovations, which is bolstering the growth of the auto parts manufacturing industry. The Asia Pacific emerged as a significant market for auto parts manufacturing in 2020. The region is also anticipated to be a major global market in the forecast period as well, witnessing a robust growth rate. New technology applications in the field of producing automotive parts are expected to boost the automotive sales in

the region. The regional market is being driven by an increase in the production and sales of vehicles and passenger cars and the digitisation of distribution systems for automotive components.

Governments around the globe also have stringent vehicle emission regulations for product manufacturers to manufacture environmentally sustainable and highly effective automobile products for both the domestic and international markets, which is likely to boost the market demand. In recent years, there have been considerable development in the automotive industry, with developing markets like China, India, and Brazil anticipated to boost market growth globally. Auto Components industry exports, which is currently valued at \$14.5bn in FY20, is expected to grow at an annual rate of 23.9% to reach \$80 bn by 2026. USA, Germany, UK, Thailand and Italy are the top destinations for exports. Aftermarket segment which includes tyre, battery, brake parts, is expected to reach \$32 bn by 2026 from \$9.8 bn currently. The overall industry which accounts for 2.3% of India's GDP currently, is set to become the 3rd largest in the world by 2025. India's automobile industry is the world's fourth largest. India was the world's fourth largest manufacturer of cars and seventh largest manufacturer of commercial vehicles in 2019. Indian automotive industry (including component manufacturing) is expected to reach between Rs. 16.16-18.18 trillion (US\$ 251.4-282.8 billion) by 2026. Indian automobile industry (Includes automobiles and auto components) received Foreign Direct Investment (FDI) worth US\$ 25.85 billion between April 2000 and March 2021.

The long-term growth outlook for the Indian auto industry is positive, driven by robust economic growth outlook, increasing income levels, Government focus on road and infrastructure development, current low levels of vehicle penetration, rapid urbanisation and a large, young and aspiring population.

Your Company is pursuing several strategic initiatives in all key areas of business to survive in this challenging face. The key elements of strategy include strengthening the product portfolio, refresh and update existing products and strengthen research & development (R&D) and technology capabilities. Further, Your Company is taking several initiatives to uplift the sales and Profit and believe that Company is likely to witness strong growth, commodity price increase and face near term challenges for the industry and are key monitorable. With aim to remain competitive in the market and sustain leadership, your Company continues to invest in new product development, technology upgrades, increasing channel reach, and the focus on delivering customer centric products, services and build brand. Your Company is continuously evaluated our product portfolio and its technological readiness for the future, in the face of challenges posed by both emerging and disruptive technologies. Your Company's LFC project is ready for trial and will work at fullest by the next year. Your Company has also introduced new machinery for the smooth functioning. We also a long standing relationship with all our customers our built on the years of remarkable responsiveness, to their ever changing needs.

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 2020-21 there was no change in capital structure of the company. The paid up equity capital as on March 31, 2021 is Rs. 15,10,00,000. During the year under review, the company has not issued shares with differential voting rights nor has granted any stock option or sweat equity shares.

e. Revision of Annual Financial Statements

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

2. Transfer to Reserves, If Any

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

3. Dividend

Your Directors have not recommended any Dividend for the year under review.

4. Deposits

During the year under review, the Company did not accept any deposits within the meaning of provisions of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. Further, the Company has not accepted any deposit or loans in contravention of the provisions of the Chapter V of the Companies Act, 2013 and the Rules made there under.

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

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

6. Subsidiary, Associate Companies or Joint Venture

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

7. Extract of Annual Return

Pursuant to provisions of Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 as amended from time to time, the Annual Return of the Company for Financial Year 2020-21 is available on the Company's website at weblink <http://www.porwalauto.com/Other-shareholder-information.html>

8. Directors and Key Managerial Personnel

At the year ended March 31, 2021, the Board of Directors comprised of three Executive directors and four Non-Executive Independent Directors including one women director. The Company has one Chief Financial Officer and a Company Secretary.

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

Retire By Rotation

In accordance with the provisions of Section 152 of the Act and in terms of the Articles of Association of the Company, Mr. Mukesh Utsavlal Jain (DIN- 00245111) retires by rotation and being eligible, offers himself for reappointment at the ensuing 29th Annual General Meeting. The Board recommends his re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

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

Independent Directors:

The Independent Directors on the Board of the Company comprise of Mr. Surajmal Birdichand Kucheria, Mr. Ramesh C Kashyap, Mr. Nitin Kumar Dafria & Mr. Rajni Jain.

Declaration by Independent Directors

All Independent Directors of your Company have given a declaration pursuant to Section 149(7) of the Companies Act, 2013 and Regulation 25(8) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 affirming compliance to the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and there has been no change in the circumstances which may affect their status as Independent Director during the year. Independent Directors have also submitted declaration that they have registered themselves on the online data bank of Indian Institute of Corporate Affairs (IICA) in accordance with the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019.

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.

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

9. Committees of the Board Of Directors

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

The other Committees of the Board are:

- i. Nomination and Remuneration Committee
- ii. Stakeholders Relationship Committee
- iii. Corporate Social Responsibility Committee (dissolved w.e.f. 28th June, 2021)

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

10. Meetings of the Board of Directors and its committees

- a. Board Meetings:** During the year under review the Board has met 6 (six) times viz. **June 13, 2020; June 29, 2020; July 30, 2020; August 27, 2020; November 10, 2020; February 2, 2021** 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 March 29, 2021.

11. Nomination and Remuneration Policy

Pursuant to the provisions of Section 178(3) of the Companies Act, 2013, and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee has formulated a policy relating to the remuneration for the Directors, key managerial personnel (KMP) and other employees which was approved and adopted by the Board.

The policy is available on the website of the Company at <http://www.porwalauto.com/Other-shareholder-information.html>.

Other Policies:

The other policies adopted by the Company pursuant to the provisions of the Companies Act, 2013 and SEBI Regulations are placed on the Company's website at <http://www.porwalauto.com/Other-shareholder-information.html>.

12. Performance Evaluation of the Board

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

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

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

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

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

13. Directors' Responsibility Statement

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

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

- f. The Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

14. Auditors:**a. Statutory Auditors**

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

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

Explanation to Auditor's Remark

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

Reporting of fraud by Statutory Auditors

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

b. Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the company has appointed Ms. Shraddha Jain, Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2020-21. The Secretarial Audit Report for the financial year ended March 31, 2021 is annexed herewith marked as **Annexure-I** to this Report.

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

Annual Secretarial Compliance Report:

The Company has undertaken an audit for the Financial Year 2020-21 for all applicable compliances as per Securities and Exchange Board of India Regulations and Circulars/Guidelines issued thereunder. The Annual Secretarial Compliance Report duly signed by Ms. Shraddha Jain, Practicing Company Secretary has been submitted to the Stock Exchanges.

c. Cost Record and Cost Audit

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

d. Internal Auditor

Pursuant to the provisions of Section 138 of the Act read with Rule 13(1)(a) of Companies (Accounts) Rules, 2014, the Board of Directors of the Company have appointed Nishi Agrawal & Company to conduct internal audit reviews for the Company for the FY 2021-22. The internal audit reviews for the FY 2020-21 were conducted by Vikas S Garg & 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 Nishi Agrawal and Company for the financial year 2021-22. However, the internal and operational audit for the Financial Year 2020-21 was conducted by Vikas S Garg and Company. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry. Based on the audit observations & suggestions, follow up & remedial measures are being taken on a regular basis.

16. Particulars of loans, guarantees or investments

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

17. Particulars of contracts or arrangements with Related Parties

During the financial year 2020-2021, all contracts/ arrangements/ transactions entered into by the Company with its related parties were reviewed and approved by the Audit Committee and the Board. Prior omnibus approvals were obtained from the Audit Committee for related party transactions which were of repetitive nature, entered in the ordinary course of business and on an arm's length basis. No transaction with any related party was in conflict with the interest of the Company.

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 https://www.porwalauto.com/pdf/related_party_transaction_policy.pdf. Suitable disclosures as required under AS-18/Indian Accounting Standards (Ind AS 24) have been made in the Notes to the financial statements.

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

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

19. Risk Management

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

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

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

21. Vigil Mechanism/Whistle Blower Policy

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

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 III** 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 IV** 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, 2021 which is enclosed as forms the part of this Board Report.

26. Voting Rights of employees

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

27. Disclosure regarding issue of Employee Stock Options

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

28. Disclosure regarding issue of Sweat Equity Shares

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

29. Corporate Governance Report

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

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

30. Corporate Social Responsibility

Your Company has complied with the provisions of section 135 of the Companies Act, 2013 read with the rules framed there under and spent remaining amount of Rs. 28,88,032/- as CSR Expenditure which is due towards the Company.

The CSR liability of the Company for the FY 2020-21 does not exceed the threshold limit as prescribed in the latest amendment to Section 135 of the Companies Act, 2013. Hence the obligations under section 135 of the Companies Act, 2013 are not applicable to the Company. Accordingly, the Board, at its meeting held on 28th June, 2021 has dissolved the CSR Committee.

31. Management Discussion and Analysis Report

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

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 2020-21 has been duly paid.

The Company has complied with SEBI (LODR) Regulations, 2015 including payment of Annual Listing Fees up to March 31, 2022 to BSE Limited.

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, 2021.

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 & 30th November, 2018 mandated that Share transfer shall be mandatorily carried out in dematerialized form only w.e.f. from April 1, 2019. In view of the numerous advantages offered by the Depository System, members are requested to avail the facility of Dematerialization of the Company's shares on either of the Depositories mentioned as aforesaid.

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

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

It may be noted that during the year 2020-21, no grievance/complaint from any women employee was reported.

39. Compliance Of Secretarial Standard

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

40. Details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) and their status

There are no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year.

41. Details of difference between amount of the Valuation done at the time of One Time Settlement and the Valuation done while taking loans from the Banks or Financial Institution along with the reasons thereof

There are no such events occurred during the period from April 01, 2020 to March 31, 2021, thus no valuation is carried out for the one-time settlement with the Banks or Financial Institutions.

42. Acknowledgements

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

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

Date: 10.08.2021
Place: Pithampur

Mukesh Jain
Whole time Director
(DIN - 00245111)

Devendra Jain
Managing Director
(DIN - 00232920)

Registered office

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

Annexure – I

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the
Companies (Appointment and Remuneration Personnel) Rules, 2014]

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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 31st March 2021 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- 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, 2015, in so far as they are made applicable from time to time;

- a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; which is not applicable to the company during audit period
- b. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; which is not applicable to the company during audit period
- c. 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
- d. 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;
- e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; which is not applicable to the company during audit period
- f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; which is not applicable to the company during audit period
- g. The Securities and Exchange Board of India (Listing obligations And Disclosure Requirements) Regulations, 2015

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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors & Woman Director. There are no changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Indore

Date: 10th August, 2021

SHRADDHA JAIN

PRACTISING COMPANY SECRETARY

ACS No: 39488

C P No: 14717

UDIN: A039488C000765037

NOTE: This report is to be read with Annexure A which forms an integral part of this report.

Annexure A

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

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Indore

Date: 10th August, 2021

SHRADDHA JAIN

PRACTISING COMPANY SECRETARY

ACS No: 39488

C P No: 14717

UDIN: A039488C000765037

Annexure – II

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, 2021 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.

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.

B. Technology Absorption**i. The efforts made towards technology absorption**

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

Further, Your Company is looking forward for new technologies to be introduced by the Company soon. Further, your Company's LFC project is ready for the trial and will work at fullest by the next year.

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

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

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

The company is using manufacturing technology which is entirely indigenous.

iv. Expenditure on Research & Development –

Research & Development activities are being carried out as part of the Company's normal business activities. In order to maintain its position, your Company is continuously 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. 46.59 Lacs approximately towards Research and Development.

C. Foreign exchange earnings and Outgo-

Particulars	2020-21	2019-20
Foreign exchange earnings	---	---
Foreign exchange outgo:		
Travelling Expenses	Nil	2.18 lacs
Capital Goods	68.41 lacs	Nil

Date: 10.08.2021**Place:** Pithampur

For and on behalf of the Board of Directors

Porwal Auto Components Limited**Registered office**Plot No. 209, Sector No. 1,
Industrial Area,
Pithampur (M.P.) 454775
CIN: L34300MP1992PLC006912**Mukesh Jain**Whole time Director
(DIN - 00245111)**Devendra Jain**Managing Director
(DIN - 00232920)

Annexure – III
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 2020 -21, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020 -21 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

S. N.	Name of Director/KMP and Designation	Designation	Remuneration of Director/KMP for financial year 2020-21	% Increase/decrease in Remuneration in the Financial Year 2020-21	Ratio of Remuneration of each Director to median remuneration of employees
1.	Mr. Devendra Jain	Managing Director	32,55,000	-4.55%	31.44:1
2.	Mr. Mukesh Jain	Whole Time Director	32,55,000	-4.55%	31.44:1
3.	Mr. Surendra Utsavlal Jain	Whole Time Director	32,55,000	-4.55%	31.44:1
4.	Mr. Surajmal Birdichand Kucheria	Independent Non Executive	-	-	NA
5.	Mr. Nitin Dafria	Independent Non Executive	-	-	NA
6.	Mr. Ramesh C Kashyap	Independent Non Executive	-	-	NA
7.	Mrs. Rajni Jain	Independent Non Executive	-	-	NA
8.	Mr. Shailesh Jain	CFO	24,41,250	-4.05%	NA
9.	Ms. Hansika Mittal	Company Secretary	2,83,500	9.88%	NA

Note:

None of the Independent Directors of the Company received any remuneration during the financial year 2020-21

- (ii) **The percentage decrease in the median remuneration of employees in the financial year:** 22.38%
- (iii) **The number of permanent employees on the rolls of Company as on March 31, 2021 :** 330 employees
- (iv) Average percentile decrease made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2020-21 was -19.8% and there is also decrease in the managerial remuneration for the same financial year was -13.66%. Due to Covid-19 pandemic, there is 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.

By order of the Board of Directors of
PORWAL AUTO COMPONENTS LIMITED

PLACE: Pithampur

DATE: 10.08.2021

Registered office

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

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(2) & 5 (3) OF CHAPTER XIII, THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014, AND FORMING PART OF THE BOARDS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2021.

	Name	Designation	Remuneration received During the Financial Year (In Rs.)	Qualification and Experience	Date of Joining	Age	Last employment
1	Mr. Surendra Jain	Whole Time Director	32,55,000	B. E. (Mech), 43 Years experience of Business & Industry	07.06.2005	68 Years	Triveni Conductors Limited, Indore
2	Mr. Devendra Jain	Managing Director	32,55,000	B. E. (Mech), 42 Years experience of Business & Industry	03.02.1992	66 Years	Porwal Diesels Pvt. Ltd., Pithampur
3	Mr. Mukesh Jain	Whole Time Director	32,55,000	Graduate in Commerce, 39 Years experience of Business & Industry	31.03.1998	64 Years	Porwal Udhog
4	Mr. Shailesh Jain	CFO	2,441,250	B. Com; 35 Years	01.04.1999	62 Years	Porwal Diesels Pvt. Ltd., Pithampur
5	Mr. Atin Jain	Chief Operating Officer	21,70,000	MBA (Foreign), 17 Years	01.04.2014	43 Years	Porwal Diesel Pvt. Ltd., Pithampur
6	Mr. Anish Jain	Commercial Manager	18,74,081	BBA MBA, 11 Years	01.04.2008	33 Years	-
7	Mr. Praveen Sinha	Vice President (Oper.)	16,74,250	B. Tech , MCA ; 34 Years	25.11.2015	60 Years	Priyanshi Casting Pvt. Ltd., Pithampur
8	Mr. Nutan Joshi	Maintanance Manager	8,44,726	B. Sc , DME ; 35 Years	05.09.2015	60 Years	Pioneer Enginee. P. Ltd. Ujjain
10	Mr. Sunil Lanjewar	Quality Manager	8,29,054	B.E. (Mech), 19 Years	19.09.2006	43 Years	Raneka Industries Ltd., Pithampur
9	Mr. Narendra Malakar	NPD Manager	7,87,813	B. E. (Mech), 18 Years	02.02.2010	40 Years	-----
11	Mr. G. L. Tirole	Accounts & Finance Manager	6,74,729	M. Com., MBA Finance; 28 years	02.02.1995	54 Years	N. K. Machines Pvt. Ltd., Indore
12	Mr. Anil Mendiratta	Marketing Manager	6,74,000	B.A. ; 27 Years	01.05.2014	53 Years	Phooltas Temper Pvt. Ltd. New Delhi
13	Mr. R. K. Sahu	H R Manager	6,39,146	B. A. 21 years	02.02.2001	50 Years	Gomtesh Engineering, Pithampur
14	Mr. B. K. Gupta	Assistant Manager (IT Deptt)	4,16,848	MCA;17 years	01.04.2015	37 Years	Sonic Biochem Pvt Ltd
15	Mr. Neeraj Kumar Hundi	Assistant Manager	4,14,982	BE (Electronics)	01.04.2015	38 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

3. All the above employees are permanent employees of the Company.

By order of the Board of Directors of

PLACE: Pithampur
DATE: 10.08.2021

PORWAL AUTO COMPONENTS LIMITED

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

Mukesh Jain
Whole time Director
(DIN - 00245111)

Devendra Jain
Managing Director
(DIN - 00232920)

ANNEXURE-V**CORPORATE GOVERNANCE REPORT 2020-21
(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, 2021.

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. Your Company believes in the concept of good Corporate Governance involving transparency, empowerment, accountability, equity and integrity with a view to enhance stakeholder's value in order to achieve its mission as stated below: -

"To continually enhance the stakeholders' value through global competitiveness while contributing to society."

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. The Board of Directors of your Company, by considering itself as trustee of its shareholders, aims at maximizing shareholders wealth and protecting the interest of all stakeholders.

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

2. BOARD OF DIRECTORS**a. Composition & Category:**

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

Name of Director	Category
Mr. Surendra Utsavlal Jain	Whole-Time Director, Chairman
Mr. Devendra Jain	Managing Director
Mr. Mukesh 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%
Non Executive Directors	-	-
Independent Non Executive Directors	4	57.14%
TOTAL	7	100%

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 Non-Executive Independent Directors of the Company have been appointed as per the provisions of the SEBI (LODR) Regulations, 2015 and the Companies Act, 2013. Non-Executive 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 Non-Executive 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 <https://www.porwalauto.com/Other-shareholder-information.html>

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

Key Board Qualifications, Expertise and Attributes

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

Details of Directors who holds Directorship in another Listed Company:

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

b. Board Procedure and its Meetings :

The Board meets at least once in every quarter to review the results and other items on the agenda. The

agenda is circulated well in advance to the Board/Committee members along with comprehensive background information on the items in the agenda to enable the Board and Committees to arrive at appropriate decisions.

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

- i. 13th June, 2020;
- ii. 29th June, 2020;
- iii. 30th July, 2020;
- iv. 27th August, 2020;
- v. 10th November, 2020;
- vi. 02nd February, 2021

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 31st March, 2021 are given in the following table:

S. No.	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	6	Yes	2	1	-	-
2	Mr. Mukesh Utsavlal Jain (DIN:00245111)	Whole-Time Director	6	Yes	1	-	2	-
3	Mr. Surendra Utsavlal Jain (DIN :00245154)	Whole-Time Director	6	Yes	1	-	-	-
4	Mr. Surajmal Birdichand Kucheria (DIN: 00027661)	Independent Non-Executive	6	Yes	2	1	5	-
5	Mr. Nitin Dafria (DIN:01560804)	Independent Non-Executive	6	Yes	1	2	2	-
6	Mr. Ramesh C Kashyap (DIN:06593723)	Independent Non-Executive	6	Yes	1	-	2	-
7	Mrs. Rajni Jain (DIN:07140288)	Independent Non-Executive	6	Yes	1	-	-	-

NOTE: The Corporate Social Responsibility Committee has been dissolved with the approval of the Board of Directors of the Company with effect from 28th June, 2021.

- d. Separate Meeting of Independent Directors:** Pursuant to the Regulation 25(3) of the SEBI (LODR) Regulations, 2015 and Schedule IV of the Companies Act, 2013, a separate meeting of the Independent Directors of the Company was held on 29th March, 2021, 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 Non-Executive 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 at <https://www.porwalauto.com/Other-shareholder-information.html>

f. Inter-se relationship among directors:

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

g. Note on Directors Appointment/ Re-appointment

In accordance with the provisions of Section 152 of the Act and in terms of the Articles of Association of the Company, Mr. Mukesh Utsavlal Jain (DIN- 00245111) retires by rotation and being eligible, offers himself for reappointment at the ensuing 29th Annual General Meeting. The Board recommends his re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

h. Performance Evaluation of Independent Director:

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

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

Further, the Directors who were subject to evaluation have not participated in the Performance Evaluation.

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 (**Dissolved with effect from 28th June, 2021**)

The above mentioned Committees consist of appropriate number of Executive Directors and Non-executive 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 a Non-Executive Independent Director.

During the financial year ended 31st March, 2021, five Audit Committee Meetings were held and the dates on which the said meetings were held are as follows:

- i. 13th June, 2020;
- ii. 29th June, 2020;
- iii. 30th July, 2020;
- iv. 10th November, 2020;
- v. 02nd February, 2021

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, Non-Executive Independent Director	5	5
Mr. Ramesh C Kashyap	Member, Non-Executive Independent Director	5	5
Mr. Surajmal Birdichand Kucheria	Member, Non-Executive Independent Director	5	5

b. NOMINATION AND REMUNERATION COMMITTEE

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

i. Terms of reference

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

ii. Composition and Meetings

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

During the financial year ended 31st March, 2021, one meeting of Nomination and Remuneration Committee were held and the dates on which the said meetings were held are:

i. 29th June, 2020;

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

Name	Category	Number of Meetings	
		Held	Attended
Mr. Surajmal Birdichand Kucheria	Chairman, Non-Executive Independent Director	1	1
Mr. Ramesh C Kashyap	Member, Non-Executive Independent Director	1	1
Mr. Nitin Dafria	Member, Non-Executive Independent Director	1	1

iii. Criteria for Performance Evaluation

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

The criteria for Performance Evaluation are as under:

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

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

For Board as a whole:

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

For Board Committee:

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

iv. REMUNERATION OF DIRECTORS
➤ Transactions with Non-executive Directors/ Independent Directors

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

➤ Criteria for making payment

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

➤ Remuneration to Executive Directors

During the financial year, there were only three directors who are in the whole time employment of the company and drawing remuneration. The details of remuneration for the year ended March 31, 2021 to the Executive Directors are as follows

Name of Directors	Designation	Remuneration
Mr. Devendra Jain	Managing Director	Rs. 32,55,000
Mr. Mukesh Utsavlal Jain	Whole Time Director	Rs. 32,55,000
Mr. Surendra Utsavlal Jain	Whole Time Director	Rs. 32,55,000

➤ The company does not pay any fixed component and performance linked incentives to any of its Directors.

➤ The company does not have any service contract with any of its directors.

➤ The company has not granted any stock option to any of its Director/employees.

➤ The Company has not paid any fees or compensation to the Executive Directors except the remuneration mentioned above.

c. STAKEHOLDERS RELATIONSHIP COMMITTEE

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

i. Terms of reference

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

ii. Composition and Meetings

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

During the financial year ended 31st March, 2021, four meetings of Stakeholders Relationship Committee were held and the dates on which the said meetings were held are

- i. 29th June, 2020;*
- ii. 30th July, 2020;*
- iii. 10th November, 2020;*
- iv. 02nd February, 2021*

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, Non-Executive Independent Director	4	4
Mr. Surajmal Birdichand Kucheria	Member, Non-Executive 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	Nil
2.	Complaints disposed of during the Year	Nil
3.	Complaints pending at the end of the year	Nil

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
 Telephone: 07292-405101
 Fax: 07292-405120
www.porwalauto.com

D. CSR COMMITTEE

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

i) Terms of reference

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

ii) Composition and Meetings

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

During the financial year ended 31st March, 2021, two meetings of CSR Committee were held and the dates on which the said meetings were held are

- i. 29th June, 2020;
- ii. 02nd February, 2021;

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

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

NOTE: The Corporate Social Responsibility Committee has been dissolved with the approval of the Board of Directors of the Company with effect from 28th June, 2021.

1. GENERAL BODY MEETINGS

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

AGM/EGM	Date	Venue	Time
AGM-2018	29 th September, 2018	Registered office of the Company	01:30 PM
AGM-2019	28 th September, 2019	Registered office of the Company	01:30 PM
AGM-2020	29 th September, 2020	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	03:00 PM

NOTE: The proceedings of the 28th Annual General Meeting of the Members of the Company, held on 29th September, 2020, shall be deemed to be conducted at the Registered Office of the Company at Plot No. 209, Sector No. 1, Industrial Area, Pithampur, (M. P.) 454775 .

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

AGM/EGM	Date	Special Business Transacted
AGM-2018	29 th September, 2018	<ul style="list-style-type: none"> ∞ Re-appointment of Mr. Nitin Dafria as Non-Executive Independent Director. ∞ Re-appointment of Mr. Surajmal Birdichand Kucheria

		as Non- Executive Independent Director. ∞ Re-appointment of Mr. Ramesh C Kashyap as Non-Executive Independent Director.
AGM-2019	28 th September, 2019	∞ Re-appointment of Ms. Rajni Jain as an Independent Director
AGM-2020	29 th September, 2020	∞ Re-appointment of Mr. Devendra Jain as the Managing Director of the Company. ∞ Re-appointment of Mr. Mukesh Utsavlal Jain as a Whole-time Director of the Company. ∞ Re-appointment of Mr. Surendra Jain as a Whole-time Director of the Company.

- No Extra-ordinary General Meeting of the shareholders was held during the year.
- No special resolutions were passed nor proposed to be passed during 2020-21 through postal ballot.

5. MEANS OF COMMUNICATION

- a. Quarterly and Annual Financial Results:** The Board of Directors of the Company approves and takes on record the Quarterly, Half Yearly and Yearly Financial Results in the performance prescribed by SEBI (LODR) Regulations, 2015 within 45/60 days of the end of the respective quarter.
- b. Newspaper publications on Financial Results:** The Quarterly/ Half yearly/ Annual Results of the Company are published in accordance with the SEBI (LODR) Regulations, 2015 in newspapers viz. "Free Press", (English) and "Chhotha Sansar" (Hindi).
- c. Website:** The Company's website www.porwalauto.com 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 are made by the Company.

6. GENERAL SHAREHOLDERS INFORMATION

a. Annual General Meeting

Date, Time & Venue of Annual General Meeting on Wednesday, the 29th day of September 2021 at 03:00 PM at the Registered Office of the Company.

b. Financial Year: The financial year covers the period from 1st April, to 31st March.

c. Financial Calendar (Tentative)

Results for the Quarter ending 30th June, 2021: First Fortnight of August, 2021
 Results for the Quarter ending 30th Sept, 2021: First Fortnight of November, 2021
 Results for the Quarter ending 31st Dec, 2021: First Fortnight of February, 2022
 Results for the Quarter ending 31st Mar, 2022: Last week of May, 2022

d. Book Closure

Thursday, 23rd September 2021 to Wednesday, 29th September 2021 (both days inclusive) for the purpose of AGM.

e. Listing

- **Stock Exchange:** Bombay Stock Exchange Limited
- **Stock Code:**532933
- **ISIN No.:** INE386I01018
- Listing Fees has been paid for 2021-22.

f. 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,www.porwalauto.com

g. 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: prajwal.suvarna@linkintime.co.in,
rnt.helpdesk@linkintime.co.in
- **Compliance Officer**
Porwal Auto Components Limited
CIN: L34300MP1992PLC006912
Plot No. 209, Sector No. 1,
Industrial Area, Pithampur, (M. P.) 454775
Tel: 07292-405101
Fax: 07292-405120
E Mail: cs@porwalauto.com
www.porwalauto.com

**h. Stock Market Data:
High/Low/Close during each month in the last Financial Year**

Monthly highs and lows Quotes at the BSE 2020-21

Year	High(Rs.)	Low(Rs.)	Close(Rs.)
Mar 2021	19.75	15.35	15.90
Feb 2021	23.85	17.90	18.90
Jan 2021	19.75	14.15	19.20
Dec 2020	15.76	12.30	15.05
Nov 2020	13.00	11.01	12.49
Oct 2020	13.29	10.79	12.61
Sep 2020	14.99	11.75	12.40
Aug 2020	17.85	11.51	14.28
Jul 2020	14.50	11.10	11.81
Jun 2020	15.90	11.20	13.68
May 2020	12.99	10.01	11.75
Apr 2020	12.85	7.01	11.65

I. Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index etc;

Published on Investing.com, 17/Jul/2021 - 10:36:01 GMT, Powered by TradingView.
Porwal Auto Components Ltd, India, BSE:PAUC, D



j. Registrars and Share Transfer Agents

Link Intime India Pvt Ltd.
 C 101, 247 Park,
 LBS Marg, Vikhroli West,
 Mumbai 400 083
 Tel: +91 22 49186270
 Fax: +91 22 49186060
 E Mail: prajwal.suvarna@linkintime.co.in,
rnt.helpdesk@linkintime.co.in

k. Share Transfer System:

Trading in Ordinary (Equity) Shares of the Company through recognized Stock Exchanges is permitted only in dematerialised form. The Stakeholders Relationship Committee meets as and when required to, inter alia, consider the issue of duplicate share certificates/transmission case and attend to Shareholders' grievances, etc.

l. Distribution of shareholding as on 31st March, 2021:

SHAREHOLDING OF NOMINAL SHARES	NUMBER OF SHAREHOLDERS	PERCENTAGE OF TOTAL	SHARE AMOUNT RS.	PERCENTAGE OF TOTAL
1 – 5000	6916	78.1999	12914460	8.5526
5001 -- 10000	940	10.6287	7529030	4.9861
10001 – 20000	511	5.7779	7587420	5.0248
20001 -- 30000	144	1.6282	3668070	2.4292
30001 -- 40000	80	0.9046	2862970	1.8960
40001 -- 50000	61	0.6897	2846310	1.8850
50001 -- 100000	92	1.0403	6831930	4.5245
100001 -- *****	100	1.1307	106759810	70.7019
TOTAL	8844	100.0000	151000000	100.0000

m. Dematerialization of shares as on 31.03.2021:

CATEGORY	NO. OF SHARES	PERCENTAGE (%)
Total number of Dematerialized shares with NSDL	88,18,428	58.40
Total number of Dematerialized shares with CDSL	56,84,269	37.64
PHYSICAL	5,97,303	3.96
TOTAL	1,51,00,000	100

Shareholding Pattern as on 31st March, 2021

Sr. No.	Category	No. of Shares Held	Percentage of Shareholding
1.	Promoters & Promoter Group	5610784	37.15751%
2.	Corporate Bodies	3578656	23.69970%
3.	Indian Public	5808931	38.46976%
4.	NRIs/OCBs	101629	0.67303%
		1,51,00,000	100%

n. Outstanding GDR's/ADR's/Warrant's/Convertible instruments and their impact on equity- The Company has not issued any GDRs/ADRs/Warrants or any convertible Instruments.

o. Commodity price risk or foreign exchange risk and hedging activities: Your Company does not deal in any commodity or foreign exchange; hence it is not directly exposed to any commodity price risk or foreign exchange risk and hedging activities.

p. List of Credit Ratings: Your Company does not have any securities other than equity shares thus it does not obtain any credit ratings.

7. DISCLOSURES:

a. Related Party Transactions

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

Your Company has formulated a Policy on Related Party Transactions which has been posted on the website of the Company and can be accessed through web link <https://www.porwalauto.com/Other-shareholder-information.html>.

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

There was no such instance.

c. Vigil Mechanism/ Whistle Blower Policy

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

d. Compliance with mandatory requirements

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

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

Your Company has no Material Subsidiaries.

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

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

g. Disclosure of Accounting Treatment

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

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

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

I. Certificate by Practicing Company Secretary

Your Company has obtained a Certificate from Ms. Shraddha Jain, Practicing Company Secretary certifying that none of the directors on the board of the company as on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority and the same has been annexed to this report.

j. Acceptance of recommendations of any committee of the board

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

k. Payment of Fee for services by the Company

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

l. 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.

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

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

n. 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 has 6160 shares in the Demat suspense account/unclaimed suspense account lying at the end of the year.

10. Non-compliance of any requirement of corporate governance report of sub-par as (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 <https://www.porwalauto.com/Other-shareholder-information.html>. 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 31st, 2021.

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 <https://www.porwalauto.com/Other-shareholder-information.html> Code of Conduct for prohibition of Insider Trading along with the Policy for Determination of Legitimate Purposes.

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

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

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

Date: 10.08.2021
Place: Pithampur

Mukesh Jain
Whole time Director
(DIN - 00245111)

Devendra Jain
Managing Director
(DIN - 00232920)

Registered office

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

CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021****[Pursuant to Part E of Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015]**

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

We have examined the compliance of conditions of Corporate Governance by PORWAL AUTO COMPONENTS LIMITED (hereinafter called the Company), for the year ended on 31st March, 2021 as specified in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraph C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from 1st April, 2020 to 31st March, 2021.

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

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

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

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

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31 March, 2021.

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

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

Date: 10th August, 2021
Place: Indore

SHRADDHA JAIN

PRACTICING COMPANY SECRETARY
ACS: 39488
CP. No. 14717
UDIN: A039488C000765114

DECLARATION
(COMPLIANCE WITH CODE OF BUSINESS CONDUCT AND ETHICS)

This is to confirm that for the year 2020-21, 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 <https://www.porwalauto.com/Other-shareholder-information.html>.

Devendra Jain
Managing Director
(DIN- 00232920)

MD / CFO CERTIFICATION

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

Dear Sirs

- (a) We have reviewed the audited Financial Statements for the financial year ended 31st March 2021 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

Shailesh Jain
Chief Financial Officer

Devendra Jain
Managing Director
(DIN: 00232920)

Date: 28.06.2021

Annexure – VI
MANAGEMENT DISCUSSION AND ANALYSIS REPORT

CAVEAT

Statements in the Management Discussion and Analysis, expressed by the management may contain certain forward-looking statements in the current scenario, which is extremely dynamic and increasingly fraught with risks and uncertainties. Actual results, performances, achievements or sequence of events may be materially different from the views expressed herein. Further, shareholders are cautioned that certain data and information external to the Company is included in this section. Though these data and information are based on sources believed to be reliable, no representation is made on their accuracy or comprehensiveness. Furthermore, utmost care has been taken to ensure that the opinions expressed by the management here in contain their perceptions on most of the important trends having a material impact on the Company's operations, no representation is made that the following presents an exhaustive coverage on and of all issues related to the same. Therefore, Shareholders are hereby advised to conduct their own investigation and analysis of the information contained or referred to in this section before taking any action with regard to their own specific objectives.

INDUSTRY STRUCTURE AND DEVELOPMENTS:

The Indian auto-components industry has experienced healthy growth over the last few years. The auto-components industry expanded by a CAGR of 6% over FY16 to FY20 to reach US\$ 49.3 billion in FY20. The industry is expected to reach US\$ 200 billion by FY26. India was the world's fourth largest manufacturer of cars and seventh largest manufacturer of commercial vehicles in 2019.

Due to high development prospects in all segments of the vehicle industry, the auto component sector is expected to rise by double digits in FY22.

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

The rapidly globalising world is opening newer opportunities for the transportation industry, especially while it makes a shift towards electric, electronic and hybrid cars, which are deemed more efficient, safe, and reliable mode of transportation. Over the next decade, this will lead to newer verticals and opportunities for auto-component manufacturers, who would need to adapt change via systematic R&D.

As per ACMA forecasts, automobile component export from India is expected to reach US\$ 80 billion by 2026. With shift in global supply chains, the Indian global automotive component trade is likely to expand at 4-5% by 2026. In December 2020, Power PSU JV EESL announced plan to install ~500 electric vehicle (EV) charging stations in the country in fiscal 2020-21. As of March 2021, there were 1,800 charging stations and this is expected to reach 4 lakh by 2026.

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 export potential could be increased by up to US\$ 30 billion by 2021E.

FAVOURABLE POLICY MEASURES AIDING GROWTH**1. Production Linked Scheme(PLI):**

Union Cabinet approved PLI scheme in automobile and auto components with an approved financial outlay over a five-year period of Rs. 57,042 crore (US\$ 8.1 billion) for Enhancing India's Manufacturing Capabilities and Enhancing Exports – Atmanirbhar Bharat.

2. Ministry of Heavy Industries:

The Government of India has shortlisted 11 cities in the country for introduction of EVs in their public transport systems under the FAME (Faster Adoption and Manufacturing of (Hybrid) and Electric Vehicles in India) scheme.

The Government of India approved FAME-II scheme with a fund requirement of Rs. 10,000 crore (US\$ 1.39 billion) for FY20-22.

3. Automotive Mission Plan 2016-26 (AMP 2026):

AMP 2026 targets a four-fold growth in the automobile sector in India, which includes manufacturers' of automobiles, auto components & tractors over the next 10 years. It is expected to generate an additional employment of 65 million.

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

4. Union Budget 2021–22:

The Government introduced the voluntary vehicle scrappage policy, which is likely to boost demand for new vehicles after removing old unfit vehicles currently plying on the Indian roads.

5. National Automotive Testing and research and development (R&D) Infrastructure Project (NATRiP):

The Government of India is planning to set up R&D centres at a total cost of US\$ 388.5 million to enable the industry to be on par with global standards.

COMPANY'S OVERVIEW:

Porwal Auto Components Ltd is a diversified auto-components company with presence across many processes/ product lines and customers and involved in manufacturing and marketing of S.G. (Ductile) Iron, Grey Cast Iron and Steel Castings and Components for the Automobile, Engineering & Railway Applications for past 28 years. Company has responded to the customers need by developing a new project called lost foam process. Our engineers took on the project by researching, experimenting, and developing the manufacturing system to efficiently produce high-quality castings. Lost foam is advantageous for complex castings that would normally require cores.

- Dimensionally Accurate
- Maintains an excellent surface finish
- Requires no draft
- Has no parting lines
- The foam is easy to manipulate, carve, and glue which allows for consolidating many foam pieces into one complex component that is cast as a single part.

Your Company is constantly push the boundaries of possibilities to create products and technology led services that enable our customers and stakeholders to rise. By focusing on customer centricity, delivering accessible technology, innovation and enhancing people capabilities, we continue to drive growth in the domestic market while pursuing global expansion.

OPPORTUNITIES AND THREATS:

OPPORTUNITIES: The auto industry is an engine of economic growth and improving for financial year 2022' from negative, backed by likely revival across segments, positive consumer sentiments amid macroeconomic tailwinds after recovering from the COVID-19 pandemic. The auto component industry which spans across different geographies of the country, is a large, integrated

and complex network of suppliers. The CV segment could record high double-digit growth in financial year 2022 of 25-30 per cent aided by an uptick in industrial production, increased infrastructure/construction activities and a low base owing to the slowdown over financial year 2020-21, the rating agency added. The industry is dominated by SMEs, is one of the key drivers of India's economic growth and the 'Make in India' program. To meet Government's mission, of a 5 trillion USD economy by 2025, the automotive industry which constitute almost 50% of the manufacturing GDP, will have to grow by 14% CAGR till 2025. Growing concerns over air quality, road safety, sustainability and urban congestion, among consumers and society at large, are driving the regulations and policies for motor vehicles and urban development. These will impact choice of fuel, ownership patterns and will have a significant impact on the future of the automotive industry. The overall industry which accounts for 2.3% of India's GDP currently, is set to become the 3rd largest in the world by 2025.

The Union Budget announced by the Govt. rolled out several measures that will benefit the automobile industry, these includes:

1. Rural and Agricultural push
2. Investment in infrastructure
3. Support for MSME

Making strategic alliances can be a smart strategy for Automobile companies. By using specialized capabilities & partnering with other companies, they can differentiate their offerings.

Changing lifestyle & customer groups: Three powerful forces are rolling the auto industry. Shift in consumer demand, expanded regulatory requirements for safety and fuel economy, and the increased availability of data and information. Also with the increase in nuclear families there has been increase in demand of two-wheelers & compact cars and this will grow further in this COVID-19 period.

Market expansion : Entering new markets like Asian & BRIC nations will result in upsurge in demand of vehicles. After these markets, other markets are likely to emerge soon.

Robust Demand: Reduction in excise duties will spur the demand for auto components sector. By 2025, 4 million of EVs could be sold each year and 10 million by 2030.

THREATS: The pandemic-induced lockdown resulted in the shutting down of production at original equipment manufacturers (OEM). It also led to disruption of the entire value chain of major industries in India, and therefore negatively affected production of auto spare parts. In addition, the reduction in consumer demand for passenger vehicles contributed to a loss in revenue and a severe liquidity crisis in the sector. The deep slowdown in demand for automobiles was principally a result of:

- a) weak consumer sentiment emanating from the general slowdown in economic growth and constrained Government spending:
- b) Muted demand from rural parts
- c) Challenges in access to and cost of finance:
- d) Increase in vehicle prices due meeting safety and emission norms.

These Following threats the challenges for the Company are:

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

Volatility in the fuel Prices: At least for the passenger segment fluctuations in the fuel prices remains the determining factor for its growth. Also government regulations relating the use of alternative fuels like CNG. Shell gas is also affecting the inventories.

High fixed cost and investment in R & D: Due to the fact that mature markets are already overcrowded, industry is shifting towards emerging markets by building facilities, R & D centers in these markets. But the ROI out of these decisions is yet to be capitalized.

Segment - wise or product - wise performance

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

OUTLOOK:

The automotive industry is rapidly growing due to the introduction of new innovations, which is bolstering the growth of the auto parts manufacturing industry. The Asia Pacific emerged as a significant market for auto parts manufacturing in 2020. The region is also anticipated to be a major global market in the forecast period as well, witnessing a robust growth rate. New technology applications in the field of producing automotive parts are expected to boost the automotive sales in the region. The regional market is being driven by an increase in the production and sales of vehicles and passenger cars and the digitisation of distribution systems for automotive components.

Governments around the globe also have stringent vehicle emission regulations for product manufacturers to manufacture environmentally sustainable and highly effective automobile products for both the domestic and international markets, which is likely to boost the market demand. In recent years, there have been considerable development in the automotive industry, with developing markets like China, India, and Brazil anticipated to boost market growth globally. Auto Components industry exports, which is currently valued at \$14.5bn in FY20, is expected to grow at an annual rate of 23.9% to reach \$80 bn by 2026. USA, Germany, UK, Thailand and Italy are the top destinations for exports. Aftermarket segment which includes tyre, battery, brake parts, is expected to reach \$32 bn by 2026 from \$9.8 bn currently. The overall industry which accounts for 2.3% of India's GDP currently, is set to become the 3rd largest in the world by 2025. India's automobile industry is the world's fourth largest. India was the world's fourth largest manufacturer of cars and seventh largest manufacturer of commercial vehicles in 2019. Indian automotive industry (including component manufacturing) is expected to reach between Rs. 16.16-18.18 trillion (US\$ 251.4-282.8 billion) by 2026. Indian automobile industry (Includes automobiles and auto components) received Foreign Direct Investment (FDI) worth US\$ 25.85 billion between April 2000 and March 2021.

The long-term growth outlook for the Indian auto industry is positive, driven by robust economic growth outlook, increasing income levels, Government focus on road and infrastructure development, current low levels of vehicle penetration, rapid urbanisation and a large, young and aspiring population.

Your Company is pursuing several strategic initiatives in all key areas of business to survive in this challenging face. The key elements of strategy include strengthening the product portfolio, refresh and update existing products and strengthen research & development (R&D) and technology capabilities. Further, Your Company is taking several initiatives to uplift the sales and Profit and believe that Company is likely to witness strong growth, commodity price increase and face near term challenges for the industry and are key monitorable. With aim to remain competitive in the market and sustain leadership, your Company continues to invest in new product development, technology upgrades, increasing channel reach, and the focus on delivering customer centric products, services and build brand. Your Company is continuously evaluated our product portfolio and its technological readiness for the future, in the face of challenges posed by both emerging and disruptive technologies. Your Company's LFC project is ready for trial and will work at fullest by the next year. Your Company has also introduced new machinery for the smooth functioning. We also a long standing relationship with all our customers our built on the years of remarkable responsiveness, to their ever changing needs.

RISKS AND CONCERNS

The automotive industry is disrupted by the four megatrends connected, autonomous, electric and shared driving, causing an unprecedented technology and business model transformation. The Company's business is exposed to many internal and external risks and it has consequently put in place robust systems and processes, along with appropriate review mechanisms to actively monitor, manage and mitigate these risks. FY 2021 was impacted by the COVID-19 pandemic disrupting the global economy and supply chains. In India, FY 2021 began with complete lock-down and zero economic activity in one of the strictest measure taken by the Government to contain the spread of the pandemic. With limited room to cut fixed costs, some OEMs have low liquidity to power through a long period of missing revenues. Decreases in market capitalization will likely accelerate industry consolidation and without securing additional funding, some players risk going out of business. Changes in customer behavior, such as different mobility preferences and online shopping expectations, might remain after the crisis.

1. COVID-19: F21 was impacted by the COVID-19 pandemic disrupting the global economy and supply chains. In India, F21 began with complete lock-down and zero economic activity in one of the strictest measure taken by the Government to contain the spread of the pandemic.

2. New Regulation for Safety: Concerns over road safety are driving legislation and regulatory reforms. Any new legislation requires technology development and incurs cost, in turn impacting vehicle prices. Your Company is geared up and is confident of meeting any new regulations introduced.

For tractors, introduction of Roll Over Protection System (ROPS), will require investment in technology and increase the material cost, thus putting pressure on the overall cost structure.

3. Competitive Intensity: Keeping in mind the high growth potential of the Indian automotive market have presence across all vehicle segments. Today, multinational companies are deeply entrenched in the Indian market with local development centres, a strong local supplier base and good channel penetration.

4. New Products and Technologies: To remain competitive in the market, for exceeding customer expectations and to meet requirements of legislation, your Company has an aggressive program for development of new products and technologies. The success of new product launches will have an important bearing on its future growth and probability of the Company.

5. Tax Regulations: India has traditionally seen tax rate differential between small and large passenger vehicles. This differential is based on length of the vehicle, engine size and fuel type. While flagship products of your Company attract higher tax rates

To deal with the disruption, businesses need to execute actions over three timelines:

- a) A fast response to navigate the emerging situation with a focus on protecting people.
- b) A reset of current business activities to adapt to new financial realities.
- c) A renewal of strategic plans to emerge stronger after the crisis.

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.

The Chief Internal Auditor reports directly to the Chairman of the Board. The Internal Audit function develops an audit plan for the Company, which covers, inter alia, corporate, core business operations, as well as support functions. The Audit Committee reviews the annual internal audit plan.

Significant audit observations are presented to the Audit Committee, together with the status of the management actions and the progress of the implementation of the recommendations.

The Audit Committee reviews the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations. During the year, the Company has taken steps to review and document the adequacy and operating effectiveness of internal controls. Nonetheless, your Company recognises that any internal control framework, no matter how well designed, has inherent limitations and accordingly, regular audits and review processes ensure that such systems are reinforced on an ongoing basis.

Your Company's Management has carried out the evaluation of design and operative effectiveness of these controls and noted no significant deficiencies/material weaknesses that might impact financial statements as at the Balance Sheet date.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

During the year under review the Company has reported a turnover of Rs. 6,967.93 Lacs against the turnover of Rs. 7,872.33 Lacs in the previous year, registering decrement of Rs. 904.4 Lacs (approx). The overall expenses of the Company have also decreased from Rs. 7,182.23 Lacs to Rs. 6,275.18 Lacs. The Company has earned a net profit of Rs. 93.13 Lacs as compared to profit of Rs. 56.06 Lacs in the previous year. Further, our expenses have been also reduced as compared to the previous year. Your Company is trying their best to uplift the profit in the coming period.

Material development in human resources/industrial relations front, including number of people employed
HUMAN RESOURCES / INDUSTRIAL RELATIONS

The human resource plays a vital role in the growth and success of an organization. The Company has maintained cordial and harmonious relations with employees across various locations. The Company has built a competent team to handle challenging assignments. As on 31st March, 2021, there were 330 permanent employees on the roll of the Company. Our Company shares good industrial relations which improves the morale of the employees. Employees work with great zeal with the feeling in mind that the interest of employer and employees is one and the same i.e. to increase production. Every worker feels that he is a co-owner of the gains of industry. Complete unity of thought and action is placed in organization. It has increased the place of workers in the society. During the year, the Company has taken several initiatives to further strengthen its human resource base to meet its current & future growth plans. The Company strives to enhance the technical, work related and general skills of employees on a continuous basis. 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.

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

Ratio	Ratio in Year 2020	Ratio in Year 2021	% of Change (Compare 2020 & 2021)	Reason for Change
Debtors Turnover	9.76	6.18	36.68%	Debtors turnover ratio has gone down to 6.18 time in 2021 as compared to 9.76 in 2020. This shows that the company is efficiently able to collect its debts as compared to 2020.
Net Profit Margin	0.71	1.32	85.91%	The Net profit margin has increased from 0.71 in 2020 to 1.32 in 2021. This is because although during the year there has been decline in sales, the profit before taxes has increased due to increase in other income.
Return on networth and Compared to immediately previous financial year	0.95	1.55	63.16%	Return on net worth has increased from 0.95 in 2020 to 1.55 in 2021. This is because of higher net profit in 2021. Net profit has gone up in 2021 because of increase in other income.

DISCLOSURE OF ACCOUNTING TREATMENT

Your Company's financial statements for the year ended 31st March, 2021 are the financial statements prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as applicable. During the Financial Year, there was no change in the Accounting Treatment in preparation of Financial Statements.

By order of the Board of Directors of

PLACE: Pithampur

DATE: 10.08.2021

PORWAL AUTO COMPONENTS LIMITED

Registered office

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

Mukesh Jain

Whole time Director
(DIN - 00245111)

Devendra Jain

Managing Director
(DIN - 00232920)

CERTIFICATE

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

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

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

In my opinion and to the best of my information and according to the verifications (including Directors' Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its Officers, I certify that none of the Directors on the Board of the Company for the Financial year ended on March 31, 2021 has been debarred or disqualified from being appointed or continuing as Director of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory Authority.

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

Place: Indore

Date: 10th August, 2021

SHRADDHA JAIN

PRACTISING COMPANY SECRETARY

ACS No: 39488

C P No: 14717

UDIN: A039488C000765061

INDEPENDENT AUDITORS REPORT

To the Members of PORWAL AUTO COMPONENTS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Porwal Auto Components Limited (the Company), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the standalone financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the **profit** and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis For Opinion

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

Information Other than the Standalone Financial Statements and Auditors Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Boards Report including Annexures to Boards Report, Business Responsibility Report, Corporate Governance and Shareholders Information, but does not include the standalone financial statements and our auditors report thereon.

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

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

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

Managements Responsibility for the Standalone Financial Statements

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

financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditors Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies(Auditors report)Order,2016(the Order) issued by the Central Government in terms of section 143(11) of the Act, we give in Annexure B a statement of the matters specified in paragraph 3 and 4 of the order.

For S N Gadiya & Co.
Chartered Accountants
Firm Reg. No.00205

(CA Satyanarayan Gadiya)
Proprietor
M.No.071229
UDIN: 21071229AAAAHF2165
Place: Indore
Date: 28/06/2021

ANNEXURE B 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 not granted any loan to any body corporate covered in the register maintained under section 189 of the Companies Act, 2013. Hence this clause is not applicable.				
(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 st March 2021 except the following.				
		Name of the Statute	Nature of Dues	Amount Disputed	Period to which amount relates	Forum where dispute is pending
		Employee Provident Fund & Mis. Provisions Act 1952	Provident Fund	Rs. 8.05 lacs	F.Y. 2005-06	Employee Provident Fund Appellate Tribunal
		MP VAT Tax	Vat Tax	Rs.2.48 lacs	F.Y. 2013-14	Appellate Authority Additional Commissioner of Commercial Tax, Indore
		MP VAT Tax	Vat Tax	Rs.2.67 lacs	F.Y. 2016-17	Appellate Authority Additional Commissioner of Commercial Tax, Indore

Annexure - A 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 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Managements 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 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S N Gadiya & Co.
Chartered Accountants
Firm Reg. No.0020502C

(CA S. N. Gadiya)
Proprietor
M.No.071229
UDIN: 21071229AAAAHF2165

Date: 28/06/2021
Place: Indore

Annexure VII

Independent Auditors 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 31st March 2021, 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 Companies Management and approved by the Board of Directors, has been compiled from the related 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 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 Auditors judgement, including the assessment of the risk of material mis-statement of the statement whether due to fraud or error. In making those risk assessment, the Auditor considers internal control relevant to the Companies 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 Companies internal control. An audit also includes evaluating the appropriateness of the Accounting Policy used and the reasonableness of the Companies 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 31st March 2021.

For S N Gadiya & Co.
Chartered Accountants
Firm Reg. No.0020502C
(CA S. N. Gadiya)
Proprietor

Date: 28/06/2021
Place: Indore

M.No.071229
UDIN: 21071229AAAAHF2165

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
PORWAL AUTO COMPONENTS LIMITED

We have examined the compliance of conditions of Corporate Governance by Porwal Auto Components Limited, for the year ended on 31 March, 2021, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

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

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

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

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

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

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31 March, 2021.

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.0020502C

(CA S. N. Gadiya)
Proprietor
M.No.071229
UDIN: 21071229AAAAHF2165

Date: 28/06/2021
Place: Indore

Porwal Auto Components Ltd
CIN L34300MP1992PLC006912
Balance sheet as at 31 March 2021

	Note No.	As at 31 March 2021 INR	As at 31 March 2020 INR
Assets			
Non-current assets			
Property, plant and equipment	3	43,42,33,359	46,30,93,867
Capital work-in-progress	3	6,59,58,015	2,76,48,711
Intangible assets	4	11,37,562	12,76,024
Financial assets			
Investments	5	8,62,09,562	8,60,48,064
Loans	6	2,91,61,285	4,84,13,862
Other non-current assets	7	1,06,52,766	1,61,46,941
		62,73,52,549	64,26,27,469
Current assets			
Inventories	8	9,83,82,522	6,80,81,522
Financial assets			
Trade receivables	9	11,27,87,682	8,06,31,852
Cash and cash equivalents	10	1,93,265	5,03,208
Bank balance other than cash and cash equivalents	11	9,37,100	11,72,401
Loans	12	17,56,691	9,23,302
Other receivables	13	25,97,187	91,64,850
Other current assets	14	21,11,268	27,89,572
		21,87,65,715	16,32,66,707
Total Assets		84,61,18,264	80,58,94,176
Equity and liabilities			
Equity			
Share capital	15	15,10,00,000	15,10,00,000
Other equity	16	45,01,48,079	44,08,34,979
Total Equity		60,11,48,079	59,18,34,979
Non-current liabilities:			
Financial liabilities			
Borrowings	17	3,82,99,093	4,46,54,725
Deferred tax liabilities (net)	18	2,85,77,500	2,92,38,700
		6,68,76,593	7,38,93,425
Current liabilities:			
Financial liabilities			
Borrowings	17	7,28,77,417	7,26,76,903
Trade payables	19	3,95,53,775	3,20,06,212
Other current financial liabilities	20	3,61,67,884	1,75,92,314
Other current liabilities	21	2,94,94,515	1,78,90,343
Current tax liabilities (net)		17,80,93,591	14,01,65,772
Total equity and liabilities		84,61,18,264	80,58,94,176

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

UDIN :

Place : Indore

Date : 28/06/2021

For and on behalf of board

Devendra Jain

Managing Director

DIN 00232920

Hansika Mittal

Company Secretary

Mukesh Jain

Whole Time Director

DIN 00245111

Shailesh Jain

Chief Financial Officer

Statement of Profit and Loss for the year ended 31st March, 2021

	Note No.	Year ended 31st March, 2021	Year ended 31st March, 2020
Revenue from operations	22	696793220	787233304
Other income	23	11175842	90651
TOTAL INCOME		707969062	787323955
EXPENSES			
Cost of materials consumed	24	342232232	375564257.4
Purchases of stock-in-trade	25	0	1468926.25
Changes in inventories of finished goods (including stock-in-trade) and work-in-progress	26	-11112592	16923363
Employee benefits expenses	27	70719899	69619225
Finance costs	28	16704362	23114305.72
Depreciation and amortisation expenses		60910030	60831261.57
Other expenses	29	217983232	243856634
TOTAL EXPENSES		697437162	791377973
Profit before exceptional items and tax		10531900	-4054018
Exceptional items		0	0
Profit before tax		10531900	-4054018
Tax expenses			
Current tax		1880000	0
Deferred tax credit/(charge)		-661200	-9659500
PROFIT FOR THE YEAR		9313100	5605482
Other Comprehensive Income		0	0
Total Comprehensive Income for the period		9313100	5605482
Earnings per equity share			
Basic (Face value of Re. 10 each)		0.62	0.37
Diluted (Face value of Re. 10 each)		0.62	0.37

The accompanying notes are an integral part of these financial statements

Significant Accounting Policies

For S N Gadiya & Co

Chartered Accountants

Firm Reg No. 002052C

For and on behalf of board

(CA S N Gadiya)

Proprietor

M. N. 71229

UDIN :

Place : Indore

Date : 28/06/2021

Devendra Jain

Managing Director

DIN 00232920

Mukesh Jain

Whole Time Director

DIN 00245111

Hansika Mittal

Company Secretary

Shailesh Jain

Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

PATICULARS	31.03.2021	31.03.2020
Operating Activities		
Profit before tax		
Add: Depreciation	10531900	-4054018
Add: Interest/ Finance Cost	60910030	60831262
Less: Non Operating Income	16704362	23114306
Add: Loss on Sale of Fixed Assets	-11175842	-90651
Cash Flow from operating activities	0	878364
	76970450	80679262
Less Decrease CL (including bank borrowings)	37927820	-37052382
Add Decrease in current assets	-56044252	44822998
Less tax paid	-1218800	9659500
Less Interest Paid	-16704362	-23114306
Net Operating Cash Flow	40930855	74995073
Investing Activities		
Inflow:		
Increase in Deferred Tax Liability	-661200	-9659500
Short Provision W/ o	0	929
Sale of Fixed Assets/Invesments	0	2150000
Subsidy Received	0	1105000
Outflow:		
Increase in Fixed Assets	-31911060	-22570736.75
Decrease in Capital WIP	-38309304	-27648711.46
Increase in Non current Assets	24585254	-2742472.49
Net Cash from Investing Activities	-46296310	-59365492
Financial Activities		
Inflow:		
Net Change in Long term Borrowing	-6355632	-15327581.5
Net Non Operating Income	11175842	90651
Dividend Paid		
Dividend Distribution Tax		
Net Cash from Financial Activities	4820210	-15236931
Opening Cash	1675609	1282957.53
Cash Surplus/Deficit	-545244	392651
Closing Cash	1130365	1675609
	0	0

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

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

UDIN :

Place : Indore

Date : 28/06/2021

For and on behalf of board

Devendra Jain

Managing Director

DIN 00232920

Hansika Mittal

Company Secretary

Mukesh Jain

Whole Time Director

DIN 00245111

Shailesh Jain

Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021
A EQUITY SHARE CAPITAL

For the year ended 31st March 2021		
Balance as of 1st April 2020	Changes in Equity shares capital during the year	Balance as of 31st March 2021
151000000	0	151000000

For the year ended 31st March 2020		
Balance as of 1st April 2019	Changes in Equity shares capital during the year	Balance as of 31st March 2020
151000000	0	151000000

B OTHER EQUITY
For the year ended 31 March 2021

	Securities Premium Reserve	General Reserve	Retained Earning	Total
As at 1st April 2020	326000000	3200413	111634565	440834978
Profit for the period	0	0	9313100	9313100
Other comprehensive income	0	0	0	0
Total comprehensive income	0	0	0	0
Dividends	0	0	0	0
Dividend distribution tax on dividend	0	0	0	0
Income Tax for earlier years	0	0	0	0
Transfer from retained earnings	0	0	0	0
Transfer to General Reserve	0	0	0	0
As at 31 March 2021	326000000	3200413	120947665	450148078

For the year ended 31 March 2020

	Securities Premium Reserve	General Reserve	Retained Earning	Total
As at 1st April 2019	326000000	3200413	106028154	435228567
Profit for the period	0	0	5605482	5605482
Other comprehensive income	0	0	0	0
Total comprehensive income	0	0	0	0
Dividends	0	0	0	0
Dividend distribution tax on dividend	0	0	0	0
Income Tax for earlier years	0	0	929	929
Transfer from retained earnings	0	0	0	0
Transfer to General Reserve	0	0	0	0
As at 31 March 2020	326000000	3200413	111634565	440834978

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

As per report of even date

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

For and on behalf of board

 (CA S N Gadiya)
Proprietor
M. N. 71229
UDIN :
Place : Indore
Date : 28/06/2021

 Devendra Jain
Managing Director
DIN 00232920

Hansika Mittal
Company Secretary

 Mukesh Jain
Whole Time Director
DIN 00245111

Shailesh Jain
Chief Financial Officer

PORWAL AUTO COMPONENTS LIMITED
Note 5: Investments

	31 March 2021	31 March 2020
Investments in unquoted equity Instruments	1,25,000	1,25,000
Investments at fair value through OCI (fully paid)		
Unquoted equity shares		
Quoted equity shares		
Mutual Funds (Quoted) units of Rs. 10/- each unless otherwise specified		
Nil (12441.058) units of Aditya Birla Sunlife 95 Fund (G)	-	76,80,000
39460.23 (30431.93) units of Aditya Birla SC Pure Value Fund	21,37,500	21,37,500
Nil (41380.580) units of Aditya Birla Sunlife Top 100 Fund (G)	-	19,20,000
187256.554 (Nil) units of Axis Special Situations Fund Reg (G)	19,99,900	-
Nil (83199.505) units of Franklin India Balanced Fund (G)	-	81,60,000
3026.132 (3026.132) units of Franklin India Balanced Fund (G)	14,40,000	14,40,000
Nil (238859.006) units of HDFC Balance Fund (G)	-	1,14,75,000
121841.462 (121841.462) units of ICICI Prudential Equity and Debt (G)	1,35,60,000	1,35,60,000
54445.373 (Nil) units of ICICI Prudential Saving Fund (G)	2,25,85,112	-
19844.630 (19844.630) units ICICI Prudential Value Discovery (G)	24,00,000	24,00,000
86503.690 (86503.690) units IDFC Core Equity Reg (G)	38,25,000	38,25,000
563027.839 (563027.839) units IDFC Balanced Advantage Reg (G)	72,00,000	72,00,000
14004.902 (Nil) units of Invesco India Financial Services (G)	9,99,950	-
28139.862 (Nil) units of Invesco India Midcap Fund (G)	19,99,900	-
29605.043 (23614.197) units Kotak Equity Opportunity Reg (G)	36,99,950	27,00,000
Nil (7393.134) L & T Equity (G)	-	5,47,759
226626.969 (188049.635) units of L & T India Value Fund (G)	81,00,000	81,00,000
86613.252 (Nil) units of Mirae Asset Banking & Financial Services Fund Reg (G)	9,99,950	-
100396.586 (Nil) units of PGIM India Flexi Cap Reg (G)	19,99,900	-
10549.728 (Nil) units of SBI Focused Equity Fund (G)	19,99,900	-
3549.171 (3549.171) units Sundaram Mid Cap (G)	16,87,500	16,87,500
63758.944 (63758.944) units Sundaram Rural and Consumption (G)	27,00,000	27,00,000
49910.323 (47921.074) units TATA Equity PE (G)	67,50,000	67,50,000
Nil (18597.509) units of Tata Hybrid Equity (G)	-	36,40,305
(Mutual Fund Units of 16,88,605.883 (16,19,764.952) units NAV as on 31.03.2021 Rs. 10,42,87,371 (P.Y. 7,45,91,757/-)		
	8,62,09,562	8,60,48,064

Note 6: Loans

	31 March 2021	31 March 2020
Loans (secured good unless otherwise stated)		
Capital advances	56,71,534	2,48,76,761
Supplier advances paid	25,23,600	25,00,000
Deposits and balances with government authorities		
PF Demand	4,02,472	4,02,472
VAT Tax demand	67,000	2,08,125
VAT Claim Receivable	2,04,96,679	2,04,26,504
	2,91,61,285	4,84,13,862

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 2021	31 March 2020
Deposit	91,20,687	1,44,20,466
GST Refund Receivable	-	1,49,609
Others	12,32,079	12,76,866
Petition Fees	3,00,000	3,00,000
	1,06,52,766	1,61,46,941

Note 8: Inventories

	31 March 2021	31 March 2020
Raw materials (at cost)	3,89,11,778	1,67,96,599
Work in progress (at cost)	39,44,270	48,33,959
Finished goods (at lower of cost and net realisable value)	4,39,74,024	3,62,46,936
Stores and spares	1,15,52,450	1,02,04,028
	9,83,82,522	6,80,81,522

Note 9: Trade and other receivables

	31 March 2021	31 March 2020
Trade receivables	11,27,87,682	8,06,31,852
	11,27,87,682	8,06,31,852

Break-up for security details:

	31 March 2021	31 March 2020
Trade receivables		
Secured, considered good	11,27,87,682	8,06,31,852
Unsecured, considered good	-	-
Doubtful	-	-
Total trade receivables	11,27,87,682	8,06,31,852

Note 10: Cash and cash equivalents

	31 March 2021	31 March 2020
Balances with banks		
In current accounts	43,985	1,63,301
In deposit accounts		
Cheques on hand		
Cash on hand	1,49,280	3,39,908
	1,93,265	5,03,208

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

Note 11: Bank balance other than cash and cash equivalents

	31 March 2021	31 March 2020
Margin money with banks	9,37,100	11,72,401
Earmarked bank balance towards dividend		
	9,37,100	11,72,401

The Group has pledged a part of its bank deposits to fulfil collateral requirements. Refer to Note 26 a for further details.

Note 12: Loans

Loans to employees

31 March 2021	31 March 2020
17,56,691	9,23,302
17,56,691	9,23,302

Note 13: Other receivables
Other loans and advances

 Advance for trade
 Advance for capital goods

31 March 2021	31 March 2020
3,32,078	15,76,378
22,65,109	75,88,472
25,97,187	91,64,850

Note 14: Other current assets

 GST Refund Receivable (Cess)
 Prepaid expenses
 Advance tax and TDS and TCS

31 March 2021	31 March 2020
2,000	4,49,773
11,86,025	16,80,917
9,23,243	6,58,882
21,11,268	27,89,572

Statement of changes in equity for the year ended 31 March 2021
15. Share Capital
Authorised share capital

	Equity shares		Preference shares	
	Numbers		Numbers	
At 31 March 2020	2,00,00,000	20,00,00,000		
Increase / (decrease) during the year	-	-		
At 31 March 2021	2,00,00,000.00	20,00,00,000.00	-	-

Terms/ rights attached to equity shares

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

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

Issued Capital
Equity shares of INR 10/- each issued, subscribed and fully paid
At 31 March 2020

Changes during the year

At 31 March 2021

Numbers	
15100000.00	151000000.00
1,51,00,000.00	15,10,00,000.00

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

	As at 31 March 2021		As at 31 March 2020	
	Number of shares	% Holding	Number of shares	% Holding
Flag Vittawas Limited	2750000	18.21	2750000	18.21
Porwal Finsec Private Limited	3288300	21.78	3288300	21.78
	60,38,300.00	39.99	60,38,300.00	39.99

16. Other equity
Securities premium account

At 31 March 2020	326000000.00
Add: Premium on issue of shares allotted pursuant to exercise of ESOP	-
Add: Premium on QIP and preferential allotment of equity shares	-
At 31 March 2021	<u>326000000.00</u>

General reserve

At 31 March 2020	3200413.00
At 31 March 2021	3200413.00

Retained earnings

At 31 March 2020	111634564.62
Add: Profit during the year	9313100.09
Add: Other Comprehensive Income	0.00
Less: Income tax/Wealth tax of earlier years	
Less: Transfer to debenture redemption reserve	
At 31 March 2021	<u>120947664.71</u>

Total other equity

At 31 March 2021	<u>450148078.71</u>
At 31 March 2020	<u>440834978.62</u>

Note 17: Borrowings
Non-current borrowings

	Effective interest rate	Maturity	31-Mar-21	31-Mar-20
Non-current interest bearing loans and borrowings:				
Term loans				
State Bank of India	9.55%	Repayable in 89 monthly installments ending on May 2021	-	46,96,899
ICICI Bank	8.55%	Repayable in 72 monthly installments ending on Dec 2024	2,40,62,523	3,78,12,518
SBI SSI CCEL	7.10%	Repayable in 18 monthly installments ending on June 2021	9,58,354	-
SBI SSI INDORE GECL	7.40%	Repayable in 48 monthly installments ending on June 2025	23,56,380	-
State Bank of India (LFC)	8.00%	Repayable in 54 monthly installments ending on March 2025	1,00,99,374	-

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 @ 9.55% p.a, remaining 15 monthly installment . 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 IPithampur. The said loan is repayable in 60 monthly installments from September 2015 and ending on September 2020 and carries interest @ 8.55% p.a. The loan is further secured by way of personal guarantee of three directors.

The State Bank of India CCEL Loan was availed in the year 2020-21 to be repaid by 2021-22. Total no of 18 monthly installments are repayable of Rs. 416667/- each. Rate of interest applicable on this loan 7.10% p.a.

The State Bank of India GECL Loan was availed in the year 2020-21 to be repaid by 2024-25. Total no of 48 monthly installments are repayable of Rs. 111111/- each. Rate of interest applicable on this loan 7.40% p.a.

The Term Loan taken by State Bank of India was availed in the year 2020-21 to be repaid by March 2025. The loan is repayable in 54 monthly installments. Installment for first 30 months is Rs. 800000, Rs. 1000000 for next 23 months and Rs. 1500000 for the last installment. The rate of interest applicable on this loan is @ 8% p.a. This loan is secured by way of first charge over the fixed assets of the company situated at Plot No. 209 Sector I, Pithampur. The loan is further secured by way of personal guarantee of three directors.

Vehicle loan from banks

Axis Bank Car Loan(Ford)	9.46%	To be repaid by May 2022 in 36 monthly installments of Rs. 63590/- each.	1,20,954	8,35,843
Axis Bank Car Loan(Skoda)	8.86%	To be repaid by March 2023 in 36 monthly installments of Rs. 62330/- each.	7,01,508	13,09,465

(All loans secured by hypothecation of specific vehicles)

Total secured loans

3,82,99,093 4,46,54,725
Total non-current interest bearing loans and borrowings

3,82,99,093 4,46,54,725
Current borrowings
Loan repayable on demand (from bank)
Secured loans

Working capital loan from banks

From SBI SSI Branch Indore	31993069	30628824
From SBI Pithampur Branch	-8695	742893

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 @ 8.00% p.a.

From Kotak Mahindra Bank Limited (Cash Credit)

3,19,84,373 3,13,71,717
Loan from other Body Corporates

Porwal Diesels Pvt. Ltd.	40893044	41305186
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Current maturity of long term loans

From State Bank of India	0	1550000
From ICICI Bank	13749996	13749996
SBI SSI CCEL	5000004	0
SBI SSI INDORE GECL A/C	1333332	0
STATE BANK OF INDIA TERM LOAN(LFC)	9600000	0
From Axis Bank Ltd (Ford)	714499	649857
From Axis Bank Ltd (Skoda)	670287	606905

Total current borrowings

Less: Amount clubbed under "other current liabilities"

Net current borrowings

10,39,45,535	8,92,33,661
3,10,68,118	1,65,56,758
7,28,77,417	7,26,76,903

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: Deferred Tax

Deferred tax relates to the following:

Accelerated depreciation for tax purposes
Disallowances and Losses available for
offsetting against future taxable income
MAT credit entitlement

Deferred tax expense/(income)
Net deferred tax assets/(liabilities)

Reflected in the balance sheet as follows:

Balance Sheet	
31 March 2021	31 March 2020
3,84,87,200	4,09,22,100
15,03,200	32,76,900
84,06,500	84,06,500

Deferred tax assets

Deferred tax liabilities

Deferred tax liabilities, net

31 March 2021	31 March 2020
(99,09,700)	(1,16,83,400)
3,84,87,200	4,09,22,100
2,85,77,500	2,92,38,700

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

Note 19: Trade payables

Trade payables - retention from business associates

31 March 2021	31 March 2020
3,95,53,775	3,20,06,212
3,95,53,775	3,20,06,212

Note 20: Other current financial liabilities

Current maturities of long term debt
Payables for capital expenditure

31 March 2021	31 March 2020
3,10,68,118	1,65,56,758
50,99,766	10,35,556
3,61,67,884	1,75,92,314

Note 21: Other current liabilities

	31 March 2021	31 March 2020
(a) Provision for employee benefits		
Bonus Payable	22,89,364	28,29,167
Leave Encashment (unfunded)	37,23,459	42,86,112
E.S.I.C. Payable	1,39,394	98,552
Good Work Reward	11,65,776	1,11,664
Professional Tax Payable (Company)	9,400	17,900
Provident Fund Payable	3,25,816	3,24,973
Salary and Wages Payable	53,76,273	49,48,429
Director Sitting Fees Payable	24,000	20,000
(b) Others (Specify nature)		
Provision for Income Tax	18,80,000	-
TDS Payable	6,86,303	5,21,397
Power & Fuel Payable	66,04,494	21,90,448
Fixed Charges Payable (MPPKVCL)	4,45,705	-
Diversion Tax Payable	-	13,476
Freight Payable	2,42,158	94,020
Telephone Expenses Payable	8,443	-
Audit Fees Payable	75,000	90,000
Professional Charges Payable	77,000	78,625
Water Charges Payable	1,63,747	1,53,137
Travelling Expenses Payable	-	14,625
Interest payable	-	91,309
Job Work charges Payable	-	59,077
GST Payable	62,58,183	19,47,432
	<u>2,94,94,515</u>	<u>1,78,90,343</u>

22. Revenue from operations

	31 March 2021	31 March 2020
Sale of products		
CI & SG Iron Automobile Components	66,94,39,497	75,01,14,202
Solar Power	2,73,53,723	3,56,50,176
Scarp	-	14,68,926
	<u>69,67,93,220</u>	<u>78,72,33,304</u>

23. Other income

	31 March 2021	31 March 2020
Interest income	61,257	90,651
Income from Sale of Mutual Funds	1,11,14,585	-
Profit on Sale of	-	-
	<u>1,11,75,842</u>	<u>90,651</u>

24. Cost of materials consumed

	31 March 2021	31 March 2020
Raw Material Consumed		
Inventory at the beginning of the year	1,11,15,319	2,57,49,334
Add: Purchases	34,18,89,253	33,80,19,726
Less: inventory at the end of the year	(2,89,55,305)	(1,11,15,319)
Cost of raw material and components consumed	<u>32,40,49,267</u>	<u>35,26,53,741</u>

Details of stores and consumables consumed

	<u>31 March 2021</u>	<u>31 March 2020</u>
Inventory at the beginning of the year	1,02,04,028	1,24,18,206
Add: Purchases	1,95,31,387	2,06,96,338
Less: inventory at the end of the year	(1,15,52,450)	(1,02,04,028)
Cost of raw material and components consumed	<u>1,81,82,965</u>	<u>2,29,10,516</u>
Total Consumption	34,22,32,232	37,55,64,257

25. Purchases of stock-in-trade

	<u>31 March 2021</u>	<u>31 March 2020</u>
Inventory at the beginning of the year	-	-
Add: Purchases	-	14,68,926
Less: inventory at the end of the year	-	-
Cost of raw material and components consumed	<u>-</u>	<u>14,68,926</u>

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

	<u>31 March 2021</u>	<u>31 March 2020</u>
Opening Stock		
Work-in-Process	48,33,959	25,35,843
Finished Goods	3,62,46,936	5,40,58,721
Stock-in-Trade	56,81,280	70,90,974
Less: Closing Stock		
Work-in-Process	39,44,270	48,33,959
Finished Goods	4,39,74,024	3,62,46,936
Stock-in-Trade	99,56,473	56,81,280
	<u>(1,11,12,592)</u>	<u>1,69,23,363</u>

27. Employee benefits expenses

	<u>31 March 2021</u>	<u>31 March 2020</u>
Salaries, wages and bonus	6,35,33,793	6,12,10,227
Contribution to provident and other funds	40,23,816	51,98,354
Gratuity expense	2,00,000	-
Staff welfare expense	29,62,290	32,10,644
	<u>7,07,19,899</u>	<u>6,96,19,225</u>

28. Finance costs

	<u>31 March 2021</u>	<u>31 March 2020</u>
Interest		
- On fixed period loan	90,09,331	1,23,23,772
Finance charges		
Interest and bank charges	3,63,025	4,28,182
Bank charges and bill discounting charges	73,32,006	1,03,62,352
Total interest expense	<u>1,67,04,362</u>	<u>2,31,14,306</u>
Total finance cost	<u>1,67,04,362</u>	<u>2,31,14,306</u>

29. Depreciation and amortization expense

	<u>31 March 2021</u>	<u>31 March 2020</u>
Depreciation of tangible assets	6,09,10,030	6,08,31,262
	<u>6,09,10,030</u>	<u>6,08,31,262</u>

30. Other expenses

	<u>31 March 2021</u>	<u>31 March 2020</u>
Manufacturing Expenses		
Freight Inward	77,21,587	1,14,65,561
Commission	36,83,050	32,15,756
Insurance Expenses	10,91,127	5,40,726
Job work Charges	7,10,70,828	7,99,86,411
Miscellaneous Factory Overhead	18,32,931	19,32,646
Power & fuel	7,18,41,142	8,55,98,638
Repairs & Maintenance	44,00,448	37,51,763
Contract Wages	3,40,93,776	3,82,92,984
Telemetry Expenses	4,27,066	-
Provident Fund Contractor	28,060	8,185
Selling & Distribution Expenses		
Tax Expenses (CST)	82,673	13,775
Advertisement Expenses	1,13,675	1,24,564
Solar Power Line Charges	1,18,000	1,18,000
Selling Expenses	8,663	35,548
Business Promotion	-	85,100
Exhibition Expense	18,000	2,51,828
Website Design Expense	-	37,574
Computer software Development expense	1,53,800	-
Customer Entertainment Expenses	1,08,092	1,24,957
Freight Outward	64,63,117	70,30,112
Establishment Expenses		
Auditor's Remuneration	75,000	75,000
Books & Periodicals	-	550
Conveyance Expenses	17,350	39,839
Consultancy Fees	27,53,677	22,10,483
Diversion Tax	-	13,476
Donation	-	5,100
CSR Activity	28,88,032	-
Gratuity Insurance Premium	28,398	57,049
Lease Rent	2,08,243	2,08,243
Legal Expenses	12,39,108	10,43,236
Membership & Subscription	1,62,310	1,76,684
Office Expenses	2,96,645	2,97,736
Postage & Courier Charges	36,079	92,589
Professional fees	7,02,281	5,39,487
Property Tax		1,92,458

Registration for filing fees	96,671	1,30,468
Land allotment cancellation charges	1,16,068	-
Stationary & printing	3,41,129	4,19,472
Telephone Expenses	4,09,789	3,88,464
Sundry Balances written off	2,68,959	-
Tender Fees	6,126	26,080
Mutual Fund Investment Charges	3,515	-
Training & seminar	79,986	1,45,042
Travelling Expenses	10,00,439	16,96,229
Vehicle Running & Maintenance	9,09,243	10,22,287
Late Delivery Charges (L.D.)	30,88,150	15,84,170
Loss on sale of Fixed Assets	-	8,78,364
	21,79,83,232	24,38,56,634

Payments to the auditor:
As auditor

Audit fee	60,000.00	60,000.00
Tax audit fee	15,000.00	15,000.00
Limited review	-	-

75,000
75,000
Details of CSR expenditure:

	<u>31 March 2021</u>	<u>31 March 2020</u>	
Gross amount required to be spent by the group during the year	Nil	11,67,129.00	
Amount spent during the year ending on 31 March 2021	-	Yet to be paid	Total
Construction/acquisition of any asset	-	-	-
On purposes other than above	28,88,032.00	-	28,88,032.00
Amount spent during the year ending on 31 March 2020	-	Yet to be paid	Total
Construction/acquisition of any asset	-	-	-
On purposes other than above	-	-	-

Net Book Value

Details of Capital Work in Progress

	<u>At 31 March 2021</u>	<u>At 31 March 2020</u>
Building	21001279	16465790
Plant, property and equipment	33555036	2885528
Pre-operative Expenses	11401700	8297393
	<u>65958015</u>	<u>27648711</u>

Note 4: Intangible assets

	<u>Softwares and licenses</u>
Cost	
At 31 March 2020	<u>1567817</u>
Additions	
Disposals	
At 31 March 2021	<u>1567817</u>
Amortization and impairment	
At 31 March 2020	<u>291793</u>
Additions	138462
Disposals	
At 31 March 2021	<u>430255</u>
Net Book Value	
At 31 March 2021	<u>1137562</u>
At 31 March 2020	<u>1276024</u>

PORWAL AUTO COMPONENTS LIMITED**Notes to the Ind AS financial statements for the year ended March 31, 2021****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 for all of its property, plant and equipment. 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	-	8 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	-	10 Years
Office Equipment	-	5 Years
Computer	-	3 Years
Vehicle	-	8 Years
Air Pollution Equipment	-	15 Years
Plant and Machinery	-	15 Years
Solar Plant	-	15 Years
Intangible Asset	-	5 Years

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

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

c) Intangible assets

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

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

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

d) Cash and cash equivalents

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

e) Borrowing Costs

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

f) Impairment of Non-financial assets

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

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

g) Government Grants

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

h) Inventories

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

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

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

i) Taxation**Current income tax**

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

Deferred tax

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

30. CONTINGENT LIABILITIES

a.	Guarantee issued by Bank on behalf of the company (including LC)	Rs. 7,54,714/- (Rs. 66,45,105/-)
b.	Vendor bill discounting limit with Bank	Nil (Rs.11,91,96,527/-)
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 36,90,000/- (Rs. 3,69,92,560/-)
e.	VAT tax demand for financial year 2011-12	Nil (Rs.2,56,111/-)
f.	VAT Input Disallowed for financial year 2013-14	Rs. 2,48,526/- (Rs.2,48,526/-)
g.	VAT Input Disallowed for financial year 2015-16	Nil (Rs. 74518/-)
h.	VAT Input Demand for financial year 2016-17	Rs. 2,67,697/- (Rs. 2,67,697/-)
i.	Petition under Electricity Act, 2003 read with regulations mentioned under CERC Regulations, 2010 (Disputed by the company, deposited Rs. 3.00 lacs for appeal)	Rs. 3,00,000/- (Rs. 3,00,000/-)

31. EARNING PER SHARE–

PARTICULARS	2020-21	2019-20
Profit after tax as per Profit & Loss Account (Rs.)	9313100	5605482
Weighted Average number of Equity Shares outstanding (Nos.)	1,51,00,000	1,51,00,000
Basic and Diluted Earnings Per Share (Face value Rs. 10 per share)(Rs.)	0.62	0.37

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 and their enterprises	Associate and subsidiary companies
Remuneration	3255000 (3405000)	Nil (Nil)	8951250 (9363750)	Nil (Nil)
Purchase of Goods	Nil (Nil)	Nil (Nil)	4482065 (7093305)	Nil (Nil)
Sale of Goods	Nil (Nil)	Nil (Nil)	2021045 (Nil)	Nil (Nil)
Job work paid	Nil (Nil)	Nil (Nil)	47551451 (55677686)	Nil (Nil)
Interest received	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Interest Given	Nil (Nil)	Nil (Nil)	3884372 (3227984)	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	3255000	3405000
Mr. Mukesh Jain	3255000	3405000
Mr. Surendra Jain	3255000	3405000
Mr. Shailesh Jain	2441250	2553750

Purchase of Goods

Related Party	Current Year	Previous Year
Porwal Diesels Pvt. Ltd.	4482065	7093305

Job Work Paid

Related Party	Current Year	Previous Year
Porwal Diesels Pvt. Ltd.	47551451	55677686

Interest Received

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

Interest Given

Related Party	Current Year	Previous Year
Porwal Diesels Pvt. Ltd.	3884372	3227984

Loans and Advances (Dr)

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

Loans and Advances (Cr)

Related Party	Current Year	Previous Year
Porwal Diesels Pvt. Ltd.	27335000	44700000

Sundry Creditors (Cr)

Related Party	Current Year	Previous Year
Porwal Diesels Pvt. Ltd.	8205848	8232443

Sundry Debtors (Dr)

Related Party	Current Year	Previous Year
Porwal Diesels Pvt. Ltd.	717145	Nil

33. VALUE OF STORES, SPARES AND PACKING MATERIAL CONSUMED

	2020-21		2019-20	
	Amount in Rs	% of Consumption	Amount in Rs	% of Consumption
Imported	0	0	0	0
Indigenous	18182965	100	22910516	100
TOTAL	18182965	100	22910516	100

34. VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF

	2020-21	2019-20
Raw Material and Stock in trade	142979	33475
Stores, Spares and Packing Material	Nil	Nil
Capital Goods	6930463	Nil

35. EXPENDITURE IN FOREIGN CURRENCY

	2020-21	2019-20
Repairing	Nil	Nil
Travelling	Nil	218669
Capital Goods	6841195	Nil

36. Fair Value Measurement (IND AS 113)
 The management assessed that fair value of all current assets and current liabilities are realizable at the value as shown in the financial statements of the company. Financial assets of the company are stated at cost. The market value of the financial assets are being disclosed in Note No. 5.
37. Previous year figures have been regrouped/reclassified wherever necessary to correspond with the current years classification/disclosure.

As per our report of even date

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

For and on behalf of the Board

CA S. N. Gadiya

Proprietor
M.N. 071229
UDIN:
Date: 28/06/2021
Place: Indore

Devendra Jain

Managing Director
DIN 00232920

Mukesh Jain

Whole Time Director
DIN 00245111

Haniska Mittal

Company Secretary

Shailesh Jain

Chief Financial Officer