

ANNUAL REPORT 2012 - 2013



TWENTY FIRST ANNUAL REPORT 2012 - 2013

NOTICE

Notice is hereby given that Twenty First Annual General Meeting of the members of the **PORWAL AUTO COMPONENTS LIMITED** will be held on Monday, the 30th day of September, 2013 at 1:30 PM at the registered office of the company at Plot No. 209, Sector No.1, Industrial Area, Pithampur, Distt Dhar to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2013, the Statement of Profit & Loss and the Cash Flow Statement for the financial year ended March 31, 2013 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Surendra Jain, who retires by rotation and being eligible, offers him-self for re-appointment.
3. To reappoint M/s ASSG & Associates as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual general Meeting and fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of section 257 of the Companies Act, 1956, and all other applicable provisions, if any, Mr. Ramesh C Kashyap, who was appointed as an Additional Director pursuant to section 260 of the Companies Act, 1956 be and is here by appointed as a director of the Company liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provision of Section 198, 269 309,310 of the Companies Act, 1956 with Schedule XIII of the said Act and all other applicable provisions, if any, the consent of the members of the Company be and are hereby accorded for the increase in the remuneration of Shri Surendra Jain, Executive Chairman of the Company from Rs.75,000/- (Rs. Seventy Five Thousand Only) per month to Rs.1,25,000/- (Rs. One Lacs Twenty Five Thousand only) per month w.e.f. 3rd May 2013 which shall be inclusive of all perquisites and which may be Increased from time to time as may be decided by the Board.

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

"RESOLVED THAT pursuant to the provision of Section 198, 269 309,310 of the Companies Act, 1956 with Schedule XIII of the said Act and all other applicable provisions, if any, the consent of the members of the Company be and are hereby accorded for the increase in the remuneration of Shri Devendra Jain, Managing Director of the Company from Rs.75,000/- (Rs. Seventy Five Thousand Only) per month to Rs.1,25,000/- (Rs. One Lacs Twenty Five Thousand only) per month w.e.f. 3rd May 2013 which shall be inclusive of all perquisites and which may be Increased from time to time as may be decided by the Board.

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

"RESOLVED THAT pursuant to the provision of Section 198, 269 309,310 of the Companies Act, 1956 with Schedule XIII of the said Act and all other applicable provisions, if any, the consent of the members of the Company be and are hereby accorded for the increase in the remuneration of Shri Mukesh Jain, Whole-Time Director of the Company from Rs.75,000/- (Rs. Seventy Five Thousand Only) per month to Rs.1,25,000/- (Rs. One Lacs Twenty Five Thousand only) per month w.e.f. 3rd May 2013 which shall be inclusive of all perquisites and which may be Increased from time to time as may be decided by the Board.

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

“RESOLVED THAT pursuant to the provision of Section 198, 269 309,310 of the Companies Act, 1956 with Schedule XIII of the said Act and all other applicable provisions, if any, the consent of the members of the Company be and are hereby accorded for the increase in the remuneration of Shri Shailesh Jain, Chief Executive Office of the Company from Rs. 70,000/- (Rs. Seventy Thousand Only) per month to Rs. 1,00,000/- (Rs. One Lacs only) per month w.e.f. 3rd May 2013 which shall be inclusive of all perquisites and which may be increased from time to time as may be decided by the Board.

By order of the board of Directors
Porwal Auto Components Limited

PLACE: Pithampur
DATE: 30.07.2013

Raina Ajmera
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.
2. The Members are requested to:
 - a. Intimate changes, if any, in their registered addresses immediately.
 - b. Quote their ledger folio number in all their correspondence.
 - c. Hand over the enclosed attendance slip, duly signed in accordance with their specimen signatures registered with the Company for admission to the meeting place.
 - d. Bring their Annual Report and Attendance Slips with them at the AGM venue.
 - e. Send their Email address to us for prompt communication and update the same with their D.P to receive softcopy of the Annual Report of the Company.
3. The company has notified closure of register of members and share transfer books from Friday, September 27, 2013 to Monday, September 30, 2013 (both days inclusive).
4. The report on the Corporate Governance and Management Discussion and Analysis also form part to the report of the Directors.
5. Members seeking any information are requested to write to the Company at least 10 days before the date of the AGM to enable the management to reply appropriately at the AGM.
6. Members are requested to notify immediately any change in their address and E – Mail ID to their respective Depository Participants (DPs) in respect of their electronic share accounts and to the Registrar and Share Transfer Agent of the Company at M/s Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup, Mumbai (MH).
7. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting are advised to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Meeting.
8. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the special Business to be transacted at the meeting is annexed hereto.
9. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the registered office of the company on all working days, except Saturday and Sunday between 11:00 A.M and 1:00 P.M up to the date of the meeting.

EXPLANATORY STATEMENT IN TERMS OF SECTION 173 OF THE COMPANIES ACT, 1956.

Item no: 4

Mr. Ramesh C Kashyap was appointed as Additional Directors by the board in terms of section 260 of the Companies Act 1956. Now, the company has received valid notices from members in terms of section 257 of the Companies Act proposing to appoint him as Director of the Company. This appointment requires approval of the members in the general meeting as per the provision of the said Act. Therefore, your directors recommend this resolution. Except Shri Ramesh C Kashyap, no other director is interested or concerned in the above resolution.

Item No : 5, 6, 7 and 8

Considering the inflationary trend and the substantial increase in the business activities of the Company resulting in increase in the work load and responsibilities of Managerial Personnel, the Board of Directors of the Company has deem fit to increase in the respective limits of the monthly remuneration w.e.f. 3rd May, 2013, which was already approved by the remuneration committee of the Board and the Board of Directors of the company. Shri Surendra Jain, Shri Devendra Jain, Shri Mukesh Jain and Shri Shailesh Jain have been the Executive Chairman, Managing Director, Whole time Director and Chief Executive Officer respectively of the Company for a long time and have proved to be an invaluable asset for the Company. Considering their sincerity, commitment, hard work, devotion and concern about the company and its growth, the Board feels it absolutely necessary to increase the remuneration to Rs.1.25 Lacs and Rs.1.00 Lac per month respectively subject to the limits prescribed in the Companies Act, 1956 from time to time.

Therefore, your directors recommend these resolutions. Except Shri Surendra Jain, Devendra Jain, Mukesh Jain, being the Directors and brother of Shri Shailesh Jain, CEO of the Company, no other director is interested or concerned in the above resolution.

By order of the board of Directors
Porwal Auto Components Limited

PLACE: Pithampur
DATE: 30.07.2013

Raina Ajmera
Company Secretary

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

Name of Directors	Mr. Surendra Jain	Mr. Ramesh C Kashyap
Date of Birth	19.10.1952	01.09.1942
Date of Appointment	07.06.2005	28.05.2013
Expertise / Experience in specific functional areas	33 Years of Business & Industries	35 Years in Banking Sector
Qualification	B. E. (Mech.)	Commerce Graduate
No. of Equity Shares held	404280	NIL
List of outside Company directorship held	Triveni Conductors Limited	NIL
Directorship held in other Public Companies (excluding foreign companies and section 25 Companies)	NIL	NIL
Chairman / Member of the Committees of the Board of Directors of the Company	NIL	NIL
Chairman / Member of the Committees of the Board Directors of other Companies in which he is director	NIL	NIL

DIRECTORS' REPORT

To

The Members of

Porwal Auto Components Ltd.

The Directors submit the Annual Report of the Company along with the audited financial statements for the financial year ended March 31, 2013.

1. Financial Results:

	(Rs. in lacs)	
Particulars	As on 31.03.2013	As on 31.03.2012
Revenue from operations	7693.22	8711.71
Other Income	62.56	74.75
Operating Expenditure	7131.17	8166.07
Interest & Depreciation	505.15	525.06
Profit before Tax	119.46	95.33
Provisions for Tax	42.95	26.06
Profit after Tax	76.51	69.27

2. Dividend

In view of the Strengthening position of the Company the Director of the Company have decided not to pay dividend for the year.

3. Company's Performance & Future Outlook

The Indian automobiles industry witnessed a moderation in demand in 2012-13, after the double-digit growth in sales recorded in the preceding three years. Weak macroeconomic sentiment coupled with subdued consumer confidence pulled down sales, particularly in the latter half of the year. Domestic automobile sales declined by 6.6% in 2012 (Jan-Nov), as compared to growth of 14-31% during 2010-2012. In view of the current macro environment, both domestically and globally, we are cautiously optimistic about the Indian automobile industry's prospects in the near term. As a result, achieving high growth rates is likely to be a major concern for the industry in 2013.

The financial year 2012-13 was a tough year, besides slowing down of economy, factors such as tight liquidity and generally weak sentiments led to reduce consumption. Demand in your Company's product also slowed down in 2012-13 thus limiting top line development. In this challenging environment, the company kept its focus on improving operational efficiencies to remain competitive and also facing the tough competition. Despite the all above facts, the company continued its strong growth across major markets, as the Automotive sector's revenue is generated primarily by sales of vehicles, parts and accessories. The turnover in the current year is Rs.7693 lacs as against the previous year turnover of Rs. 8712 lacs, which is much lower but the Profit after Tax of the Company for the year increased to Rs.76.51 lacs as against the previous year profit of Rs.69.27 lacs showing a growth of 10.45%.

The uncertainty witnessed in 2012-13 is likely to continue during 2013-14. Global economy showed no signs of recovery during 2012-13 and is expected to be more uncertain. This may result in volatile crude and commodity prices and fluctuations in foreign exchange rates. In domestic economy, continued inflationary pressures, lower private consumption and high interest rates are likely to affect sentiments.

Your Company has undertaken plans to further upgrade & enhance its existing production facilities in order to diversify its product range in line with the changing customer requirements by addition of manufacture of steel and steel alloy Casting Conveyorised paint shop, Cold box machine for core making, on line core backing process. Looking to bright prospects in the Solor industries and high consumption of power. The Director of the Company has decided to setup a Solar power generation unit at village Kadodiya, Tarana Dist. Ujjain M.P. of 1.50 MW. The generation of power will be utilized for Captive Use.

Your directors are pleased to inform that the economic condition of your Company is improving and we are able to create value with continuous increase in profitability and operating margins year after year. Ambitious expansion plans are under way which will enable your company to continue its journey on the growth path.

4. Director

In terms of the provisions of 256 of the Companies Act, 1956, Mr. Surendra Jain would retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible offers himself for re-appointment, hence

approval of the members is being sought for the re-appointment. Shri Ashish Saboo has resigned from 1st April 2013 and Shri Ramesh C Kashyap has been appointed as the additional Director from 28th May, 2013 in the capacity of Non-executive Independent Director. The Company has received a valid notice from members in terms of Section 257 of the Companies Act proposing to appoint Mr. Kashyap as Director of the Company. There is no other change in the composition of Board of Director of the Company.

5. Directors Responsibility Statement

Pursuant to the requirement of Section 217 (2AA) of the Companies Act, 1956, and based on the representation received from the operating management, the Directors hereby confirm that:

- I. in the preparation of the annual accounts, the applicable accounting standards have been followed and there is no material departures;
- II. they have selected such accounting policies and applied them consistently and made judgments and estimates that have been reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the year under review;
- III. They have taken proper and sufficient care to the best of their Knowledge and ability for the maintenance of adequate accounting records in accordance with the provision 6of this Act. They confirm that there are adequate systems and controls for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities ;
- IV. they have prepared the annual accounts for the financial year ended 31st March, 2013 on a going concern basis;

6. Corporate Governance Report and Management Discussion and Analysis Statement

Corporate Governance Report in terms of clause 49 of listing agreement and Management Discussion and Analysis statement are attached to this report as **Annexure – II and III respectively.**

7. Auditors

M/s ASSG & Associates, Chartered Accountants, Indore, statutory auditors of the Company, retire at the end of ensuing Annual General Meeting and are eligible for re-appointment as statutory auditors of the Company. The Auditors' Report read with notes to accounts are self-explanatory and in particular note no. 3 of the notes to accounts read with Para 5 of the Auditors Report, specifically the Company is following the same method of depreciation in the earlier year also and the depreciation has been provided on specific plant and machinery as per its useful life of assets.

8. Public Deposits

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

1. Cost Auditor

Pursuant to the directives of the Central Government under the provisions of Section 233B of the Companies Act, 1956, M/s Vijay P. Joshi & Associates, Cost Accountant, Indore were appointed as the cost auditor(s) of the company to conduct audit of cost accounting records maintained by the Company for product(s)/Services covered under MCA Cost Audit Order(s) for the year ended on 31st March 2013

10. Particulars of Employees etc.

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

11. Energy Conservation and other Reporting u/s 217(1) (e)

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

12. Acknowledgements

Your Directors thank the Company's employees, Customers, Vendors and Investors for their support to the Company and place on record their sincere appreciation for the co-operation extended to the company by the lending institution and banks and for the devoted performance by company's entire staff & associates.

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

Surendra Jain
Executive Chairman

PLACE: Pithampur

DATE: 30.07.2013

ANNEXURE – 1

Information pursuant to Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of board of Directors) Rules, 1988 forming part of the Directors' Report for the year ended 31st March 2013.

**I. CONSERVATION OF ENERGY
Power and Fuel Consumption**

1. Electricity

Particulars	For the year ended 31.03.2013	For the year ended 31.03.2012
a. Purchased		
Total Units	13522003	13264600
Total Amount (Rs.)	71579265	65772853
Cost/Unit (Rs.)	5.29	4.96
b. Own Generation (Diesel Generator)		
Total Units	NIL	NIL
Total Amount (Rs.)	NIL	NIL
Cost/Unit (Rs.)	NIL	NIL
c. Consumption per unit of production (in units)	1383	1044

Note: 1 Earlier we were doing primary melting in Cupolas using RLNG and were duplexing in Induction furnace. As the cost of Gas has increased and the Metal requirement has come done due to less production Cupolas are not in use and entire melting is done in Induction Furnace resulting in increase of Consumption per unit of production (in Units)

:2 Quantity of Diesel and LDO consumed during the year is 34150 liters (72600 litres), was consumed in Sand Dryers, Laddle Heating and Heat Treatment furnace.

2. Coal	NIL	NIL
3. Furnace Oil	NIL	NIL
4. Diesel		
Quantity (Ltrs)	34150	72600
Value (Rs)	1684884	3229452
5. RLNG Gas (MMBTU)		
Quantity (MMBTU)	2375.048	37960.340
Value (Rs.)	1837851	24363892

II TECHNOLOGY ABSORPTION

The company is using manufacturing technology which is entirely indigenous

III FOREIGN EXCHANGE EARNINGS & OUTGO

The company did not have any foreign exchange earnings and also not incur any foreign expenditures during the year under review.

CORPORATE GOVERNANCE REPORT 2012-13

(Forming part of the Directors' Report of Porwal Auto Components Limited)

Effective corporate governance practices constitute the foundations on which successful commercial enterprises are built to last. These practices are categorized through principle based standards and not just through a framework enforced by regulation. It develops through adoption of ethical practices in all of its dealings with a wide group of stakeholders encompassing regulators, employees, shareholders, customers and vendors.

1. Company's Philosophy on code

The Company has a strong legacy of fair, transparent and ethical governance practices. The Company is in compliance with the requirements stipulated under Clause 49 of the Listing Agreements entered into with the Stock Exchange with regard to Corporate Governance and also has taken certain steps to ensure transparency and accountability. Your company shall continue to follow the same with a desire for further development on continuous basis.

2. CEO / MD Certification

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

3. Board of Directors

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

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

4. Board Procedure

The Board meets at least once in a quarter to review the overall business operations including to consider the business which are related to formulation and execution of policies relating to production, finance, marketing, personnel, materials and general administration. Notice and agenda papers are sent to the directors in advance. The Board met five times during the year under review and the dates on which the said meetings were held are as follows:

May 30, 2012; June 25, 2012; July 30, 2012; October 30, 2012 and January 30, 2013

5. Directors Attendance:

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

8. General Meeting

Details of the General Meetings held during last three years:

AGM/EGM	Date	Venue	Time
AGM -2010	30 th Sept. 2010	Reg. Off of the Company at Pithampur	1.30 pm
AGM -2011	30 th Sept. 2011	Reg. Off of the Company at Pithampur	1.30 pm
AGM - 2012	29 th Sept. 2012	Reg. Off of the Company at Pithampur	1.30 pm

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

AGM/EGM	Date	Special Business Transacted
EGM	30 th Sept. 2010	<ul style="list-style-type: none"> • Disposal of present and future immovable and movable assets of the company Section 293(1) (a). • Re-appointment of Devendra Jain Section 269 read with 198,309 and 310. • Moneys to be borrowed including moneys already borrowed exceed sum of paid up capital and free reserves Section 293(1) (d)
AGM	30 th Sept. 2011	<ul style="list-style-type: none"> • Re-appointment of Devendra Jain as Managing Director of the Company under Section 269 read with 198,309 and 310. • Re-appointment of Mukesh Jain as a Whole- Time Director of the Company under Section 269 read with 198,309 and 310. • Re-appointment of Surendra Jain as an Executive Chairman of the Company under Section 269 read with 198,309 and 310. • Appointment of Shailesh Jain as a Chief Executive Officer of the Company under Section 314.
AGM	29 th Sept. 2012	No Special Business was transacted

9. Note on Directors Appointment/ Re-appointment

In terms of the provisions of the Companies Act, 1956, Mr. Surendra Jain would retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible offers himself for re-appointment, hence approval of the members is being sought for the Re-appointment. Shri Ashish Saboo has resigned from 1st April 2013 and Shri Ramesh C Kashyap has been appointed as the additional Director from 28th May, 2013 in the capacity of Non-executive Independent Director. The Company has received a valid notice from members in terms of Section 257 of the Companies Act proposing to appoint Mr. Kashyap as Director of the Company. There is no other change in the composition of Board of Director of the Company.

10. Means of Communication

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

11. Other Disclosures

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

12. Shareholder Information

a) Registered Office

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

b) AGM

At the aforesaid registered office

c) Financial Calendar (Tentative)

Results for the quarter ending 30 th June, 2013	: Last week of July. 2013
Results for the quarter ending 30 th Sept, 2013	: Last week of Oct. 2013
Results for the quarter ending 31 st Dec, 2013	: Last week of Jan. 2014
Results for the quarter ending 31 st Mar, 2014	: Last week of May.2014

d) Book Closure

27th September 2013 to 30th September 2013 (both days inclusive)

e) Dividend

Not declared for the financial year.

f) Listing

The equity shares of the company are listed at Bombay Stock Exchange and the listing fees has been paid for 2013-2014

g) Registrars and Share Transfer Agents

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

h) Stock Code

The Company has Scrip Code: - 532933

i) ISINNO

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

j) Distribution of shareholding as on 31st March, 2013

	SHARE HOLDING OF SHARES	SHARE HOLDERS	% AGE	SHARE ALLOTTED OF TOTAL IN RS.	% AGE OF TOTAL
1	- 5000	8251	79.4890	15751000	10.4510
5001	- 10000	1106	10.6550	8697400	5.7600
10001	- 20000	629	6.0600	8989630	5.9530
20001	- 30000	134	1.2910	3446330	2.2820
30001	- 40000	39	0.3760	1421040	0.9410
40001	- 50000	50	0.4820	2361590	1.5640
50001	- 100000	71	0.6840	5035590	3.3350
100001	- *****	100	0.9630	105267420	69.7140
TOTAL:		10380	100.0000	151000000	100.0000

k) SHAREHOLDING PATTERN AS ON 31-03-2013

Sr. No.	Category Held	No. of Shares Shareholding	Percentage of
1.	Promoters & Promoter Group	5626773	37.26
2.	Private Corporate Bodies	4062369	26.90
3.	Indian Public	5339852	35.37
4.	NRIs/OCBs	71006	0.45
		15100000	100.00

Dematerialization of Shares

Total number of Dematted shares with NSDL	9121729
Total number of Dematted shares with CDSL	5262588

l) STOCK MARKET DATA: Quotes of the Company traded at BSE
Table 1: Monthly highs and lows at the BSE, 2012-13

Year	High(Rs.)	Low(Rs.)	Close(Rs.)
Mar 2013	5.69	4.03	4.17
Feb 2013	5.94	4.65	5.00
Jan 2013	6.40	5.01	5.25
Dec 2012	6.03	4.81	5.26
Nov 2012	5.96	4.91	5.14
Oct 2012	6.39	5.40	5.56
Sep 2012	6.80	5.58	5.82
Aug 2012	7.25	5.37	5.86
Jul 2012	9.47	5.61	7.10
Jun 2012	6.60	4.60	6.08
May 2012	6.23	4.63	5.35
Apr 2012	7.58	5.56	5.70

DECLARATION

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

In accordance with Clause 49 sub-clause 1(D) of the Listing Agreement, I hereby declare that all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct applicable to all the Directors and Senior Management, for the year ended March 31, 2013.

Devendra Jain
Managing Director

MD / CEO CERTIFICATION

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

- (a) We have reviewed the Balance Sheet, Profit and Loss Account and all its Schedules and Notes on Accounts, as well as the cash flow statement as at 31st March 2013 and that to the best of their knowledge and belief:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) We further certify that, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violate the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee that there is
- (i) No significant change in internal control over financial reporting during the year
 - (ii) No significant change in accounting policies during the year under review and
 - (iii) No instance of any fraud in the company in which the management has any role.

Place: Pithampur
Date: 30.07.2013

DEVENDRA JAIN
Managing Director

REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

Industry structure and developments

The Indian Automobile Industry is made up of two types of sub-industries - those involved in manufacturing automobiles and those in manufacturing automobile components. The Automobile Industry in India is an emerging sector. Almost all the global majors OEMs have set up their facilities in India. The Industry has been continually evolving and absorbing newer technologies in order to align itself with global developments and realise its full potential. The fortunes of the Auto Components Industry are closely linked with those of the automobile industry. The Industry is divided into five segments viz. engine parts, drive transmission and steering parts, suspension and brake parts, electric parts and body and chassis. The Industry has kept pace with technological developments and is today catering not only to Original Equipment Manufacturers (OEMs) and Tier One (those who supply directly to OEMs) in India but abroad as well. Many Indian Auto Component makers have also succeeded in emerging as the supplier of choice to global auto majors even under the challenges of global recession and slowdown. Your Company operates in Iron Casted Components, Assemblies and Sub-assemblies segment of the Auto Components Industry. It manufactures a range of Iron Costed components and assemblies for the Automobile Industry and is a Tier One auto components supplier. The pressure from OEMs for implementation of stringent controls over quality of component and reliability of delivery is basic for auto component industry. In today's competitive environment, auto component manufacturers are under pressure to adopt to global standards to ensure maintaining on-time delivery and World-class quality.

Opportunities and Threats

Automotive industry is the key driver of any growing economy. It plays a vital role in country's rapid economic and industrial development. It caters to the requirement of equipment for basic industries. It facilitates the improvement in various infrastructure facilities like power, rail and road transport. Due to its deep forward and backward linkages with almost every segment of the economy, the industry has a strong and positive multiplier effect and thus propels progress of a nation.

The growth of Indian middle class, with increasing purchasing power, along with strong macro-economic fundamentals has attracted the major auto manufacturers to Indian market. The market linked exchange rate, well established financial market, stable policy governance work and availability of trained manpower have also shifted new capacities and flow of capital to the auto industry of India. All these have not only enhanced competition in auto companies and resulted in multiple choices for Indian consumers at competitive costs, but have also ensured a remarkable improvement in the industry's productivity, which is one of the highest in Indian manufacturing sector

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

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

Segment - wise or product - wise performance

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

Outlook

The Automobile sector in India has been able to maintain its position as the 5th largest two-wheelers producing nation in the world, it is expected that FY 2012-13 will be much better for the industry as compared to the last fiscal. However, there is still a need for a clear fuel pricing policy for the automobile industry to move ahead on a steady growth path. Several Indian automobile manufacturers have spread their operations globally as well, asking for more investments in the Indian automobile sector. Industry experts have visualized an unbelievably huge increase in automotive sales figures over the immediate future

Risks and concerns

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

Internal control systems and their adequacy

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

Discussion on financial performance with respect to operational performance

Share Capital and reserve and surplus – The total paid up share capital during the year was Rs.1510 lacs consisting of 151 lacs shares of Rs. 10 each. During the year the company incurred a Profit after deducting tax of Rs. 76.51 Lacs as compared to Rs.69.27 Lacs previous year.

Secured Loans – The secured Loans, comprising of vehicle loans, decreased to Rs 840.58 Lacs as compared to previous year's Rs 1068.19 Lacs.

Fixed assets –The total gross block of Land, Building, Plant and Machinery and other fixed assets was Rs.5373.18 lacs.

Net Current assets – Net Current assets comprised primarily of cash and bank balance, Sundry Debtors, Loans and Advances, Inventories, Current Liabilities and Provisions etc. The net current assets amounting to Rs 1985.52 Lacs

Turnover - The total turnover registered for the fiscal year 2012-13 was Rs. 7693.22 lacs as compared to Rs. 8711.71 lacs of fiscal year 2011-12.

AUDITORS REPORT ON CORPORATE GOVERNANCE

To,
The Members,

We have examined the compliance of conditions of Corporate Governance by Porwal Auto Components Limited for the year ended 31st March, 2013 as stipulated in Clauses 49 of the Listing Agreement with the Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the company.

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

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

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

For ASSG & Associates
Chartered Accountants

Place : Indore
Dated : 30.07.2013

SANJAY GUPTA
PARTNER
M. NO. 72073

AUDITOR'S REPORT

TO THE MEMBERS OF

PORWAL AUTO COMPONENTS LIMITED

We have audited the accompanying financial statements of PORWAL AUTO COMPONENTS LTD., Pithampur, which comprises of the Balance Sheet as at 31st March 2013, and also the Statement of Profit & Loss and the Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. 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 requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India except for:

Depreciation for the year on Plant and Machinery is provided on the basis of balance useful life of the assets as determined by approved valuer instead of providing depreciation at the minimum rates specified in Schedule XIV of the Companies Act, 1956 and as required by the Accounting Standard 6 on "Depreciation Accounting".

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
 - b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
- 1 As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
 2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

≡≡≡ **Porwal Auto Components Ltd.** ≡≡≡≡≡≡≡≡≡ **Annual Report 2012 - 2013** ≡≡≡

- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; except ***Depreciation on Plant and Machinery is provided on the basis of balance useful life of the assets instead of providing depreciation at the minimum rates specified in Schedule XIV of the Companies Act, 1956 and as required by the Accounting Standard 6 on "Depreciation Accounting"*** above:
- e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

PLACE : INDORE
DATE : 03.05.2013

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

SANJAY GUPTA
PARTNER
M.No. 72073

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in our Report of even date)

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

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Major items of fixed assets have been physically verified by the management during the year in accordance with a programmed of verification, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The company has not disposed off substantial part of fixed assets, during the year under review, to affect its going concern.
- (ii) (a) The management, during the year under review, has conducted physical verification of inventory. The frequency of such verification is reasonable in relation to the size of the company, nature of its business and nature of inventory.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of company and nature of its business.
- (c) The Company is maintaining proper records of inventory as required in the normal course of business. No material discrepancies were noticed on verification of stocks as compared to book records.
- (iii) (a) The company during the year has granted unsecured loans/advances in the nature of loans, of Rs.192.08 lacs to two parties covered in the register maintained under section 301 of the Companies Act, 1956. The year-end balances of such loans aggregates to Rs. 508.58 lacs.
- (b) The rate of interest and other terms and conditions of above are not prima facie prejudicial to the interest of the Company except that these are not backed by any agreement and are repayable on demand and tooling advance is interest free.
- (c) The companies to whom loans/advances in the nature of loans have been given are regular in payment of interest.
- (d) There is no stipulation as to repayment of loans given to the company.
- (e) The company did not take any loans from companies, firms and other parties covered in the register maintained under section 301 of the Act.
- (f) This clause of the Caro order is not applicable.
- (g) This clause of the Caro order is not applicable.
- (iv) There are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. We did not observed any major weaknesses in internal control system.
- (v) (a) The particulars of contract/arrangements referred to section 301 of the Act have been entered into the register required to be maintained under that section.
- (b) The transactions made in pursuance of contracts mentioned in Para (v) (a) above, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has complied with the provisions of Sec. 58-A, 58AA and other relevant provisions of the Companies Act, 1956 and rules framed there under. No order under these provisions has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any other court or tribunal.
- (vii) The company has an internal audit system commensurate with its size and nature of business.
- (viii) We have broadly reviewed the cost records maintained by the Company, including pursuant to Companies (Cost Accounting Records) 2011 prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that the prima facie the prescribed cost records have been maintained and are being made up. We have however not made the detailed examination of the Cost records with the view to determine whether they are accurate or complete.
- (ix) (a) Undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess (as applicable) have generally been regularly deposited with the appropriate authorities.

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- (b) There is no unpaid amount outstanding as at 31st March 2013 for a period exceeding six months from the date they became payable.
- (c) No disputed amounts payable in respect of Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess were in arrears as at 31st March 2013 except the following.

Name of the Statue	Nature of Dues	Amount Disputed	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	Rs. 5.36 lacs	A.Y. 2010-11	Commissioner of Income Tax Appeal
MP VAT Tax	Vat Tax	Rs. 1.38 lacs	F. Y. 2010-11	Dy. Commissioner of Commercial Tax Tax Appeal

- (x) The company did not have accumulated losses as at 31st March 2013 and it did not incur any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- (xi) During the period under review, the company has not defaulted in repayment of dues to financial institutions or banks.
- (xii) The Company has not granted any loans or advances against security of pledge of shares, debentures and other securities.
- (xiii) This clause and sub clauses (a) to (d) of clause 4 (xiii) of the Companies (Auditors Report) Order, 2003 are not applicable as the Company has not entered into business of Chit Fund, or related activities.
- (xiv) The Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
- (xv) The Company has not given any guarantees for loans taken by others from Banks or Financial Institutions. Accordingly, the provisions of clause 4 (xv) of the of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
- (xvi) During the year, company did not raise any term loan.
- (xvii) On an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) During the period under review, the Company has not made preferential allotment of shares to parties and Companies covered in the register maintained in pursuance of section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the period under review.
- (xx) The company out of public issue proceedings has advanced interest bearing loan amounting of Rs. 446.71 to various parties and is having fixed deposit of Rs. 600.00 lacs with Axis Bank Ltd.
- (xxi) There was no fraud on or by the Company noticed or reported during the course of our audit.

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

PLACE : INDORE
DATE : 03.05.2013

SANJAY GUPTA
PARTNER
M.No. 72073

Balance Sheet as at 31st March, 2013

Particulars	Note No	As at 31st March 2013	As at 31st March 2012
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	151,000,000	151,000,000
(b) Reserves and Surplus	2	344,895,400	337,298,887
(2) Non-Current Liabilities			
(a) Long-term borrowings	3	727,638	1,195,216
(b) Deferred tax liabilities (Net)	4	14,318,000	12,493,000
(c) Other long term liabilities	5	462,973	1,759,382
(3) Current Liabilities			
(a) Short-term borrowings	6	83,329,901	105,624,023
(b) Trade payables	7	15,269,399	31,806,133
(c) Other current liabilities	8	41,432,380	48,018,332
(d) Short-term provisions	9	15,913,141	20,781,232
	Total	667,348,833	709,976,205
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	270,922,830	296,790,181
(ii) Capital work in-progress		210,875	-
(b) Non-current investments	11	125,000	125,000
(c) Long term loans and advances	12	78,310,381	56,868,108
(d) Other non-current assets	13	46,613,227	31,114,988
(2) Current assets			
(a) Inventories	14	134,800,509	180,644,832
(b) Trade receivables	15	46,847,119	53,892,861
(c) Cash and cash equivalents	16	82,726,687	75,473,404
(d) Short-term loans and advances	17	652,044	241,920
(e) Other current assets	18	6,140,161	14,824,911
	Total	667,348,833	709,976,205

Significant Accounting Policies		0.0	0
Notes on Financial Statements	1 to 25		

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

(F.R.N. 012120C)
Chartered Accountants
(SANJAY GUPTA)
Partner
M. No. 72073

For and on behalf of Board

DEVENDRA JAIN
Managing Director

MUKESH JAIN
Director

PLACE : INDORE
DATED : 03.05.2013

RAINA AJMERA
Company Secretary

Profit and Loss statement for the year ended 31st March, 2013

S. No.	Particulars	Note No	As at 31st March 2013	As at 31st March 2012
I.	Revenue From Operations	19	769321561	871171686
II.	Other income	20	6255802	7475513
III.	Total Revenue (I + II)		775577363	878647198
IV.	Expenses:			
	Cost of materials consumed	21	382749878	518450055
	(Increase) in inventories of finished goods work-in-progress and stock-in-Trade	22	44684029	-39165134
	Employee benefit expense	23	41362152	35402485
	Finance Costs	24	10844465	14740515
	Depreciation		39670040	37764661
	Other expenses	25	244320749	301921132
	Total Expenses		763631314	869113713
V.	Profit before tax		11946050	9533485
VI.	Tax expenses :			
	(1) Current tax		2470000	1820000
	(2) Deferred tax		1825000	786000
			4295000	2606000
VII.	Profit/(Loss) for the period (XI + XIV)		7651050	6927485
VIII.	Earning per equity share of face value of Rs. 10 each Basic and Diluted (in Rs.)		0.51	0.46
	Significant Accounting Policies Notes on Financial Statements	1 to 25		

As per our report of even date
For ASSG & ASSOCIATES
(F.R.N. 012120C)
Chartered Accountants

(SANJAY GUPTA)
Partner
M. No. 72073

For and on behalf of Board

DEVENDRA JAIN
Managing Director

MUKESH JAIN
Director

RAINA AJMERA
Company Secretary

PLACE : INDORE
DATED : 03.05.2013

NOTES TO THE FINANCIAL STATEMENT

PARTICULARS	As at 31-03-2013	As at 31-03-2012
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1. Share Capital

Authorised 200,00,000 (31 March 2012 : 200,00,000) equity Share of Rs. 10/- each	200,00,000	200,00,000
Issued, subscribed & fully paid up 151,00,000 (31 March 2012 : 151,00,000) equity equity Share of Rs. 10/- each	151,00,000	151,00,000
Total	151,00,000	151,00,000

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

	As at 31 March 2013		31 March 2012	
	Number	Amount	Number	Amount
Share outstanding at the beginning of the year	15,10,000	151,00,000	15,10,000	151,00,000
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Any other movement (please specify)	-	-	-	-
Shares outstanding at the end of the year	15,10,000	151,00,000	15,10,000	151,00,000

b. Terms/rights attached to equity shares

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

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

Name of Shareholder	Equity Shares			
	As at 31 March 2013		31 March 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Flag Vittawas Limited	2750000	18.21	2750000	18.21
Porwal Finsec Private Limited	3308300	21.91	3308300	21.91

2. Reserves and Surplus

	As at 31st March 2013	As at 31st March 2012
Securities Premium Account		
Opening Balance as per last balance sheet	326,00,000	326,00,000
Add : Securities premium credited on Share issue	-	-
Less : Premium Utilised	-	-
Closing Balance	326,00,000	326,00,000

NOTES TO THE FINANCIAL STATEMENT

	As at 31st March 2013	As at 31st March 2012
General Reserve		
Opening Balance as per last balance sheet	3,200,413	3,200,413
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	3,200,413	3,200,413
Surplus/(Deficit) in the statement of Profit and Loss		
Opening Balance as per last balance sheet	8,098,473	1,171,384
Net Profit For the current year	7,651,050	6,927,485
Less : Short provision of earlier year income tax	54,536	396
Closing Balance	15,694,987	8,098,473
Total	344,895,400	337,298,887

3. Long - term borrowings

	As at 31st March 2013	As at 31st March 2012
Secured		
Vehicle loans		
From SBI SSI branch (Polo)	385,097	554,492
From SBI SSI branch (Innova)	342,541	640,724
All Secured by hypothecation of specific	727,638	1,195,216
TERMS OF REPAYMENT		
The Car loan on Polo car was availed in the year 2011-12 to be repaid in 60 monthly installments of Rs. 14459/- each. Rate of interest applicable on this loan is 12.00% p. a.		
The Innova Car loan was availed in the year 2010-11 to be repaid by 28/02/2015. Total no of 35 monthly installments are repayable of Rs. 23413 each. Rate of interest applicable on this loan is 12.00% p.a.		

4. Deferred Tax Liability (Net)

	As at 31st March 2013	As at 31st March 2012
Deferred Tax Liability		
Related to fixed assets	16234000	18660000
Gross Deferred Tax Liability	16234000	18660000
Deferred Tax Assets		
Disallowance under the Income Tax Act	508000	504000
Carried forward Losses	0	4568000
Mat Credit	1408000	1095000
Gross Deferred Tax Assets	1916000	6167000
Net Deferred Tax Liabilities	14318000	12493000

NOTES TO THE FINANCIAL STATEMENT

5. Other Long Term Liabilities

	As at 31st March 2013	As at 31st March 2012
Trade Payables	462,973	1,759,382
Total	462,973	1,759,382

6. Short Term Borrowings

	As at 31st March 2013	As at 31st March 2012
Secured Working Capital Loan		
From SBI Branch Indore	83,076,297	101,466,354
From SBI Pithampur Branch	253,603	4,157,669
Secured by way of hypothecation of present and future stock of raw material, stock in process, finished goods, stores and spares, and book debts and second charge on fixed assets of the company. The cash credit is repayable on demand and carries interest @ 12.25% to 12.50% p.a. These loans are further secured by personal guarantee of three directors.		
Total	83,329,901	105,624,023

7. Trade Payable

	As at 31st March 2013	As at 31st March 2012
Other than Micro, Small and Medium Enterprises	15,269,399	31,806,133
Total	15,269,399	31,806,133

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

8. Other Current Liabilities

	As at 31-03-2013	As at 31-03-2012
(a) Current maturities of long-term debt (Refer Note No. 3)	454,464	19,207,209
(b) Creditors for Capital Expenditure	824,643	1,899,892
(c) Axis Bank OD A/c	28,276,957	12,091,905
(d) Others (Tooling advance)	11,876,316	14,819,326
Total	41,432,380	48,018,332

10. TANGIBLE ASSETS

Sl. No.	Description of Assets	GROSS BLOCK			DEPRECIATION		NET BLOCK	
		As on 01.04.2012	Addition during the Year	Total deductions As on 31.03.2013	Up to 31.03.2012	Provided For the Year	As on 31.03.2013	As on 31.03.2012
1	Freehold Land	15634610	0	0	0	0	15634610	15634610
2	Leasehold Land	2461888	0	0	0	0	2461888	2461888
3	Factory Building	88513902	1279574	0	20145522	2973861	66674093	68368380
4	Plant and Machinery	75865236	278166	0	52288287	7855888	15999227	23576949
5	Material Handling Equipments	50491705	742006	0	29311738	5733100	16188873	21179967
6	Tools and Patterns	58569873	1386311	0	34835081	6689299	18431804	23734792
7	Electrical Installation	18129707	352606	0	12647608	1890108	3944596	5482099
8	Testing Equipments	7556147	112914	0	5311538	789780	1567743	2244609
9	Auxiliary Equipments	47979081	9277846	0	28238000	5264735	23754191	19741081
10	Furniture and Fixtures	1025359	0	0	557216	64905	403238	468143
11	Office Equipments	5069780	265921	0	2019239	331930	2984532	3050541
12	Vehicles	6694822	92606	0	1399619	637841	4749968	5295203
13	Computer	4409728	14740	0	4336213	88254	1	73515
14	Air Pollution Equipments	5517704	0	0	1949598	570531	2997575	3568106
15	Plant and Machinery	135596165	0	0	33685867	6779808	95130490	101910298
	TOTAL	523515706	13802690	0	226725526	39670040	270922830	296790181
	Previous Year	488168841	37153534	1806668	189581404	37764661	296790180	298587437

NOTES TO THE FINANCIAL STATEMENT

11. Non - Current Investments

Particulars	As at 31.03.2013	As at 31.03.2012
Other Investments		
Investment in Equity instruments	125,000	125,000
Total	125,000	125,000

12. Long Term Loans and Advances

(Unsecured and considered good)		
a. Capital Advances	30,894,033	3,462,585
b. Trade Advance	2,744,963	360,712
c. Loans to related parties*	30,858,856	38,216,658
d. Other loans and advances	13,812,529	14,828,154
	78,310,381	56,868,108

* Represents amount advanced to private company in which director is member

13. Other Non Current Assets

(Unsecured considered good)		
a. Long term trade receivables	13,917	127,406
Secured, considered good		
b. Deposit	9,408,901	9,499,818
c. PF Demand	402,472	402,472
d. Entry Tax Receivable (F. y. 2005-06)	-	429,000
e. Entry Tax Receivable (Deposit)	21,000	21,000
f. Loan to employees	90,000	635,292
g. Vat Tax Demand	13,829	-
h. Debts due by related parties#	20,000,000	20,000,000
i. VAT Claim Receivable	15,000,000	-
j. Pre Operative Expenses (Solar Project)	1,663,108	-
	46,613,227	31,114,988

Represents amount advanced to private company in which director is member

14. Inventories

a. Raw Materials and components (Valued at Cost)	25,711,828	28,302,335
b. Work-in-progress (Valued at Cost)	54,406,289	71,921,119
c. Finished goods (Valued at Cost)	45,565,631	72,021,002
d. Stores and spares (Valued at Cost)	9,116,761	8,400,376
Total	134,800,509	180,644,832

15. Trade Receivable

	As at 31.03.2013	As at 31.03.2012
Unsecured, considered good		
Other	46,847,119	53,614,487
Over Six Months	-	278,374
Total	46,847,119	53,892,861

16. Cash and Cash equivalents

a. Balances with banks*		79,909,705		75,297,265
This includes :				
Security against borrowings (Axis Bank OD)	6,00,000,00		6,00,000,00	
Guarantees	700,000		6,522,661	
Other Commitments	20,000		20,000	
Bank deposits with more than 12 months matur	60,000,000		Nil	
b. Cash on hand*		2,816,982		176,139
		82,726,687		75,473,404

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

17. Short-term loans and advances

(Unsecured considered good)			
Advance for expenses		221,994	103,298
Loans to Employees		380,050	138,622
Tour Advances		50,000	-
		652,044	241,920

18. Other Current Assets

Advance for Trade	1,947,867	3,654,093
Cenvat credit Recievable	1,716,422	1,207,428
Balance with Excise Department	787,232	787,232
Bank Charges Recievable	-	247,600
TDS Recievable	1,030,349	1,292,326
Term Loan interest Recievable	-	371,795
Prepaid Expenses	658,290	420,647
Umamortized Expenditure	-	6,843,790
TOTAL	6,140,161	14,824,911

19. Revenue From Operation

Sale of Products:		
Finished Goods	853,931,231	945,821,691
Traded Goods	-	20,219,512
Sale of Services	490	7,501
Revenue from operations(gross)	853,931,721	966,048,703
Less: Excise duty	84,610,159	94,877,018
Revenue from operations (net)	769,321,561	871,171,686

19.1 Details of Products sold

Particulars		
CI SG Iron Automobile Components	853,931,231	945,821,691
TOTAL	853,931,231	945,821,691

19.2 Details of Traded goods sold

Particulars	As at 31.03.2013	As at 31.03.2012
MS Scrap		- 20,219,512
		- 20,219,512
Details of Services Rendered		
Testing Charges	490	7,501
	490	7,501

20. Other Income

Interest Income	6,255,802	7,415,141
Profit on sale of Fixed Assets	-	60,372
Total	6,255,802	7,475,513

21. Cost of raw material consumed

Inventory at the beginning of the year	26,963,567	33,064,254
Add : Purchases	366,941,474	489,572,563
	393,905,041	522,636,817
Less : Inventory at the end of the year	25,086,888	26,963,567
Cost of raw material consumed	368,818,153	495,673,250

Details of Stores and Consumable Consumed

Inventory at the beginning of the year	8,400,376	10,494,335
Add : Purchases	14,648,110	20,682,846
	23,048,486	31,177,181
Less : Inventory at the end of the year	9,116,761	8,400,376
Cost of raw material consumed	13,931,725	22,776,805

Total Consumption

382,749,878 518,450,055

Details of raw Material Consumed

Pig iron	45,855,903	111,537,064
Scrap	206,090,611	232,636,669
Others	116,871,639	151,499,516
Total	368,818,153	495,673,250

22. Increase/(Decrease) in inventory of Finished Goods, Stock - in Process and Stock - in Trade

Inventories at the close of the year	For the year ended 31 March 2013	for the year ended 31 March 2012	Increase/ Decrease
Stock in Process	54,406,289	71,921,119	-17,514,830
Finished Goods	45,565,631	72,021,002	-26,455,371
Stock of runners and Risers	624,940	1,338,768	-713,828
Total	100,596,860	145,280,889	-44,684,029

Inventories at the beginning of year

Stock in Process	71,921,119	67,202,319	4,718,800
Finished Goods	72,021,002	35,324,840	36,696,162
Stock of runners and Risers	1,338,768	3,588,596	-2,249,828
Total	145,280,889	106,115,755	39,165,134

23. Employee Benefits expenses

	For the year ended 31 March 2013	for the year ended 31 March 2012
(a) Salaries and incentives	36,242,450	32,040,779
(b) Contributions to		
(i) Provident Fund/ESIC and other fund	2,158,140	1,845,545
(ii) Superannuation scheme		
(c) Gratuity fund contributions	962,747	700,000
(d) Staff welfare expenses	1,998,815	816,161
Total	41,362,152	35,402,485

24. Finance Cost

Interest expense	6,634,989	11,303,176
Bank Charges	4,209,476	3,437,339
Total	10,844,465	14,740,515

25. Other Expenses

Manufacturing Expenses		
Freight Inward	14,877,416	25,098,293
Insurance Expenses	257,556	221,902
Jobwork Charges	51,264,614	52,732,022
Miscellaneous Factory Overhead	881,865	664,492
Power & fuel	75,107,379	93,891,197
Repairs & Maintenance	2,586,492	2,801,200
Contract Wages	31,923,992	43,314,608
Provident Fund Contractor	90,791	55,247
Selling & Distribution Expenses		
Tax Expenses (VAT)	52,189,006	64,136,942
Advertisement Expenses	123,894	89,644
Selling Expenses	72,672	63,676
Service Tax on freight Outward	25,311	24,663
Business Promotion	-	467,403
Commission	-	7,968
Customer Entertainment Expenses	146,165	167,699
Freight Outward	2,905,672	2,768,571
Establishment Expenses		
Auditor's Remuneration	45,000	45,000
Books & Periodicals	7,350	11,050
Conveyance Expenses	2,990	9,276
Donation	-	11,000
Gratuity Insurance Premium	37,253	30,179
Lease Rent	116,915	116,238
Legal Expenses	495,948	904,950
Membership & Subscription	114,109	123,606
Office Expenses	150,258	159,468
Postage & Courier Charges	61,442	78,244
Professional fees	590,502	440,626
Consultancy Fees	109,501	113,520
Property Tax	182,418	104,950
Public issue Expenses W/o	6,843,790	6,843,789
Recruitment Expenses	29,080	51,581
Stationary & Printing	312,059	402,833
Telephone Expenses	515,791	537,867
Training & seminar	73,136	83,768
Travelling Expenses	715,255	1,256,561
Vehicle Running & Maintenance	699,147	765,092
Rebate & Discount	91,033	3,326,007
Sundry Balances Written Off	674,947	-
Loss on sale of Fixed Assets	-	-
Total	244,320,749	301,921,132

SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting :

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

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

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

(c) Depreciation :

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

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

(d) Inventories :

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

(e) Turnover:

Turnover is net of excise duty.

(f) Recognition of Income & Expenditure :

These are accounted on accrual basis. The company has obtained Group Gratuity Insurance policy from LIC of India to cover its Gratuity liability and is making annual payment of the liability calculated by them. Provident Fund Cost is accounted as per provisions of the said Act.

(g) Deferred Revenue Expenditure

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

(i) Taxation

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

(j) Provisions for Contingent Liabilities

Provisions in respect of present obligations arising out of past events is made in the accounts when reliable estimates can be made of the amount of the obligation. Contingent liabilities are disclosed by way of note in the financial statements after careful evaluation by the Management of the facts and legal aspects of the matter involved.

VALUE OF STORES, SPARES AND PACKING MATERIAL CONSUMED

	2012-13		2011-12	
	Amount in Rs.	% of Consumption	Amount in Rs.	% of Consumption
Imported	0	0	21896	0.09
Indigenous	13931725	100	22754909	99.91
TOTAL	13931725	100	22776805	100

VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF

	2012-13	2011-12
Raw Material and Stock in trade	Nil	Nil
Stores Spares and Packing Material	Nil	21896
Capital Goods	Nil	Nil

EXPENDITURE IN FOREIGN CURRENCY

	2012-13	2011-12
Traelling	Nil	149755
Exhibition	Nil	139970

PAYMENT TO AUDITORS

	2012-13	2011-12
a. Auditor	35000	35000
b. for other services	10000	10000
Total	45000	45000

EARNING PER SHARE

Particular	2012-13	2011-12
Profit after tax as per Profit and Loss Account (Rs/Lacs)	7651050	6927485
Weighted Average number of Equity Shares outstanding (Nos.)	1,51,00,000	1,51,00,000
Basic and Diluted Earning Per Share (Face Value Rs. 10 per share) (Rs.)	0.51	0.46

RELATED PARTY TRANSACTIONS

Related Party Disclosures as per the requirements of 'Accounting Standard 18' (AS-18) issued by the institute of Chartered Accountants of India: (As indicated by management and relied upon by auditors).

- a. Parties where control exists -
M/s Porwal Udhyog (India) (Proprietorship Firm of Mr. Mukesh Jain, Director)
- b. Other Related Parties with whom transactions have taken place during the year.
Key Managerial Personnel and Relatives
Mr. Devendra Jain, Managing Director

Relatives of Shri Devendra Jain:

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

Associates and Subsidiary Companies
Porwal Diesels Pvt. Ltd.

Triveni Conductors Ltd.

Porwal Auto Components Ltd. Annual Report 2012 - 2013

Transactions carried out with related parties referred in 1. above are as under:- (Rs. In Lacs)

Particulars	With Key Management Personnel	Entities owned or significantly influenced by Key Management Personnel	Relative of Key Management Personnel/Director	Associate and subsidiary companies
Salary	9.60 (9.40)	Nil (Nil)	26.40 (23.80)	Nil (Nil)
Loans Opening Balance	Nil (Nil)	Nil (Nil)	Nil (Nil)	582.17 (362.47)
Advance given	Nil (Nil)	Nil (Nil)	Nil (Nil)	192.08 (525.58)
Advance paid	Nil (Nil)	Nil (Nil)	Nil (Nil)	265.67 (305.89)
Closing Balance	Nil (Nil)	Nil (Nil)	Nil (Nil)	508.58 (582.16)
Sundry Creditors	Nil (Nil)	Nil (Nil)	Nil (Nil)	0.00 (32.71)
Purchase of Goods	Nil (Nil)	Nil (Nil)	Nil (Nil)	157.77 (135.23)
Sale of Goods	Nil (Nil)	Nil (Nil)	Nil (Nil)	0.00 (5.68)
Job work	Nil (Nil)	Nil (Nil)	Nil (Nil)	306.62 (345.74)
Interest received	Nil (Nil)	Nil (Nil)	Nil (Nil)	31.84 (31.01)

CONTINGENT LIABILITIES

- a. Guarantee issued by Bank on behalf on the company Rs. 60.94 Lacs (Rs. 89.89 Lacs)
- b. Vendor bill discounting limit with Axis Bank Ltd. Rs. 433.09 Lacs (Rs. 518.93 Lacs)
- c. Provident Fund demand for the financial year 2005-06 (Disputed by the company, deposited Rs. 4.02 Lacs for appeal). Rs. 8.05 Lacs (Rs. 8.05 Lacs)
- d. Estimated amount of contracts remaining unexecuted on capital account and not provided for Rs. 1014.11 lacs (Rs. 48.91 Lacs)
- As evidenced by internal Management Information System (MIS), there are no reportable segments in the company. Therefore, the disclosure requirements of Accounting Standard 17' (AS-17) - 'Segment Reporting' are not furnished.

As per our report of even date

For ASSG & ASSOCIATES
(Firm Reg. 012120C)
CHARTERED ACCOUNTANTS
CA SANJAY GUPTA
PARTNER
M.No. 72073

For and on behalf of the Board

DEVENDRA JAIN
Managing Director

MUKESH JAIN
Director

RAINA AJMERA
Company Secretary

PLACE : INDORE
DATED : 03.05.2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	31.03.2013	31.03.2012
Operating Activities		
Profit before tax	11946050	9533485
Add : Depreciation	39670040	37764661
Add : Interest / Finance Cost	10844465	14740515
Less : Non Operating Income	-6255802	-7475513
Cash Flow from operating activities	56204753	54563148
Add Increase CL (including bank borrowings)	-50284899	44314580
Less increase in current assets	-61164691	48770075
Less tax paid	4295000	2606000
Less interest Paid	10844465	14740515
Net Operating Cash Flow	51945080	32761138
Investing Activities		
In flow :		
Increase in Deferred Tax Liability	1825000	786000
Short Provision W/o	-54536	-396
Increase in other Term Liabilities	-1296408	-6643
Outflow		
Increase in Fixed Assets	-13802690	-35967405
Increase in Non current Assets	-37151386	1420061
Net Cash from Investing Activities	-50480020	-33768382
Financial Activities		
Inflow :		
Net Change in Term Loans	-467578	-18547129
Net Non Operating Income	6255802	7475513
Net Cash from Financial Activities	5788224	-11071616
Opening Cash	75473404	87552264
Cash Surplus/Deficit	7253283	-12078860
Closing Cash	82726687	75473404

As per report of even date
 For ASSG & ASSOCIATES
 (Firm Reg. 012120C)
 CHARTERED ACCOUNTANTS
CA SANJAY GUPTA
 PARTNER
 M.No. 72073

For and on behalf of Board

DEVENDRA JAIN
 Managing Director

MUKESH JAIN
 Director

Place : INDORE
 Date : 03.05.2013

RAINA AJMERA
 Company Secretary

PORWAL AUTO COMPONENTS LIMITED

Registered. Office :

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

PROXY FORM

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

I/We _____

of _____

Being a member of **PORWAL AUTO**

COMPONENTS LTD. holding _____ Ordinary Share (s) hereby

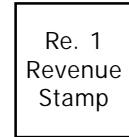
appoint _____ of _____

of failinghim/her _____ of _____

as my/our proxy to vote for me/us on my/our behalf at the 21st Annual General Meeting of the Company, to be held on 30th September, 2013 and at any adjournment meeting thereof.

As witness my/our hand(s) this _____ day of _____ 2013.

Signature _____



Note :

If it is intended to appoint a proxy, the form of proxy should be completed and deposited at the Registered Office of the Company at least 48 hours before the Meeting.

ATTENDANCE SLIP

21st Annual General Meeting on 30th September, 2013

R. F. No. _____

Mr. / Mrs. / Miss _____

(Shareholders Name in Block Letters)

I / We certify that I/We am/are registered shareholder / proxy for the registered shareholder of the Company.

I / We hereby record my/our presence at the 21st Annual General Meeting of the Company at Plot No. 209, Sector No. 1, Industrial Area, Pithampur, Distt. DHAR (M.P.) 454 775 on 30th September, 2013.

(If signed by proxy, his name should be written in block letters) _____ (Shareholders / Proxy's Signature)

Note :

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

Book - Post

To,

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