

ANNUAL REPORT 2013 - 2014



TWENTY SECOND ANNUAL REPORT 2013 - 2014

ANNUAL REPORT 2013 -14

MR. SURENDRA JAIN	-	CHAIRMAN & EXECUTIVE 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

CHIEF FINANCIAL & CHIEF OPERATING OFFICER

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

COMPANY SECRETARY

MS. SHILPA GULANI

STATUTORY AUDITORS

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

BANKERS

STATE BANK OF INDIA
SME Branch, INDORE – (M.P.)
AXIS BANK LTD.
Y.N. Road INDORE — (M.P.)

REGISTERED OFFICE & WORKS

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

REGISTRAR AND SHARE TRANSFER AGENT

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

NOTICE

Notice is hereby given that Twenty Second Annual General Meeting of the members of the **PORWAL AUTO COMPONENTS LIMITED** will be held on Monday, the 29th day of September, 2014 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, 2014, the Statement of Profit & Loss and the Cash Flow Statement for the financial year ended March 31, 2014 and the Reports of the Board of Directors and Auditors thereon.
2. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**
“**RESOLVED THAT** subject to the provisions of section 139 and other applicable provisions, if any, of Companies Act, 2013 read with Rule 3 of Companies (Audit and Auditors) Rules, 2014, M/s ASSG & Associates, Chartered Accountants (ICAI Firm Registration No. 012120C), the retiring Auditors of the Company be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the twenty-fifth AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM) on such remuneration as may be decided & fixed by the board on the recommendations of the Audit Committee.”

SPECIAL BUSINESS:

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

“**RESOLVED THAT** pursuant to the provisions of section 196, 197, 203 read with the provisions of Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of the Managerial Personnel) Rules, 2014 and other applicable provisions if any of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being enforce), the approval of the members of the Company be and is hereby granted for the re-appointment of and remuneration being paid or provided to Mr. Devendra Jain (DIN- 00232920) as one of the whole-time Key Managerial Person to be designated as the Managing Director of the Company for a further period of three years commencing from 1st August, 2014 on the following terms and condition.

Salary of Rs.1,25,000 PM which shall be subject to upward revision of 10% per annum.

Allowances/perquisites: as per Category A Subject to the maximum of Salary.

CATEGORY:A

- a. **House Rent:** The Company shall provide House Rent Allowance subject to a maximum of 50% of the salary or house accommodation and 10% of salary shall be recovered by way of rent. Expenditure incurred by the Company on his electricity, water and furnishing shall be evaluated as per Income Tax Rules, 1962 subject to a ceiling of 10% of salary.
- b. **Medical Expenses:** Re-imbusement of medical expenses of the Executive Director and his family, the total cost of which to the Company shall not exceed one month's salary in the year or three months salary in a block of three years.
- c. **Leave travel assistance:** Expenses incurred for self and family in accordance with the Rules of the Company.
- d. **Club Fees:** subject to a maximum of two clubs, this will not include admission and life membership.
- e. **Personal accident insurance premium :** not exceeding Rs. 24000/- p.a.

NOTE: For the purpose of perquisites stated in Category "A" above, "Family" means the spouse, the dependent children and dependent parents of the appointee.

CATEGORY B- EXEMPTED FROM THE LIMITS PRESCRIBED UNDER THE SCHEDULES:

- a. **Employers Contribution to PF:** As per the Rules of the Company.
- b. **Gratuity:** As per rules of the Company, subject to a maximum ceiling as may be prescribed under the Payment of Gratuity Act from time to time.

- c. **Leave encashment:** up to 15 days salary for every one year completed service as per the rules of the Company.

Provided that the above said perquisites shall not be counted for the purpose of calculation of the remuneration payable to the Executive Director.

CATEGORY C- FACILITIES TO PERFORM THE COMPANIES WORK:

- a. **Car:** The Company shall provide car with driver for the Company's business and if no car is provided, reimbursement of the conveyance shall be made as per actual on the basis of claims submitted by him.
- b. **Telephone, Internet & Cell:** Free use of telephone, internet at his residence and Cell phone, provided that the personal long distance calls on the telephone shall be billed by the Company to the Executive Director.

RESOLVED FURTHER THAT in the event of there being loss or inadequacy of profit for any financial year, the remuneration payable to Mr. Devendra Jain shall not be in excess with the limit prescribed in the Schedule V of the Companies Act, 2013 as may be applicable from time to time during his tenure.

RESOLVED FURTHER THAT Mr. Devendra Jain, Managing Director shall also be entitled for the reimbursement of actual entertainment, traveling, boarding and lodging expenses incurred by him in connection with the Company's business and such other benefits/ amenities and other privileges, as may from time to time, be available to other Senior Executives of the Company.

RESOLVED FURTHER THAT the Board of directors be and are hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion, may consider necessary, expedient or desirable and to vary, modify the terms and conditions and to settle any question, or doubt that may arise in relation thereto and the Board shall have absolute powers to hold the increments, decide breakup of the remuneration within the above said maximum permissible limit, in order to give effect to the foregoing resolution, or as may be otherwise considered by it to be in the best interest of the Company."

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

"RESOLVED THAT pursuant to the provisions of section 196, 197, 203 read with the provisions of Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of the Managerial Personnel) Rules, 2014 and other applicable provisions if any of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being enforce), the approval of the members of the Company be and is hereby granted for the re-appointment of and remuneration being paid or provided to Mr. Mukesh Jain(DIN- 00245111) as one of the whole-time Key Managerial Person to be designated as the Whole-time director of the Company for a further period of three years commencing from 1st August, 2014 liable to be retire by rotation, on the following terms and condition.

Salary of Rs.1,25,000 PM which shall be subject to upward revision of 10% per annum.

Allowances/perquisites: as per Category A Subject to the maximum of Salary.

CATEGORY:A

- a. **House Rent:** The Company shall provide House Rent Allowance subject to a maximum of 50% of the salary or house accommodation and 10% of salary shall be recovered by way of rent. Expenditure incurred by the Company on his electricity, water and furnishing shall be evaluated as per Income Tax Rules, 1962 subject to a ceiling of 10% of salary.
- b. **Medical Expenses:** Re-imbusement of medical expenses of the Executive Director and his family, the total cost of which to the Company shall not exceed one month's salary in the year or three months salary in a block of three years.
- c. **Leave travel assistance:** Expenses incurred for self and family in accordance with the Rules of the Company.
- d. **Club Fees:** subject to a maximum of two clubs, this will not include admission and life membership.
- e. **Personal accident insurance premium :** not exceeding Rs. 24000/- p.a.

NOTE: For the purpose of perquisites stated in Category "A" above, "Family" means the spouse, the dependent children and dependent parents of the appointee.

CATEGORY B- EXEMPTED FROM THE LIMITS PRESCRIBED UNDER THE SCHEDULES:

- a. **Employers Contribution to PF:** As per the Rules of the Company.
- b. **Gratuity:** As per rules of the Company, subject to a maximum ceiling as may be prescribed under the Payment of Gratuity Act from time to time.

- c. **Leave encashment:** up to 15 days salary for every one year completed service as per the rules of the Company.

Provided that the above said prerequisites shall not be counted for the purpose of calculation of the remuneration payable to the Executive Director.

CATEGORY C- FACILITIES TO PERFORM THE COMPANIES WORK:

- a. **Car:** The Company shall provide car with driver for the Company's business and if no car is provided, reimbursement of the conveyance shall be made as per actual on the basis of claims submitted by him.
- b. **Telephone, Internet & Cell:** Free use of telephone, internet at his residence and Cell phone, provided that the personal long distance calls on the telephone shall be billed by the Company to the Executive Director.

RESOLVED FURTHER THAT in the event of there being loss or inadequacy of profit for any financial year, the remuneration payable to Mr. Mukesh Jain shall not be in excess with the limit prescribed in the Schedule V of the Companies Act, 2013 as may be applicable from time to time during his tenure.

RESOLVED FURTHER THAT Mr. Mukesh Jain, Whole Time Director shall also be entitled for the reimbursement of actual entertainment, traveling, boarding and lodging expenses incurred by him in connection with the Company's business and such other benefits/ amenities and other privileges, as may from time to time, be available to other Senior Executives of the Company.

RESOLVED FURTHER THAT the Board of directors be and are hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion, may consider necessary, expedient or desirable and to vary, modify the terms and conditions and to settle any question, or doubt that may arise in relation thereto and the Board shall have absolute powers to hold the increments, decide breakup of the remuneration within the above said maximum permissible limit, in order to give effect to the foregoing resolution, or as may be otherwise considered by it to be in the best interest of the Company."

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

"RESOLVED THAT pursuant to the provisions of section 196, 197, 203 read with the provisions of Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of the Managerial Personnel) Rules, 2014 and other applicable provisions if any of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being enforce), the approval of the members of the Company be and is hereby granted for the re-appointment of and remuneration being paid or provided to Mr. Surendra Jain (DIN- 00245154) as one of the whole-time Key Managerial Person to be designated as the Chairman & Executive director of the Company for a further period of three years commencing from 1st August, 2014 liable to retire by rotation, on the following terms and condition.

Salary of Rs.1,25,000 PM which shall be subject to upward revision of 10% per annum.

Allowances/perquisites: as per Category A Subject to the maximum of Salary.

CATEGORY:A

- a. **House Rent:** The Company shall provide House Rent Allowance subject to a maximum of 50% of the salary or house accommodation and 10% of salary shall be recovered by way of rent. Expenditure incurred by the Company on his electricity, water and furnishing shall be evaluated as per Income Tax Rules, 1962 subject to a ceiling of 10% of salary.
- b. **Medical Expenses:** Re-imburement of medical expenses of the Executive Director and his family, the total cost of which to the Company shall not exceed one month's salary in the year or three months salary in a block of three years.
- c. **Leave travel assistance:** Expenses incurred for self and family in accordance with the Rules of the Company.
- d. **Club Fees:** subject to a maximum of two clubs, this will not include admission and life membership.
- e. **Personal accident insurance premium :** not exceeding Rs. 24000/- p.a.

NOTE: For the purpose of prerequisites stated in Category "A" above, "Family" means the spouse, the dependent children and dependent parents of the appointee.

CATEGORY B- EXEMPTED FROM THE LIMITS PRESCRIBED UNDER THE SCHEDULES:

- a. **Employers Contribution to PF:** As per the Rules of the Company.

- b. **Gratuity:** As per rules of the Company, subject to a maximum ceiling as may be prescribed under the Payment of Gratuity Act from time to time.
- c. **Leave encashment:** up to 15 days salary for every one year completed service as per the rules of the Company.
Provided that the above said perquisites shall not be counted for the purpose of calculation of the remuneration payable to the Executive Director.

CATEGORY C- FACILITIES TO PERFORM THE COMPANIES WORK:

- a. **Car:** The Company shall provide car with driver for the Company's business and if no car is provided, reimbursement of the conveyance shall be made as per actual on the basis of claims submitted by him.
- b. **Telephone, Internet & Cell:** Free use of telephone, internet at his residence and Cell phone, provided that the personal long distance calls on the telephone shall be billed by the Company to the Executive Director.

RESOLVED FURTHER THAT in the event of there being loss or inadequacy of profit for any financial year, the remuneration payable to Mr. Surendra Jain shall not be in excess with the limit prescribed in the Schedule V of the Companies Act, 2013 as may be applicable from time to time during his tenure.

RESOLVED FURTHER THAT Mr. Surendra Jain, Chairman & Executive Director shall also be entitled for the reimbursement of actual entertainment, traveling, boarding and lodging expenses incurred by him in connection with the Company's business and such other benefits/ amenities and other privileges, as may from time to time, be available to other Senior Executives of the Company.

RESOLVED FURTHER THAT the Board of directors be and are hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion, may consider necessary, expedient or desirable and to vary, modify the terms and conditions and to settle any question, or doubt that may arise in relation thereto and the Board shall have absolute powers to hold the increments, decide breakup of the remuneration within the above said maximum permissible limit, in order to give effect to the foregoing resolution, or as may be otherwise considered by it to be in the best interest of the Company."

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV to the said Act and Companies (Appointment and Qualification of Directors) Rules, 2014, and the Clause 49 of the Listing Agreement as may be amended from time to time, Mr. Nitin Dafria (DIN- 01560804), who was holding position of the Independent Director liable to retire by rotation and in respect of whom the company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the director of the Company and who has also submitted a declaration confirming that he meets the criteria for independence as provided in section 149(6) of the Act and is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years upto 31st March, 2019 and he will not be liable to retire by rotation."

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV to the said Act and Companies (Appointment and Qualification of Directors) Rules, 2014, and the Clause 49 of the Listing Agreement as may be amended from time to time, Mr. Surajmal Kucheria (DIN- 00027661), who was holding position of the Independent Director liable to retire by rotation and in respect of whom the company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the director of the Company and who has also submitted a declaration confirming that he meets the criteria for independence as provided in section 149(6) of the Act and is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years upto 31st March, 2019 and he will not be liable to retire by rotation."

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV to the said Act and Companies (Appointment and Qualification of Directors) Rules, 2014, and the Clause 49 of the Listing Agreement as may be amended from time to time, Mr. Ramesh C Kashyap (DIN- 06593723), who was holding position of the Independent Director

liable to retire by rotation and in respect of whom the company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the director of the Company and who has also submitted a declaration confirming that he meets the criteria for independence as provided in section 149(6) of the Act and is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years upto 31st March, 2019 and he will not be liable to retire by rotation."

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

"RESOLVED THAT consent of the Company be and is hereby accorded in terms of Section 180(1)(c) and (2) and other applicable provisions, if any, of the Companies Act, 2013 and / or Companies Act, 1956 as may be applicable (including any statutory modifications, amendments or re-enactments thereto for the time being in force) to the Board of Directors of the Company (hereinafter referred to as " the Board") for borrowing any sum or sums of monies from time to time for the purpose of the Company's business on such terms and conditions and with or without security from any bank, financial institutions or any other lending institutions, firms, bodies corporate or persons, of India or otherwise from the foreign parties/entities subject to the provisions of the FDI and/or FEMA, as may be considered appropriate and suitable by the Board notwithstanding that the sum or sums of monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of the Company and its free-reserves, provided that the total amount so borrowed by the Board shall not at any time exceed the total limits of Rs.100 Crores (Rupees One Hundred Crores).

RESOLVED FURTHER THAT Board of Directors and the Director(s) or the person authorized by the Board be and is jointly and/ or severally authorized to do as they may think fit and for that purpose to execute such documents, papers, deeds, and writings containing such conditions and covenants as the Board may think fit and to take all such steps as may be necessary or desirable to give effect to this Resolution."

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

"RESOLVED THAT consent of the Company be and is hereby accorded in terms of section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, if any, (including any statutory modifications, amendments or re-enactments thereto for the time being in force) to the Board of Directors of the Company (hereinafter referred to as " the Board") to mortgaging and/hypothecation, pledge or charging by the Board of directors of the Company of all or any of the immovable and movable properties of the Company, wherever situated, both present and future or the whole or substantially the whole of the undertaking or undertakings of the company in such form and in such manner as the Board of directors may think fit together with the power to take over the management of the business and concern of the Company in certain events of default in favour of lender(s), Agent(s) and Trustee(s) for securing any loans and/or advances already obtained or that may be obtained from time to time any financial Institutions/banks/ insurance companies, bodies corporate, firms or association or person or persons, and/or to secure any debentures issued, deposits and/or that may be issued and all interest, compounding interest/additional interest, commitment charge, cost, charges, expenses and all other moneys payable by the company to the concerned secured lenders within the overall borrowing limit of Rs.100 Crores (Rupees One Hundred Crores) at any point of time.

RESOLVED FURTHER THAT the securities created or to be created by the Company as aforesaid may rank prior/pari passu/subservient with/to the mortgages and/or charges already created or to be created by the company as may be agreed to between the Board of Directors of the Company and the concerned parties.

RESOLVED FURTHER THAT the Board be and is hereby authorized to create or revise / renew the securities / or release the securities and to do all such acts, deeds and things and to sign all such documents and writings as may be necessary, expedient and incidental thereto to give effect to this resolution and for matter connected therewith or incidental thereto."

Place: Pithampur

Date: 30.07.2014

Registered office

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

By order of the Board of Directors
Porwal Auto Components Limited

SHILPA GULANI
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. A person can act as a proxy on behalf of members not exceeding 50 and holding in aggregating not more than 10% of the total share capital of the Company carry voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other person or member.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is given below and forms part of the Notice.
4. The company has notified closure of register of members and share transfer books from Friday, September 26, 2014 to Monday, September 29, 2014 (both days inclusive).
5. The Members are requested to:
 - a. Intimate changes, if any, in their registered addresses immediately.
 - b. Quote their ledger folio number in all their correspondence.
 - c. Hand over the enclosed attendance slip, duly signed in accordance with their specimen registered with the Company for admission to the meeting place.
 - d. Bring their Annual Report and Attendance Slips with them at the AGM venue.
 - 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.
6. The report on the Corporate Governance and Management Discussion and Analysis also form part to the report of the Directors.
7. Members seeking any information are requested to write to the Company by email at admin@porwalauto.com at least 7 days before the date of the AGM to enable the management to reply appropriately at the AGM.
8. 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).
9. Electronic copy of the Annual report is being sent to the members whose email IDs are registered with the Company/ Depository Participants unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual report being sent in the permitted mode.
10. Members may also note that the Annual Report for FY 2013-14 will also available for downloading on Company's website www.porwalauto.com
11. 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.
12. 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, between 11:00 A.M and 1:00 P.M up to the date of the meeting.
13. **Voting through electronic means**
 - I. In compliance with the provisions of section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all resolutions set forth in this Notice.

The instructions for e-voting are as under:

 - i. Open your web browser during the voting period and log on to the e-voting website www.evotingindia.com
 - ii. Now click on "Shareholders" to cast your votes
 - iii. Now, select "**PORWAL AUTO COMPONENTS LIMITED**" from the drop down menu and click on "SUBMIT"
 - iv. Now, fill up the following details in the appropriate boxes:

User-ID	For Members holding shares in Demat Form:-
	a) For CDSL :- 16 digits beneficiary ID b) For NSDL :- 8 Character DP ID followed by 8 Digits Client ID For Members holding shares in Physical Form:- • Folio Number registered with the Company

- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Details	Enter the Dividend Bank Details as recorded in your demat account or in the company Bank records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field .

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for the relevant **PORWAL AUTO COMPONENTS LIMITED** on which you choose to vote.
- xii. 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.
- xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv. 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.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

- xvi. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xvii. If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- II. The voting period begins on Tuesday, 23rd September, 2014 at 9.00 AM and ends on Thursday, 25th September, 2014 at 5.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd August 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- III. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- IV. Mr. Ashish Garg (Membership No. 5181 CP no. 4423), Company Secretary in Practice has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- V. The result of voting shall be declared by the Chairman of the meeting on or after the AGM of the Company. The results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.porwalauto.com and will be communicated to the Stock Exchange i.e. Bombay Stock Exchange Ltd.
- VI. A copy of this notice has been placed on the website of the Company and the website of CDSL.

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

Name of Directors	Mr. Devendra Jain	Mr. Mukesh Jain	Mr. Surendra Jain
Date of Birth	23.06.1954	02.10.1956	19.10.1952
Date of Appointment	03.02.1992	31.03.1998	07.06.2005
Expertise / Experience in specific functional areas	37 Years experience of Business & Industries	34 Years experience of Business & Industry	38 Years experience of Business & Indu.
Qualification	B. E. (Mech.)	B.Com	B.E.(Mech.)
No. & % of Equity Shares held	352299 (2.33%)	281105 (1.86%)	404280 (2.68%)
List of outside Company directorship held	Pithampur Auto Cluster Ltd.	NIL	WindingWires Manufacturers Ass. of India
Chairman / Member of the Committees of the Board of Directors of the Company	NIL	Member - Stakeholders Relationship Committee	NIL
Chairman / Member of the Committees of the Board Directors of other Companies in which he is director	Pithampur Auto Cluster Ltd. Member - • Audit Committee • Nomination and Remuneration Committee • Tender Committee	NIL	NIL

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

Name of Directors	Mr. Nitin Dafria	Mr. Surajmal Kucheria	Mr. Ramesh C Kashyap
Date of Birth	26.12.1964	17.02.1940	01.09.1942
Date of Appointment	30.09.2002	23.04.2007	28.05.2013
Expertise / Experience in specific functional areas	Practicing Chartered Accountant	Ex MD-State Bank of Saurashtra	Ex Assistant General Managaer-PNB
Qualification	FCA, MBA	B.Com., CAIIB	M. Com and LLB
No. & % Equity Shares held	NIL	NIL	NIL
List of outside Company directorship	NIL	Prestige Agro Tech Ltd.	NIL
Chairman / Member of the Committees of the Board of Directors of the Company	Chairman - <ul style="list-style-type: none"> • Audit Committee • Stakeholders Remuneration Committee Member - <ul style="list-style-type: none"> Nomination and Remuneration Committee 	Chairman - <ul style="list-style-type: none"> Nomination and Remuneration Committee Member- <ul style="list-style-type: none"> • Audit Committee • Stakeholders Relationship Committee 	Member- <ul style="list-style-type: none"> • Audit Committee • Nomination and Remuneration Committee
Chairman / Member of the Committees of the Board Directors of other Companies in which he is director	NIL	Prestige Agro Tech Ltd. Chairman <ul style="list-style-type: none"> • Audit Committee • Stakeholders Relationship Committee • Nomination and Remuneration Committee 	NIL

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

Item No. 2:

This explanatory statement is provided though strictly not required as per section 102 of the Act.

M/s ASSG & Associates, Chartered Accountants (ICAI Firm Registration No. 012120C), Indore have been the Auditors of the Company since very long.

As per the provisions of section 139 of the Act, no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. Section 139 of the Act has also provided a period of three years from the date of commencement of the Companies Act, 2013 to comply with this requirement. In view of the above, M/s ASSG & Associates, Chartered Accountants, being eligible for re-appointment and based on the recommendation of the Audit Committee, the Board of Directors has, at its meeting held on 30th July, 2014 proposed the re-appointment of M/s ASSG & Associates, Chartered Accountants as the statutory auditors of the Company for a period of three years to hold office from the conclusion of this AGM till the conclusion of the twenty-fifth AGM of the Company to be held in the calendar year 2017 (subject to ratification of their appointment at every AGM).

The Board recommends the Resolution as set out at Item No. 2 for approval by the members as an Ordinary Resolution.

None of the Directors, Key Managerial Personnel (KMP) or their relatives are concerned or interested in any manner in the Resolution.

Item No : 3, 4 & 5

Mr. Devendra Jain is a B.E. (Mech) and is Managing Director of the Company and his tenure shall be expired on 31st July, 2014 upon completion of 3 years of his appointment. He is having 37 Years experience of Business & Industry.

Mr. Mukesh Jain is graduate in commerce and is Whole-time Director of the Company and his tenure shall be expired on 31st July, 2014 upon completion of 3 years of his appointment. He is having 34 Years experience of Business & Industry.

Mr. Surendra Kumar Jain is a B.E. (Mech) and is Chairman & Executive Director of the Company and his tenure shall be expired on 31st July, 2014 upon completion of 3 years of his appointment. He is having 38 Years experience of Business & Industry.

All the three directors are having very rich experience in industries and are acquainted with through knowledge of business. Their experience, commitment and capabilities are playing a crucial role in the growth of the Company. Thus the Board of Directors feel that there is a need for a continuation of suitable plans and program and therefore, it is imminent that these persons continue in the capacity of Managing Director, Whole Time Director and Chairman & Executive Director respectively.

Thus upon the recommendation of the Nomination and Remuneration Committee, the Board of directors at their meeting held on 30th July, 2014 has re-appointed them for a further period of 3 years w.e.f. 1st August, 2014.

Mr. Mukesh Jain is the whole time Director of the Company & Mr. Surendra Kumar Jain is the Chairman & Executive Director of the Company and both the directors are re-appointed for the further period of three years, however to make the compliance of the provisions of Sec. 152 of the Companies Act 2013, they will be liable to retire by rotation.

The Board considered that the terms and conditions and the salary and perquisites as given in the Item No. 3 to 5 of the notice is commensurate with their high responsibilities, status and image of the Company. The Board recommends to pass special resolutions as set out in Item No. 3 to 5 of the notice. Mr. Devendra Jain, Mr. Mukesh Jain, Mr. Surendra Kumar Jain, being appointees are considered as the financially interested in the resolutions to the extent of the remuneration as may be paid to them. Further that Mr. Shailesh Jain, CFO being relative of above directors may also be deemed as concerned or interested otherwise in the resolutions. Except that none of the other directors or Key Managerial Personnel (KMP) or their relatives are concerned or interested in the Resolution.

Mr. Devendra Jain is holding 352299 Equity shares of Rs. 10/- each consisting of 2.33% of the total paid up capital of the Company.

Mr. Mukesh Jain is holding 281105 Equity shares of Rs. 10/- each consisting of 1.86% of the total paid up capital of the Company.

Mr. Surendra Kumar Jain is holding 404280 Equity shares of Rs. 10/- each consisting of 2.68% of the total paid up capital of the Company.

Item No: 6, 7 & 8

The Board of Directors of the Company comprises six Directors out of which Mr. Nitin Dafria, Mr. Surajmal Kucheria and Mr. Ramesh C Kashyap are Non-Executive Independent Directors of the Company.

Mr. Nitin Dafria joined the Board on 30th September 2002 as an Independent Director and has served as director of the Company for over 12 years. He is a Practicing Chartered Accountant since last 23 years and also holds the degree of MBA. He has wide experience in the finance and taxation matters. He is not a Director in any other Company and does not hold any Equity shares in the Company.

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

Mr. Ramesh C Kashyap joined the Board of Directors of the Company on 28th May 2013 as Additional Director of the Company. He is a Post Graduate in M.com and also holds the degree of LLB and having 36 Years of experience in Banking Sector. He has served Punjab National Bank for many years, from where he retired as Assistant General Manager in the year 2002. He has wide experience in the field of Banking and Finance and he does not hold any Equity shares in the Company.

The detailed profile of Directorship and Committee position held by these three Directors in other Companies are included separately in this Notice and report on Corporate Governance forming part of the Annual Report.

As per the provisions of section 149 of the Companies Act, 2013 which was come into force w.e.f. 1st April 2014, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company and is not liable to retire by rotation. Therefore, it is proposed to appoint them as Independent Directors at the ensuing annual general meeting for a period of 5 years, upto 31st March, 2019.

All the above said three Independent Directors have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act.

In the opinion of the Board the above said three directors fulfills the conditions specified in the Act and the Rules made there under in the Clause 49 of the Listing Agreement for their appointment as Independent Directors of the Company.

The Company has received a notice in writing as required under section 160 of the Companies Act, 2013 from members for proposing the appointment of the above said directors.

All the 'Independent Directors' have expertise in specific functional areas and are eminent personalities in their respective fields .The Board considers that there continued association would be of immense benefit to the Company and it is desirable to continue to avail services of these three Directors as an Independent Director.

Accordingly, the Board recommends the resolution as set out in the Item No. 6 to 8 as Ordinary Resolutions. Mr. Nitin Dafria, Mr. Surajmal Kucheria and Mr. Ramesh C Kashyap, who are proposed appointees may be considered as concerned or interested financially in the Resolutions to the extent of the sitting fee as may be paid by the company from time to time. Except that none of the other Directors nor Key Managerial Personnel or relatives thereof is, in any way, concerned or interested in the Resolutions.

Item No: 9

Due to the increasing business operations and future growth plans, Company would necessitate borrowing from any bank, financial institutions or any other lending institutions, firms, bodies corporate or persons, both in the national and international markets, as may be considered suitable by the Board. However as per the provisions of Section 180(1)(c) of the Companies Act, 2013, the Board of Directors of the Company cannot, apart from temporary loans obtained or to be obtained from the Company's banker in the ordinary course of business except with the consent of the shareholders in General Meeting by way of special resolution, borrow monies in excess of the aggregate of the paid-up capital and free reserves of the Company.

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In terms of the special resolution passed by the members of the Company in the Annual General Meeting held on 30th September 2010, the amount consequent to loans borrowed by the Board of Directors on behalf of the Company cannot exceed Rs.20 Crores at any point of time, however the Company has not borrowed more than the same amount at any point of time. In view of the future growth, the Board of Directors of the Company considered needs to be authorized by the members to borrow monies, whether secured or otherwise (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), from time to time on behalf of the Company not exceeding Rs.100 Crores (Rupees One Hundred Crores).

The Board accordingly recommends the Special Resolution as mentioned in item no.9 of this notice for your approval.

Pursuant to applicable provisions of the Companies Act, 2013, none of the Directors & Key Managerial Personnel and their relatives is either directly or indirectly concerned or interested in the proposed resolution. However the directors and their relatives being the members may be considered as financially interested to the extent of the interest as may be received by them on the unsecured loan, if any, as may be provided by them. However, they are not interested otherwise in any manner in the aforesaid resolution.

Item No : 10

It is proposed to obtain consent of the members of the Company to increase the borrowing limits under section 180(1)(C) of the Companies Act 2013 to Rs.100 Crores (One Hundred Crores). The borrowings from the institutions/banks provided/agreed to be provided to the Company have to be secured by the mortgage and charge of the assets of the Company, both present and future and the whole of the undertaking of the Company and the aforesaid institutions would like to retain a power to take over the management of the business and concern of the Company in certain events, it is necessary for the members to pass a resolution under Section 180(1)(a) of the Companies Act, 2013.

Section 180(1)(a) of the Companies Act, 2013 provides that the Board of directors of company shall not, without the approval of shareholders in general meeting by way of Special Resolution, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company.

Hence, the members are required to authorize to the Board to create/renew charges on the movable and immovable assets and properties of the Company in favor of the lenders in accordance with the terms and conditions of the Loans and security documents as stated in the Resolution of item No. 10.

The Board accordingly recommends the Special Resolution at item no. 10 of this Notice for your approval.

Pursuant to applicable provisions of the Companies Act, 2013, none of the Directors & Key Managerial Personnel and their relatives is either directly or indirectly concerned or interested, financially or otherwise in the proposed resolution except in capacity of shareholder.

By order of the Board of Directors
Porwal Auto Components Limited

Place: Pithampur
Date: 30.07.2014

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

SHILPA GULANI
Company Secretary

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, 2014.

1. Financial Results:

Particulars	As on 31.03.2014	(Rs. in lacs) As on 31.03.2013
Revenue from operations	4744.12	7693.22
Other Income	36.11	62.56
Operating Expenditure	4363.35	7131.17
Interest & Depreciation	500.06	505.15
Profit before Tax	(83.18)	119.46
Provisions for Tax	(23.67)	42.95
Profit after Tax	(59.51)	76.51

2. Company's Performance & Future Outlook

The Indian auto components industry, that has been battling weak demand over the last two years, continued to experience sluggish production output and hence revenue growth during this year is also decreased. The financial year 2013-14 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 2013-14 thus limiting top line development. The last year was one of worst year and adversely affected due to slow down in the automobile sector and turnover has decreased by 40% and the bottom line has turned into negative and incurred the net loss of Rs.59 Lacs against the net profit of Rs.76 Lacs.

India's automobile industry, facing its second successive year of sales decline. However in this challenging environment, the company kept its focus on improving operational efficiencies to remain competitive and also facing the tough competition. 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. It is expected that FY 2014-15 will be much better for the industry as compared to the last fiscal year and conditions will be favorable for automobile sector.

Looking to bright prospects in the solar industries and high consumption of power, your Company has set-up solar power generation unit in the financial year 2013-14 at village Kadodiya, Tarana Dist. Ujjain M.P. for captive consumption. By putting solar power generation unit, the company provides electricity units to Madhya Pradesh Paschim Kshetra Vidyut Vitaran Co. Ltd. (MPPVVCL) and receives the credit of the same by the settlement of electricity bill. The solar power generation unit is being put in use in January 2014 and has earned total receipts of 84 lacs upto March, 2014.

3. Dividend

Your directors do not recommend any dividend due to losses in the current year.

4. Director

Mr. Devendra Jain has been re-appointed as Managing Director of the Company for a period of three years commencing from 1st August 2014. Mr. Mukesh Jain has been re-appointed as Whole Time Director and Mr. Surendra Kumar Jain has been re-appointed as Chairman & Executive Director of the Company w.e.f 1st August 2014 for a term of three years, pursuant to the provisions of sections 196, 197, 203 and applicable provisions if any, of companies act 2013

Further Mr. Nitin Dafria, Mr. Surajmal Kucheria and Mr. Ramesh C Kashyap the existing Independent Directors are further proposed to be appointed as Independent Directors for a term of 5 years as per requirement of section 149 of the Companies Act, 1956 as well as Clause 49 of the Listing Agreement to hold the office till 31st March, 2019.

The Company has received notice in writing from the members as required under section 160 of the Act for proposal for appointment of all the Independent Directors of the Company at the ensuing Annual General Meeting.

The Board recommends the resolutions for approval of members for the above appointments.

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 of 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, 2014 on a going concern basis;

6. Auditors

M/s ASSG & Associates, Chartered Accountants, Indore, statutory auditors of the Company, hold the office until the ensuing Annual General Meeting. The said Auditors have furnished the Certificate of their eligibility for re-appointment.

Pursuant to the provisions of section 139 and other applicable provisions, if any, of Companies Act, 2013 read with Rule 3 of Companies (Audit and Auditors) Rules, 2014, it is proposed to appoint M/s ASSG & Associates, Chartered Accountants (ICAI Firm Registration No. 012120C), the retiring Auditors of the Company as Statutory Auditors of the Company from the conclusion of this Annual General Meeting (AGM) till the conclusion of the twenty-fifth AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM) on such remuneration as may be decided & fixed by the board on the recommendations of the Audit Committee.

The Auditors' Report read with notes to accounts are self-explanatory and in particular note no. C 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.

7. Fixed 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 and that there is no overdue unpaid/unclaimed deposit as at 31st March, 2014.

8. Cost Auditor

Pursuant to the directives of the Central Government under the provisions of section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014, as on date the Company is not required to appoint the Cost Auditors for the year 2014-15. The Cost Audit Report for the year 2013-14 would be filed to the Central Government within the stipulated time.

9. Listing At Stock Exchange

The Equity shares of the Company are listed with Bombay Stock Exchange Ltd, Mumbai.

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 read with the Companies (Disclosures of particulars in Report of Directors Report) Rules, 1988 are enclosed forming part of this report as **Annexure –1**.

12. Corporate Governance Report

Report on Corporate Governance as required under the Listing Agreement with the Stock Exchange along with the certificate of the Auditors, M/s. **ASSG & Associates**, confirming compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange are attached to this report as **Annexure II**.

13. Management Discussion and Analysis Statement

Management Discussion and Analysis statement as required under the Listing Agreement with the Stock Exchange are attached to this report as **Annexure – III**.

14. Acknowledgements

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

Place : Pithampur

Date : 30.07.2014

Registered office

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

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

Surendra Jain
Chairman

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 2014.

I. CONSERVATION OF ENERGY
Power and Fuel Consumption

1. Electricity

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
a. Purchased		
Total Units	8747197	13522003
Total Amount (Rs.)	52766752	71579265
Cost/Unit (Rs.)	6.03	5.29
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)	1342.16	1383.45

Note 1 : Quantity of Diesel consumed during the year is 24800 ltrs (34150 ltrs) was consumed in Sand Dryers, Laddle Heating and Heat Treatment furnace.

2. Coal	NIL	NIL
3. Furnace Oil	NIL	NIL
4. Diesel		
Quantity (Ltrs)	24800	34150
Value	1444792	1684884
5. RLNG Gas (MMBTU)		
Quantity (MMBTU)	NIL	2375.048
Value	NIL	1837851

II TECHNOLOGY ABSORPTION

The company is using manufacturing technology which is entirely indigenous

III FOREIGN EXCHANGE EARNINGS & OUTGO

Particulars	Current Year	(In Rs.) Previous Year
(a) Foreign exchange earnings	-	-
(b) Foreign exchange outgo	985386	-

CORPORATE GOVERNANCE REPORT 2013-14

(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. 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 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 goals are met with integrity. The Company has always worked towards building trust with shareholders, employees, customers, suppliers and other stakeholders based on the principles of good corporate.

1. Company's Philosophy on code

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

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

2. MD/ CFO Certification

In terms of Clause 49 of the Listing Agreement, the certification by the Managing Director and Chief Financial Officer 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 Board has a optimum combination of executive & non executive director. The present composition is three directors in the whole time employment of the company and three independent directors.

The particular of the Board with their interest in other concern & no. of Committee Chairmanship/ membership in other Companies is presented before you in the following table:

Name of the Director	Interested in	Nature of interest	No. of Committee Chairmanship/ membership in other Companies
1. Mr. Devendra Jain	Pithampur Auto Cluster Ltd	Nominee Director	Pithampur Auto Cluster Ltd Member- • Audit Committee • Remuneration Committee • Tender Committee
2. Mr. Mukesh Jain	Porwal Udyog (India)	Proprietor	Nil
3. Mr. Surendra Jain	Winding Wires Manufacturer Association of India	Director	Nil

Name of the Director	Interested in	Nature of interest	No. of Committee Chairmanship/ membership in other Companies
4. Mr. Nitin Dafria	Nil	Nil	Nil
5. Mr. Surajmal Kucheria	Prestige Agro Tech Ltd	Director	Prestige Agro Tech Ltd. Chairman <ul style="list-style-type: none"> • Audit Committee • Remuneration Committee • Shareholders' Grievances Committee
6. Mr. Ramesh Kashyap	Nil	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 03, 2013; July 30, 2013; October 30, 2013, January 25, 2014 and March 31, 2014

5. Directors Attendance:

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

6. Code Of Conduct

The Company has adopted a Code of Conduct for Board of directors and Senior Management. All the Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct as on March 31, 2014. A declaration to this effect signed by the Managing Director forms part of this Report.

As required by SEBI Regulations, the Company has adopted a code for the Prevention of Insider Trading. This Code is applicable to the directors and employees of the Company and their dependent family members.

7. Committees of the Board

Board has three Committees, viz.

- a. Audit Committee;
- b. Remuneration Committee;
- c. Shareholders' Grievances Committee;

The above said Committees consist of a majority of Independent Directors. The quorum for the Meetings is either two directors or one third of the members of the Committee, whichever is higher.

A. Audit Committee

As a measure of good Corporate Governance and to provide assistance to the Board of directors and to meet the requirement of section 292A of the Companies Act, 1956 and the Clause 49 of the Listing Agreement and in fulfilling the Board's overall responsibilities, an Audit Committee is functioning consisting of only independent directors.

Composition

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

Name	Category	Number of Meetings during the year 2013-14	
		Held	Attended
Mr. Nitin Dafria	Chairman, Non Executive Independent Director	4	4
Mr. S.B. Kucheria	Member, Non Executive Independent Director	4	4
Mr. Ramesh Kashyap	Member, Non Executive Independent Director	4	3

Meetings

During the financial year ended 31st March, 2014, four Audit Committee Meetings were held and the Dates on which the Said meetings were held are as follows:

May 03, 2013; July 30, 2013; October 30, 2013, January 25, 2014

B. Remuneration Committee

Your company has formed a remuneration committee to consider and approve the remuneration payable to the directors. The Remuneration Committee comprised of three Directors, out of which all the Directors are Independent Directors. The composition of the Committee is given below:

Name	Category
Mr. S.B. Kucheria	Chairman, Non Executive Independent Director
Mr. Nitin Dafria	Member, Non Executive Independent Director
Mr. Ramesh C Kashyap	Member, Non Executive Independent Director

The Remuneration Policy of the Company for managerial personnel is primarily based on the following criteria:

- Performance of the Company, its divisions and units;
- Track record, potential and performance capacity and capability of individual

Remuneration to CEO & Managing Director

During the financial year, there were only three directors who are in the whole time employment of the company and drawing remuneration which was increased in the last Annual General Meeting of the Company held on 30th September, 2013 and their remuneration was as follows -

Name of Directors	Designation	Remuneration
Mr. Devendra Jain	Managing Director	1,25,000/- pm
Mr. Mukesh Jain	Whole Time Director	1,25,000/- pm
Mr. Surendra Jain	Chairman & Executive Director	1,25,000/- pm
Mr. Shailesh Jain	CEO	1,00,000/- pm

Payment to non-executive directors

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

C. Shareholders Grievance Committee

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

The Shareholders' Grievances Committee comprised of three Directors, out of which majority of the Directors are Independent Directors. The composition of the Committee is given below:

Name	Category
Mr. Nitin Dafria	Chairman, Non Executive Independent Director
Mr. S.B. Kucheria	Member, Non Executive Independent Director
Mr. Mukesh Jain	Member, Whole Time Director
Ms. Raina Ajmera	Secretary

As of March 31, 2014, all requests, complaints, grievances, if any, have been replied to/resolved within the stipulated period and no such matter was pending.

8. Compliance Officer

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

9. General Meeting

Details of the General Meetings held during last three years:

AGM/EGM	Date	Venue	Time
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
AGM- 2013	30 th Sept. 2013	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
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 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 Chairman of the Company under Section 269 read with 198,309 and 310. Appointment of Shailesh Jain as a Chief Executive Director of the Company under Section 314.
AGM	29 th Sept.2012	No Special Business was transacted
AGM	30 th Sept. 2013	<ul style="list-style-type: none"> Appointment of Mr. Ramesh C Kashyap as Independent, Non-Executive Director of the Company Increase in the remuneration of Mr. Surendra Jain, Executive Chairman of the Company from Rs. 75,000/- pm to Rs. 1,25,000/-pm Increase in the remuneration of Mr. Devendra Jain, Managing Director of the Company from Rs. 75,000/-pm to Rs. 1,25,000/-pm Increase in the remuneration of Mr. Mukesh Jain, Whole-Time Director of the Company from Rs. 75,000/-pm to Rs. 1,25,000/-pm Increase in the remuneration of Mr. Shailesh Jain, CEO of the Company from Rs. 70,000/- pm to Rs. 1,00,000/-pm

10. Note on Directors Appointment/ Re-appointment

Mr. Devendra Jain has been re-appointed as Managing Director of the Company for a period of three years commencing from 1st August 2014. Mr. Mukesh Jain has been re-appointed as Whole Time Director and Mr. Surendra Kumar Jain has been re-appointed as Chairman & Executive Director of the Company w.e.f 1st August 2014 for a term of three years, pursuant to the provisions of sections 196, 197, 203 and applicable provisions if any, of companies act 2013

Further Mr. Nitin Dafria, Mr. Surajmal Kucheria and Mr. Ramesh C Kashyap the existing Independent Directors are further proposed to be appointed as Independent Directors for a term of 5 years as per requirement of section 149 of the Companies Act, 1956 as well as Clause 49 of the Listing Agreement to hold the office till 31st March, 2019.

The Company has received notice in writing from the members as required under section 160 of the Act for proposal for appointment of all the Independent Directors of the Company at the ensuing Annual General Meeting.

The Board recommends the resolutions for approval of members for the above appointments.

Mr. Shailesh Jain, existing CEO of the Company has been appointed as the Chief Financial officer of the Company in place of CEO w.e.f. 1st April 2014.

Ms. Raina Ajmera has resigned from the post of Company Secretary w.e.f. 1st June 2014 and Ms. Shilpa Gulani has been appointed as the Company Secretary of the Company w.e.f. 1st June 2014.

11. Disclosures:

i. Related Party Transactions

Details of all material transactions with related parties have been disclosed in the notes to the Accounts in the financial statements of the company.

ii. Disclosure of Accounting Treatment

The company is following the Accounting Standards as applicable to the company.

iii. Compliance by the Company

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

12. Means of Communication

i. The Board of Directors of the Company approves and takes on record the quarterly, half yearly and yearly financial results in the Performa prescribed by Clause 41 of the Listing Agreement within one month of the end of the respective period.

ii. The Quarterly/ Half yearly/ Annual Results of the Company are published in accordance with the Stock Exchange Listing Agreement in newspapers viz. "Free Press", (English) and "Chhotha Sansar" (Hindi).

iii. Management Discussion and Analysis forms part of this Annual Report.

13. 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

Date, Time & Venue of AGM - On 29th Sept., 2014 at 1.30 PM at the Registered Office of the Company.

- c) **Financial Calendar** (Tentative)
 Results for the quarter ending 30th June, 2014 : Last week of July 2014
 Results for the quarter ending 30th Sept, 2014 : Last week of Oct. 2014
 Results for the quarter ending 31st Dec, 2014 : Last week of Jan. 2014
 Results for the quarter ending 31st Mar, 2015 : Last week of May 2015
- d) **Book Closure**
 26th September 2014 to 29th September 2014 (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 Ltd, Mumbai, and the listing fees has been paid for 2014-2015.
- 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.panjabli@linkintime.co.in/ mumbai@linkintime.co.in
- h) **Stock Code**
 The Company has Scrip Code: - 532933
- i) **ISINNO**
 The Company has got the ISIN NO: INE 386 I01018 (both CDSL and NSDL)
- j) **Distribution of shareholding as on 31st March, 2014**

	SHARE HOLDING NOMINAL OF SHARES	NO. OF SHARE HOLDERS	PERCENTAGE OF TOTAL	SHARE AMOUNT RS.	PERCENTAGE OF TOTAL
1	- 5000	8075	79.6116	15468120	10.2438
5001	- 10000	1060	10.4506	8356420	5.5341
10001	- 20000	602	5.9351	8673620	5.7441
20001	- 30000	131	1.2915	3389780	2.2449
30001	- 40000	49	0.4831	1772450	1.1738
40001	- 50000	46	0.4535	2177090	1.4418
50001	- 100000	80	0.7887	5701280	3.7757
100001	- *****	100	0.9859	105461240	69.8419
TOTAL:		10143	100.0000	151000000	100.0000

k) **SHAREHOLDING PATTERN AS ON 31-03-2014**

Sr. No.	Category Held	No. of Shares Shareholding	Percentage of
1.	Promoters & Promoter Group	5626773	37.26
2.	Private Corporate Bodies	4013847	26.58
3.	Indian Public	5387615	35.68
4.	NRIs/OCBs	71765	0.48
		15100000	100.00

l) **Dematerialization of Shares**

CATEGORY	NO. OF SHARES	PERCENTAGE (%)
Total number of Dematted shares with NSDL	9132705	60.48%
Total number of Dematted shares with CDSL	5253592	34.79%
TOTAL	14386297	95.27

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

Table 1: Monthly highs and lows at the BSE, 2013-14

Year	High(Rs.)	Low(Rs.)	Close(Rs.)
Mar 2014	3.75	2.85	3.34
Feb 2014	3.89	3.24	3.30
Jan 2014	5.09	3.70	3.71
Dec 2013	4.27	3.33	4.00
Nov 2013	4.60	3.05	4.07
Oct 2013	4.03	2.91	3.20
Sep 2013	4.70	3.60	3.85
Aug 2013	3.96	2.60	3.78
Jul 2013	4.15	3.00	3.35
Jun 2013	4.50	3.51	3.90
May 2013	5.70	4.19	4.50
Apr 2013	6.20	4.10	4.39

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, 2014.

Devendra Jain
Managing Director

MD / CFO 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 2014 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 : 30.07.2014

Shailesh Jain
Chief Financial officer

Devendra Jain
Managing Director

REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

Industry structure and developments

The Indian automotive industry is witnessing a phase of rapid transformation and growth, mainly driven by stable economic growth and infrastructure development. The components industry is working towards achieving world class standards of inventory management, processing time and quality levels. Over the past few decades, it has made significant progress in the export markets.

Automotive industry is the key driver of any growing economy. It plays a pivotal role in country's rapid economic and industrial development. It caters to the requirement of equipment for basic industries. The Automobile Industry in India is an emerging sector. Almost all the global auto manufacturers have set up their facilities in India. The Industry has been continually evolving and absorbing new 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 Casted Components, Assemblies and Sub-assemblies segment of the Auto Components Industry. It manufactures a range of Casted components and assemblies for the Automobile Industry and is a Tier One auto components supplier. 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

The Indian auto industry has been recording tremendous growth over the years and has emerged as a major contributor to India's gross domestic product (GDP). The automotive industry occupies a significant place in the Indian economy. India is emerging as a global hub for auto component sourcing and is set to break into the league of the top five vehicle producing nations worldwide. The Indian auto industry is witnessing a phase of rapid transformation and growth, mainly driven by stable economic growth and infrastructure development. The Indian auto components industry is gearing up to compliment the vehicle industry's growth.

Global auto companies are closely watching the Indian market, to exploit the future demand potential, and to use India as a global sourcing hub. While market potential and opportunities remain vast, the industry will be posed with important challenges and bottlenecks that need to be mitigated in the most cost effective and efficient manner, to attain common objectives. In the coming decade, the main focus would be on enhancing efficiency and productivity, and on innovation, both process and product, driven by changing customer demands. Price sensitivity of the Indian consumer, cost optimisation needs of manufacturers and increasing focus on environmental concerns will drive critical changes in the market.

The strategies likely to be adopted by auto industry would be aimed at meeting the major challenges faced today, particularly in the areas of rising fuel consumption; cost-effectiveness and rising market competition

Segment - wise or product - wise performance

The company is engaged in automobile Components 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. The components industry is working towards achieving world class standards of inventory management, processing time and quality levels. Over the past few decades, it has made significant progress in the export markets. Compared with the 1990s, when 65% of India's component exports catered to the aftermarket (with only 35% being catered to the OEMs/Tier I suppliers), today this composition has changed favorably, with exports to OEMs/Tier I suppliers contributing to 80% of India's exports, indicating growing significance of the Indian industry in the global automotive value chain.

The Indian auto components industry that has been battling weak demand over the last two years. However it is expected that FY 2014-15 will be much better for the industry as compared to the last fiscal year.

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 has suffered a loss of Rs. 59.51 Lacs as compared to profit of Rs.76.51 Lacs previous year.

Secured Loans – During the Year Company has taken a fresh term loan of Rs.750 lacs and the total outstanding amount upto 31st March 2014 is Rs. 736.40 lacs (out of which 96 lacs are current liabilities) and Working Capital loans decreased to Rs 624.70 Lacs as compared to previous year's Rs 833.29 Lacs and the outstanding amount of vehicle loan upto 31st March 2014 is Rs.14.28 lacs (out of which 7.27 lacs are current liabilities)

Fixed assets –The total gross block of Land, Building, Plant and Machinery and other fixed assets was Rs. 6743.28 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 1307.54 Lacs

Turnover - The total turnover registered for the fiscal year 2013-14 was Rs. 4744.12 lacs as compared to Rs. 7693.22 lacs of fiscal year 2012-13.

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, 2014 as stipulated in Clauses 49 of the Listing Agreement with the Stock Exchange.

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

SANJAY GUPTA
PARTNER
M. NO. 72073

Place : Indore
Dated : 30.07.2014

INDEPENDENT AUDITORS' REPORT

To the Members of

PORWAL AUTO COMPONENTS LIMITED

Report on Financial Statements

We have audited the accompanying financial statements of PORWAL AUTO COMPONENTS LIMITED (the company) which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility

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"), read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. 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.

Auditor's Responsibility

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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters specified in qualification, 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.

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) In the case of the Statement of Profit and Loss, of the Loss of the Company 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.

Qualifications

We draw your attention towards the following:

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".

Report on Other Legal and Regulatory Requirements

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;
 - 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 read with the General Circular 15/2013 dated 13th September, 2013, of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013 except for ***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 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

PLACE : INDORE
DATE : 29.05.2014

CA SANJAY GUPTA
PARTNER
M.No. 072073

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 programme 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 did not dispose 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 did not grant any unsecured loans/advances to parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) This clause of the Companies (Auditors Report) Order, 2003 order is not applicable.
- (c) This clause of the Companies (Auditors Report) Order, 2003 order is not applicable.
- (d) This clause of the Companies (Auditors Report) Order, 2003 order is not applicable.
- (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 Companies (Auditors Report) Order, 2003 order is not applicable.
- (g) This clause of the Companies (Auditors Report) Order, 2003 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 observe 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 was 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) were generally regularly deposited with the appropriate authorities.
- (b) There is no unpaid amount outstanding as at 31st March 2014 for a period exceeding six months from the date they became payable.
- (c) No disputed amounts payable in respect of Wealth Tax, Income Tax, Service Tax, Custom Duty, Excise Duty and Cess were in arrears as at 31st March 2014 except the following.

Name of the Statute	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. 1.65 lacs	F. Y. 2010-11	Dy. Commissioner of Commercial Tax Tax Appeal
Employee Provident Fund & Mis. Provisions Act 1952	Provident Fund	Rs. 8.05 lacs	F.Y. 2005-06	Employee Provident Fund Appellate Tribunal

- (x) The company did not have accumulated losses as at 31st March 2014 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 did not grant 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 did not enter 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) The Company has raised term loan from State Bank of India which has been utilized for the purpose it was raised.
- (xvii) On an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis were used for long-term investment.
- (xviii) During the period under review, the Company did not make 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 did not issue any debentures during the period under review.
- (xx) The Company has utilized public issue proceedings for the purpose they were raised.
- (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 : 29.05.2014

CA SANJAY GUPTA
PARTNER
M.No. 072073

Balance Sheet as at 31st March, 2014

Particulars	Note No	As at 31st March 2014	As at 31st March 2013
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	151,000,000	151,000,000
(b) Reserves and Surplus	2	338,920,270	344,895,400
(2) Non-Current Liabilities			
(a) Long-term borrowings	3	64,741,003	727,638
(b) Deferred tax liabilities (Net)	4	11,951,000	14,318,000
(c) Other long term liabilities	5	914,032	462,973
(3) Current Liabilities			
(a) Short-term borrowings	6	62,470,208	83,329,901
(b) Trade payables	7	13,983,986	15,269,399
(c) Other current liabilities	8	27,433,169	41,432,380
(d) Short-term provisions	9	12,351,867	15,913,141
	Total	683,765,355	667,348,833
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	363,450,692	270,922,830
(ii) Capital work in-progress		5,330,294	210,875
(b) Non-current investments	11	16,601,494	125,000
(c) Long term loans and advances	12	71,864,762	98,310,381
(d) Other non-current assets	13	41,995,350	26,613,227
(2) Current assets			
(a) Inventories	14	128,158,669	134,800,509
(b) Trade receivables	15	32,365,010	46,847,119
(c) Cash and cash equivalents	16	16,423,543	82,726,687
(d) Short-term loans and advances	17	1,030,039	652,044
(e) Other current assets	18	6,545,502	6,140,161
	Total	683,765,355	667,348,833

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

(CA SANJAY GUPTA)

Partner

M. No.072073

PLACE : INDORE

DATED : 29.05.2014

For and on behalf of Board

DEVENDRAJAIN

Managing Director

MUKESH JAIN

Director

RAINA AJMERA

Company Secretary

SHAILESH JAIN

Chief Financial Officer

Statement of Profit and Loss for the year ended 31st March, 2014

S. No.	Particulars	Note No	As at 31st March 2014	As at 31st March 2013
I.	Revenue From Operations	19	474,412,409	769,321,561
II.	Other income	20	3,610,901	6,255,802
	Total Revenue (I + II)		478,023,310	775,577,363
III.	Expenses:			
	Cost of materials consumed	21	241,812,857	382,749,878
	(Increase) in inventories of finished goods work-in-progress and stock-in-Trade	22	4,145,909	44,684,029
	Employee benefit expense	23	44,474,080	41,362,152
	Finance Costs	24	5,390,262	10,844,465
	Depreciation		44,615,478	39,670,040
	Other Expenses	25	145,902,356	244,320,749
	Total Expenses		486,340,941	763,631,314
IV.	Profit before tax (VII-VIII)		-8317631	11946050
V.	Tax expenses :			
	(1) Current tax		-	2,470,000
	(2) Deferred tax		-2,367,000	1,825,000
			-2,367,000	4,295,000
VI.	Profit/(Loss) for the period (XI + XIV)		-5,950,631	765,1050
VII.	Earning per equity share of face value of Rs. 10 each Basic and Diluted (in Rs.)		-0.39	0.51
	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

(CA SANJAY GUPTA)

Partner

M. No. 72073

PLACE : INDORE

DATED : 29.05.2014

For and on behalf of Board

DEVENDRA JAIN

Managing Director

RAINA AJMERA

Company Secretary

MUKESH JAIN

Director

SHAILESH JAIN

Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENT

PARTICULARS	As at 31-03-2014	As at 31-03-2013
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1. Share Capital

Authorised 200,00,000 (31 March 2013 : 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 2013 : 151,00,000) 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 2014		31 March 2013	
	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 2014		31 March 2013	
	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	3235000	21.42	3308300	21.91

2. Reserves and Surplus

	As at 31st March 2014	As at 31st March 2013
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 2014	As at 31st March 2013
General Reserve		
Opening Balance as per last balance sheet	3,200,413	3,200,413
Closing Balance	3,200,413	3,200,413
Surplus/(Deficit) in the statement of Profit and Loss		
Opening Balance as per last balance sheet	15,694,987	8,098,474
Net Profit For the current year	(5,950,631)	7,651,050
Less : Short provision of earlier year income tax	24,499	54,536
Closing Balance	9,719,857	15,694,987
Total	338,920,270	344,895,400

3. Long - term borrowings

	As at 31st March 2014	As at 31st March 2013
Secured Term Loan		
From SBI	64,040,315	-
Secured by way of charge over the fixed assets of the Solar Plant and is repayable in 88 monthly installments ending on March 2021 and carries interest @ 13.95% p.a. The loan is further secured by way of personal guarantee of three directors.		
Vehicle loans		
From SBI SSI branch (Polo)	270,056	385,097
From SBI SSI branch (Innova)	119,429	342,541
From SBBJ (Ecosport)	311,203	-
(All Secured by hypothecation of specific vehicles)	64741003	727,638

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.

The Ecosport loan was availed in the year 2013-14 to be repaid by 15/08/2016. Total no of 36 monthly installments are repayable of Rs. 22700/- each. Rate of interest applicable on this loan is 10.35% p.a.

4. Deferred Tax Liability (Net)

	As at 31st March 2014	As at 31st March 2013
Deferred Tax Liability		
Related to fixed assets	25,590,900	16,234,000
Gross Deferred Tax Liability	25,590,900	16,234,000
Deferred Tax Assets		
Disallowance under the Income Tax Act	741,000	508,000
Carried forward Losses	11,571,900	0
Mat Credit	1,327,000	1,408,000
Gross Deferred Tax Assets	13,639,900	1,916,000
Net Deferred Tax Liabilities	11,951,000	14,318,000

NOTES TO THE FINANCIAL STATEMENT

5. Other Long Term Liabilities

	As at 31st March 2014	As at 31st March 2013
Trade Payables	914,032	462,973
Total	914,032	462,973

6. Short Term Borrowings

	As at 31st March 2014	As at 31st March 2013
Secured Working Capital Loan		
From SBI Branch Indore	61,287,231	83,076,297
From SBI Pithampur Branch	1,182,797	253,603
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 @ 13.75% p.a. These loans are further secured by personal guarantee of three directors.		
Total	62,470,028	83,329,901

7. Trade Payable

	As at 31st March 2014	As at 31st March 2013
Other than Micro, Small and Medium Enterprises	13,983,986	15,269,399
Total	13,983,986	15,269,399

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 31-03-2014	As at 31-03-2013
(a) Current maturities of long-term debt (Refer Note No. 3)	10,326,864	454,464
(b) Creditors for Capital Expenditure	6,051,883	824,643
(c) Axis Bank OD A/c	-	28,276,957
(d) Others (Tooling advance)	11,054,422	11,876,316
Total	27,433,169	41,432,380

NOTES TO THE FINANCIAL STATEMENT

9. Short Term Provisions

	As at 31.03.2014	As at 31.03.2013
(a) Provision for employee benefits		
Bonus Payable	1,256,414	1,026,784
Directors Sitting Fees Payable	11,000	-
Leave Encashment (unfunded)	1,213,675	1,323,884
E.S.I.C. Payable	96,774	76,744
Good Work Reward	371,148	211,825
Professional Tax Payable (Employees)	-	28,930
Provident Fund Payable	117,183	96,853
Salary and Wages Payable	2,320,392	2,098,122
Unpaid Goodwork Reward	-	5,664
Unpaid Salary & Wages	-	64,152
House rent payable	3,960	2,210
(b) Others (Specify nature)		
Provision for Income Tax	-	2,470,000
TDS Payable	536,301	191,360
Excise Duty payable on finished goods	4,428,344	5,012,381
Power & Fuel Payable	1,496,110	2,961,798
Vat Tax Payable	-	124,546
Commercial Tax on Construction	24,970	4,915
Entry Tax Payable	100,118	-
ESIC Payable (Contractors)	16,700	25,527
Professional Tax Payable (Co.)	2,500	2,500
Service Tax Payable	12,883	17,471
Telephone Expenses Payable	42,679	47,605
Audit Fees Payable	45,000	45,000
Professional Charges Payable	33,000	40,000
Repairs and Maintenance Payable	42,500	-
Water Charges Payable	180,216	34,870
Total	12,351,867	15,913,141

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

Sl. No.	Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As on 01.04.2013	Addition during the Year	Deductions	Total As on 31.03.2014	Up to 31.03.2013	Provided For the Year	Write off 31.03.2014	up to 31.03.2014	As on 31.03.2014	As on 31.03.2013
	TANGIBLE ASSETS										
1	LAND (FREEHOLD)	15634610	0		15634610	0	0	0	0	15634610	15634610
2	LAND (LEASEHOLD)	2461888	0		2461888	0	0	0	0	2461888	2461888
3	FACTORY BUILDING	89793476	984611		90778087	23119383	3034381	0	26153764	64624323	66674093
4	PLANT & MACHINERY	76143402	0		76143402	60144175	7873228	0	68017403	8125999	15999227
5	MATERIAL HANDLING EQUIP.	51233711	131776		51365487	35044838	5796223	0	40841061	10524426	16188873
6	TOOLS & PATTERNS	59956184	2870663		62826847	41524380	6922837	0	48447217	14379630	18431804
7	ELECTRICAL INSTALLATIONS	18482312	42779		18525091	14537716	1912435	0	16450151	2074940	39448596
8	TESTING EQUIPMENTS	7669061	1724896		9393957	6101318	862515	0	6963833	2430124	1567743
9	AUXILIARY EQUIPMENTS	57256926	10845151		68102077	33502735	6800149	0	40302884	27799194	23754191
10	FURNITURE & FIXTURES	1025359	14312		1039671	622121	64981	0	687102	352569	403238
11	OFFICE EQUIPMENTS	5335701	28317		5364018	2351169	339393	0	2690562	2673456	2984532
12	COMPUTER	4424468	92480		4516948	4424467	3091	0	4427558	89390	1
13	VEHICLES	6787428	992302	544025	7235705	2037460	690057	133513	2594004	4641701	4749968
14	AIR POLLUTION EQUIPMENT	5517704	0		5517704	2520129	570531	0	3090660	2427044	2997575
15	PLANT & MACHINERY	135596165	0		135596165	40465675	6779808	0	47245483	88350682	95130490
	SOLAR PLANT										
1	LAND (FREEHOLD)	0	2405250		2405250	0	0	0	0	2405250	0
2	FACTORY BUILDING	0	2912186		2912186	0	0	0	0	2912186	0
3	SOLAR PLANT	0	114448665		114448665	0	2958498	0	2958498	111490167	0
	INTANGIBLE ASSETS										
	SOFTWARE & LICENSES	0	60465		60465	0	7351	0	7351	53114	0
	TOTAL	537318396	137553852	544025	674328223	266395566	44615478	133513	310877530	363450692	270922830
	Previous Year	523515706	13802690	0	537318396	226725526	39670040	0	266395566	270922830	296790181

NOTES TO THE FINANCIAL STATEMENT

11. Non - Current Investments

Particulars	As at 31.03.2014	As at 31.03.2013
Investment in Plot at Scheme No. 78 IDA, Indore	6,476,494,	-
Investment in Equity instruments	125,000	125,000
Investment in Mutual Funds	10,000,000	-
Mutual Fund Units of 678140 NAV as on 31.03.2014 Rs. 10330788/-)		
Total	16,601,494	125,000

12. Long Term Loans and Advances

(Unsecured and considered good)		
a. Capital Advances	8,538,808	30,894,033
b. Trade Advance	892,993	2,744,963
c. Loans to related parties*	-	30,858,856
d. Other loans and advances	62,432,961	13,812,529
Total	71,864,762	98,310,381

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

13. Other Non Current Assets

(Unsecured considered good)		
a. Long term trade receivables Secured, considered good	-	13,917
b. Deposit	10,023,699	9,408,901
c. PF Demand	402,472	402,472
d. Entry Tax Receivable (Demand)	21,000	21,000
e. Loan to employees	356,500	90,000
f. Vat Tax Demand	13,829	13,829
g. VAT Claim Receivable	25,412,175	15,000,000
h. Pre Operative Expenses (Solar Project)	-	1,663,108
i. Renewable Energy Certificate Recievable	5,765,675	-
Total	41,995,350	26,613,227

14. Inventories

a. Raw Materials and components (Valued at Cost)	23,449,217	25,711,828
b. Work-in-progress (Valued at Cost)	56,093,054	54,406,289
c. Finished goods (Valued at Cost)	40,256,368	45,565,631
d. Stores and spares (Valued at Cost)	8,360,030	9,116,761
Total	128,158,669	134,800,509

15. Trade Receivable

	As at 31.03.2014	As at 31.03.2013
Unsecured, considered good		
Over Six Months	-	-
Others	32,365,010	46,847,119
Total	32,365,010	46,847,119

16. Cash and Cash equivalents

Particulars	As at 31.03.2014		As at 31.03.2013	
a. Balances with banks*		16,317,422		79,909,705
This includes :				
Security against borrowings (Axis Bank OD)	15,000,000		60,000,000	
Guarantees	758,000		700,000	
Other Commitments	20,000		20,000	
Bank deposits with more than 12 months maturity	15,000,000		60,000,000	
b. Cash on hand*		106,121		2,816,982
		16,423,543		82,726,687

*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		692,339	221,994
Loans to Employees		337,700	380,050
Tour Advances		-	50,000
		1,030,039	652,044

18. Other Current Assets

Advance for Trade	1,343,744	1,947,867
Cenvat credit Recievable	1,249,051	1,716,422
Balance with Excise Department	787,232	787,232
Advance Tax and TDS and TCS	905,452	1,030,349
Prepaid Expenses	2,260,023	658,290
TOTAL	6,545,502	6,140,161

19. Revenue From Operation

Sale of Products :		
Finished Goods	521,546,912	853,931,231
Solar Power Generation	8,491,335	-
Sale of Services :	23,762	490
Revenue from operations(gross)	530,062,009	853,931,721
Less: Excise duty	55,649,600	84,610,159
Revenue from operations (net)	474,412,409	769,321,561

19.1 Details of Products sold

Particulars	31st Mar. 14	31st Mar. 13
CI & SG Iron Automobile Components	521,546,912	853,931,231
TOTAL	521,546,912	853,931,231

19.2 Details of Solar Power Generated

Particulars	As at 31.03.2014	As at 31.03.2013
Income From Solar Power Generation	8,491,335	-
	8,491,335	-

During the year, Company have entered into Solar Power Generation.

Details of Services Rendered

Testing Charges	23,762	490
	23,762	490

20. Other Income

Particulars	As at 31.03.2014	As at 31.03.2013
Interest Income	3,610,901	6,255,802
Total	3,610,901	6,255,802

21. Cost of raw material consumed

Inventory at the beginning of the year	25,086,888	26,963,567
Add : Purchases	229,598,884	366,941,474
	254,685,772	393,905,041
Less : Inventory at the end of the year	23,347,688	25,086,888
Cost of raw material consumed	231,338,084	368,818,153

Details of Stores and Consumable Consumed

Inventory at the beginning of the year	9,116,761	8,400,376
Add : Purchases	9,718,042	14,648,110
	18,834,803	23,048,486
Less : Inventory at the end of the year	8,360,030	9,116,761
Cost of raw material consumed	10,474,773	13,931,725

Total Consumption

241,812,857 382,749,878

Details of raw Material Consumed

Pig iron	6,256,289	45,855,903
Scrap	155,973,113	206,090,611
Others	69,108,682	116,871,639
Total	231,338,084	368,818,153

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 2014	for the year ended 31 March 2013	Increase/ Decrease
Stock in Process	56,093,054	54,406,289	1,686,765
Finished Goods	40,256,368	45,565,631	-5,309,263
Stock of runners and Risers	101,529	624,940	-523,411
Total	96,450,951	100,596,860	-4,145,909

Inventories at the beginning of year

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

23. Employee Benefits expenses

	For the year ended 31 March 2014	for the year ended 31 March 2013
(a) Salaries and incentives	39,206,219	36,242,450
(b) Contributions to		
(i) Provident Fund/ESIC and other fund	2,447,575	2,158,140
(ii) Superannuation scheme		
(c) Gratuity fund contributions	100,000	962,747
(d) Staff welfare expenses	2,720,286	1,998,815
Total	44,474,080	41,362,152

24. Finance Cost

Interest expense	1,459,416	5,892,398
Interest expense (Solar)	1,324,319	742,591
Bank Charges	2,606,527	4,209,476
Total	5,390,262	10,844,465

25. Other Expenses

Manufacturing Expenses		
Freight Inward	12,037,006	14,877,416
Insurance Expenses	295,607	257,556
Jobwork Charges	34,272,399	51,264,614
Miscellaneous Factory Overhead	1,069,439	881,865
Power & fuel	54,265,118	75,107,379
Repairs & Maintenance	1,717,876	2,586,492
Repairs & Maintenance (Solar)	44,580	-
Contract Wages	19,417,041	31,923,992
Contract Wages (Solar)	149,285	-
Provident Fund Contractor	6,907	90,791
Selling & Distribution Expenses		
Tax Expenses (VAT)	13,570,836	52,189,006
Advertisement Expenses	143,164	123,894
Selling Expenses	43,202	72,672
Service Tax Expenses	151,197	-
Service Tax on freight Outward	51,505	25,311
Business Promotion	491,627	-
Customer Entertainment Expenses	120,232	146,165
Freight Outward	2,597,601	2,905,672
Establishment Expenses		
Auditor's Remuneration	45,000	45,000
Books & Periodicals	605	7,350
Conveyance Expenses	16,220	2,990
Consultancy Fees	156,744	109,501
Donation	20,000	-
Gratuity Insurance Premium	43,134	37,253
Lease Rent	209,637	116,915
Legal Expenses	443,904	495,948
Membership & Subscription	130,334	114,109
Office Expenses	122,127	150,258
Office Expenses (Solar)	33,190	-
Postage & Courier Charges	56,318	61,442
Professional fees	608,822	590,502
Property Tax	157,815	182,418
Public issue Expenses W/o	-	6,843,790
Recruitment Expenses	4,100	29,080
Stationary & Printing	342,233	312,059
Stationary & Printing (Solar)	160	-
Telephone Expenses	605,752	515,791
Telephone Expenses (Solar)	903	-
Training & seminar	4,600	73,136
Travelling Expenses	955,031	715,255
Vehicle Running & Maintenance	856,967	699,147
Rebate & Discount	-	91,033
Sundry Balances Written Off	-	674,947
Rate Difference	602,626	-
Loss on sale of Fixed Assets	41,512	-
Total	145,902,356	244,320,749

Rate difference represents amount of Rs 602626/- related to prior period.

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) Taxation

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

(h) Provisions for Contingent Liabilities

Provisions in respect of present obligations arising out of past events are made in the accounts when reliable estimates can be made of the amount of the obligation. Contingent liabilities are disclosed by way of not 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

	2013-14		2012-13	
	Amount in Rs.	% of Consumption	Amount in Rs.	% of Consumption
Imported	0	0	0	0
Indigenous	11869280	100	13931725	100
TOTAL	11869280	100	13931725	100

VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF

	2013-14	2012-13
Raw Material and Stock in trade	Nil	Nil
Stores Spares and Packing Material	Nil	Nil
Capital Goods	Nil	Nil

EXPENDITURE IN FOREIGN CURRENCY

	2013-14	2012-13
Exhibition	232853	Nil
Repairing	752533	Nil

PAYMENT TO AUDITORS

	2013-14	2012-13
a. Statutory Auditor	35000	35000
b. for other services	10000	10000
Total	45000	45000

EARNING PER SHARE

Particular	2013-14	2012-13
Profit after tax as per Profit and Loss Account (Rs/Lacs)	(5950630)	7651050
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.)	(0.39)	0.51

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).

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

Porwal Auto Components Ltd. Annual Report 2013 - 2014

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	1452906 (960000)	Nil (Nil)	4061610 (2640000)	Nil (Nil)
Loans Opening Balance	Nil (Nil)	Nil (Nil)	Nil (58216658)	Nil (Nil)
Advance given	Nil (Nil)	Nil (Nil)	Nil (19209284)	Nil (Nil)
Advance paid	Nil (Nil)	Nil (Nil)	Nil (26567086)	Nil (Nil)
Closing Balance	Nil (Nil)	Nil (Nil)	Nil (50858856)	Nil (Nil)
Sundry Creditors	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Purchase of Goods	Nil (Nil)	Nil (Nil)	Nil (15777794)	Nil (Nil)
Sale of Goods	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Job work	Nil (Nil)	Nil (Nil)	Nil (30662193)	Nil (Nil)
Interest received	Nil (Nil)	Nil (Nil)	Nil (3184284)	Nil (Nil)

Disclosure in Respect of Material Related Party Transactions during the year :

Salary

Related Party	Relationship	Current Year	Previous Year
Shri Devendra Jain	Director	1452096	960000
Shri Mukesh Jain	Director	1446773	900000
Shri Surendra Jain	Director	1446773	900000
Shri Shailesh Jain	Brother of Director	1168064	840000

CONTINGENT LIABILITIES

- | | | |
|----|---|---------------------------------------|
| a. | Guarantee issued by Bank on behalf on the company | Rs. 60,94,100/- (Rs. 60,94,100/-) |
| b. | Vendor bill discounting limit with Axis Bank Ltd. | Rs. 2,54,72,128/- (Rs. 4,33,08,664/-) |
| 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. 67,57,296/- (Rs. 10,14,194/-) |
| e. | Income tax demand for the assessment year 2010-11 | Rs. 536560/- (Rs. 536560/-) |
| f. | VAT tax demand for financial year 2010-11 | Rs. 165118/- (Rs. 165118/-) |
- 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 and on behalf of the Board

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

Devendra Jain
Managing Director

Mukesh Jain
Director

Raina Ajmera
Company Secretary

Shailesh Jain
Chief Financial Officer

PLACE : INDORE
DATED : 29-05-14

PORWAL AUTO COMPONENTS LIMITED

Regd. Office: Plot No. 209; Sector No. 1 Industrial Area,
Pithampur, Distt. DHAR (M.P.) 454775
CIN: L34300MP1992PLC006912
E-mail: admin@porwalauto.com phone no.-07292-405101

PROXY FORM

Form No. MGT-11

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L34300MP1992PLC006912
Name of the Company : Porwal Auto Components Limited
Registered office : Plot No. 209; Sector No. 1 Industrial Area, Pithampur, (M.P.) 454775
Name of the member (s) : _____
Registered address : _____
E-mail ID : _____
Folio No/ Client ID/DP ID : _____

I/We, being the member(s) of _____ shares of the above named company, hereby appoint:

Name	:	
Address	:	
E-mail Id	:	or failing him
Name	:	
Address	:	
E-mail Id	:	or failing him
Name	:	
Address	:	
E-mail Id	:	or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Second Annual General Meeting of the Company, to be held on Monday, the 29th day of September, 2014 at 1:30 PM at the registered office of the company at Plot No. 209, Sector No.1, Industrial Area, Pithampur, Distt Dhar and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business:	
1.	Receive, consider and adopt the audited Balance Sheet as at March 31, 2014, the Statement of Profit & Loss and the Cash Flow Statement for the financial year ended March 31, 2014 and the Reports of the Board of Directors and Auditors thereon.
2.	Appointment of Auditors and fixing their remuneration.
Special Business:	
3.	Re-appointment of Mr. Devendra Jain as Managing Director
4.	Re-appointment of Mr. Mukesh Jain as Whole Time Director
5.	Re-appointment of Mr. Surendra Jain as Chairman & Executive Director
6.	Appointment of Mr. Nitin Dafria as an Independent Director
7.	Appointment of Mr. Surajmal Kucheria as an Independent Director
8.	Appointment of Mr. Ramesh C Kashyap as an Independent Director
9.	Increase in the borrowing powers of the Company
10.	Creation of charge on movable/immovable properties

Signed this _____ day of _____ 2014

Affix
revenue
stamp
of Rs.1

Signature of shareholder

Signature of Proxy holder(s)

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. Notwithstanding the above the Proxies can vote on such other items which may be tabled at the meeting by the shareholders present.



ATTENDANCE SLIP
22nd ANNUAL GENERAL MEETING ON 29TH SEPTEMBER 2014.

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 22nd Annual General meeting of the company at the Registered office of the company on 29th September, 2014.

(If signed by proxy, his name should be
Written in block letters)

(Shareholders/proxy's Signature)

Note:

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

To,

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