

ANNUAL REPORT 2014 - 2015



TWENTY THIRD ANNUAL REPORT 2014 - 2015

ANNUAL REPORT 2014 -15

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
MRS. RAJNI JAIN	-	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.)
KOTAK MAHINDRA BANK LTD.
580, M. G. Road, Palasia, INDORE — (M.P.)

REGISTERED OFFICE & WORKS

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

REGISTRAR AND SHARE TRANSFER AGENT

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

NOTICE

Notice is hereby given that Twenty Third Annual General Meeting of the members of the Porwal Auto Components Limited will be held on Wednesday, the 30th day of September, 2015 at 1.30 PM at the registered office of the company at Plot No. 209, Sector No.1, Industrial Area, Pithampur, Distt Dhar, (M.P.) 454775 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2015, the Statement of Profit & Loss and the Cash Flow Statement for the financial year ended March 31, 2015 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Mukesh Jain (DIN- 00245111), who retires by rotation and being eligible, offers himself for re-appointment.
3. **To ratify the appointment of auditors of the Company and to fix their remuneration and to pass the following resolution as Ordinary Resolution thereof:**
"RESOLVED THAT, pursuant the provisions of section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, pursuant to the recommendation of the audit committee, and pursuant to the resolution passed by the members at the AGM held on 29.09.2014 the appointment of M/s ASSG & Associates, Chartered Accountants (ICAI Firm Registration No. 012120C), as the auditors of the Company to hold office till the conclusion of the AGM to be held in the calendar year 2017 be and is hereby ratified and that the Board of Directors be and are hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2016 as may be recommended by the audit committee."

SPECIAL BUSINESS:

4. **To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as Ordinary Resolution:**
"RESOLVED THAT pursuant to the provision of section 160 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions, if any, Mrs. Rajni Jain (DIN- 07140288), who was appointed as an additional director pursuant to the provisions of section 161 of the Companies Act, 2013 by the Board w.e.f. 30th March, 2015 to hold the office of the director till the date of the ensuing annual general meeting and in respect of whom the Company has received a notice in writing from a member proposing her as a candidate for the office of director, be and is hereby appointed as a Non executive Independent Director of the Company to hold office for a term upto five consecutive years upto 29th March, 2020 and she will not be liable to retire by rotation."
5. **To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as Special Resolution:**
"RESOLVED THAT pursuant to the provisions of sections 196, 197, 203 read with the provisions of Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of the Managerial Personnel) Rules, 2014 and other applicable provisions if any of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being enforce) the approval of the members of the Company be and are hereby granted for increase in remuneration of Mr. Surendra Jain, Chairman of the Company from Rs.1,25,000/- (One Lacs Twenty Five Thousand only) per month to Rs.2,00,000/- (Two Lacs only) per month w.e.f 1st April 2015 on the terms and conditions of the resolution passed by the members at the AGM held on 29.09.2014.
RESOLVED FURTHER THAT the Board of directors be and are hereby authorized to do all the needful acts, deeds, matters and things to give effect to this resolution including filing of forms with RoC."
6. **To 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 sections 196, 197, 203 read with the provisions of Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of the Managerial Personnel) Rules, 2014 and other applicable provisions if any of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being enforce) the approval of the members of the Company be and are hereby granted for increase in remuneration of Mr. Devendra Jain (DIN- 00232920), Managing Director of the Company from Rs.1,25,000/- (One Lacs Twenty Five Thousand only) per month to Rs.2,00,000/- (Two Lacs only) per month w.e.f 1st April 2015 on the terms and conditions of the resolution passed by the members at the AGM held on 29.09.2014."

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

7. To 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 sections 196, 197, 203 read with the provisions of Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of the Managerial Personnel) Rules, 2014 and other applicable provisions if any of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being enforce) the approval of the members of the Company be and are hereby granted for increase in remuneration of Mr. Mukesh Jain (DIN- 00245111), Whole Time Director of the Company from Rs.1,25,000/- (One Lacs Twenty Five Thousand only) per month to Rs.2,00,000/- (Two Lacs only) per month w.e.f 1st April 2015 on the terms and conditions of the resolution passed by the members at the AGM held on 29.09.2014.

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

By order of the Board of Directors

Porwal Auto Components Limited

Place: Pithampur

Date: 10.08.2015

Registered office

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

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 fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 is given below and forms part of the Notice.
4. Brief details of Directors seeking re-appointment / appointment at the Annual General Meeting scheduled to be held on 30th September 2015 (Pursuant to Clause 49 of the Listing Agreement) forms part of the notice.
5. The report on the Corporate Governance and Management Discussion and Analysis also form part to the report of the Directors.
6. The company has notified closure of register of members and share transfer books from Saturday, September 26, 2015 to Wednesday, September 30, 2015 (both days inclusive).
7. 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.
8. 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.
9. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
10. Members who hold shares in physical form in multiple folios in identical names or joint holding in same order of names are requested to send the share certificates to M/s Link Intime India Pvt. Ltd, for consolidation into a single folio.

11. Members are requested to notify immediately any change in their address and E – Mail ID to their respective Depository Participants (DPs) in respect of their electronic share accounts and to the Registrar and Share Transfer Agent of the Company at M/s Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup, Mumbai (MH) 400078.
12. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members may contact the Company or Registrar and Share Transfer Agent of the Company, for assistance in this regard.
13. The Ministry of Corporate Affairs, Government of India (vide its circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' by allowing paperless compliances and recognizing delivery of Notices / Documents / Annual Reports, etc., to the shareholders through electronic medium. In view of the above the Company will send Notices / Documents / Annual Reports, etc., to the shareholders through email, wherever the email addresses are available and through other modes of services where email addresses have not been registered. Accordingly, members are requested to support this initiative by registering their email addresses in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with the Company's Registrar and Transfer Agent, M/s Link Intime India Pvt. Ltd. to enable the Company to send all communications electronically.
14. Members may also note that the Annual Report for FY 2014-15 is also available for downloading on Company's website www.porwalauto.com.
15. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / M/s Link Intime India Pvt Ltd.
17. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the registered office of the company on all working days, except Saturday, during business hours up to the date of the meeting.
18. **Voting through electronic means**
 - (i) In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the ensuing Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by CDSL.
 - (ii) The facility for voting through polling paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through polling paper.
 - (iii) The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
 - (iv) The voting period begins on 27th September 2015 (9.00 am) and ends on 29th September 2015 (5.00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23rd September 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (v) **Instructions for the voting through electronic means**
 - a. The shareholders should log on to the e-voting website www.evotingindia.com.
 - b. Click on Shareholders tab.
 - c. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

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

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) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number. The sequence number is printed on the address sticker where the Annual Report is sent in physical form and the same is communicated in the e-mail where the Annual Report is sent in an electronic form.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (c).

- g. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e. 23rd September 2015, may obtain the login ID and password by sending a request to Link Intime India Pvt Ltd at trupti.bandekar@linkintime.co.in.
- h. However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote. If Demat account holder has forgotten the password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- i. After entering these details appropriately, click on "SUBMIT" tab.
- j. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- k. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- l. Click on the EVSN for the relevant **PORWAL AUTO COMPONENTS LIMITED** on which you choose to vote.
- m. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- n. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- o. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- p. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- q. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- r. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- s. **Note for Non – Individual Shareholders and Custodians**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and pass word. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (vi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- (vii) The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. 23th September 2015.
- (viii) Ms. Shraddha Jain (Membership No. 39488 CP no. 14717), Company Secretary in Practice has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (ix) At the AGM, at the end of discussion on the resolutions on which voting is to be held, the Chairman shall, with the assistance of Scrutinizer, order voting through poll for all those members who are present at the AGM but have not cast their votes electronically using the remote e-voting facility.
- (x) Immediately after the conclusion of voting at the AGM, the Scrutinizer shall first count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall prepare a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, not later than three days after the conclusion of the AGM. This report shall be made to the Chairman or any other person authorized by the Chairman, who shall declare the result of the voting forthwith.
- (xi) The voting results declared along with the Scrutinizer's Report shall be placed on the Company's website www.porwalauto.com and on the website of CDSL immediately after the declaration of the result by the Chairman or a person authorized by the Chairman. The results shall also be immediately forwarded to BSE Limited.

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

Name of Directors	Mr. Mukesh Jain	Mrs. Rajni Jain
Date of Birth	02.10.1956	19.09.1973
Date of Appointment	31.03.1998	30.03.2015
Expertise / Experience in specific functional areas	35 Years experience of Business & Industry	She has a great Social Service Background
Qualification	B.Com	BA
No. & % of Equity Shares held	281105 (1.86%)	NIL
List of outside Company directorship held	NIL	NIL
Chairman / Member of the Committees of the Board of Directors of the Company	Member - Stakeholders Relationship Committee	NIL
Chairman / Member of the Committees of the Board Directors of other Companies in which he is director	NIL	NIL

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

Item No. 4:

As per the provisions of section 149(1) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, and the Clause 49 of the Listing Agreement, which provides that the Company shall have at least one Women director in the Board. Therefore, the Board of directors at their meeting held on 30th March 2015 has appointed Mrs. Rajni Jain as an additional director in the capacity of Non executive Independent Director pursuant to the provisions of section 161 of the Companies Act, 2013 to hold the office of the director till the date of this annual general meeting.

Mrs. Rajni Jain has persuaded Bachelor of Arts (BA), which includes the study of humanities, social and cultural studies, languages and music. The detailed profile of Directorship and Committee position held by her in other Companies are included separately in this Notice and report on Corporate Governance forming part of the Annual Report.

The Board proposed to appoint her as Independent Director at the ensuing annual general meeting for a period of 5 years, upto 29th March, 2020.

She has also submitted a Declaration of Independence, as required pursuant to section 149(6) of the Companies Act, 2013 stating that she meets the criteria of independence as provided in sub-section (6). Mrs. Rajni Jain is not disqualified from being appointed as a Director in terms of section 164 of the Act.

A notice has been received in writing from a member as required under section 160 along with the deposit of requisite amount proposing Mrs. Rajni Jain as a candidate for the office of Director.

In the opinion of the Board Mrs. Rajni Jain fulfills the conditions specified in the Act and the Rules made there under in the Clause 49 of the Listing Agreement for her appointment as Independent Director of the Company.

Accordingly, the Board recommends the resolution as set out in the Item No. 4 as Ordinary Resolutions. Mrs. Rajni Jain who is proposed appointee may be considered as concerned or interested financially in the Resolution 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.

The Board recommends to pass necessary Ordinary Resolution as set out in Item No. 4 of the notice.

Mrs. Rajni Jain does not hold any shares in the Company.

Item No. 5, 6 & 7:

Mr. Surendra Jain is a B.E. (Mech) and is Chairman & Executive Director of the Company. He is associated with the Company since 07th June 2005. He is having 39 Years experience of Business & Industry.

Mr. Devendra Jain is a B.E. (Mech) and is Managing Director of the Company. He is associated with the Company since 03rd February 1992. He is having 38 Years experience of Business & Industry.

Mr. Mukesh Jain is graduate in commerce and is Whole-time Director of the Company. He is associated with the Company since 31st March 1998. He is having 35 Years experience of Business & Industry.

The members of the Company at their meeting held on 29.09.2014 approved the re-appointment of above three Directors for a period of three years commencing from 01st August 2014 till 31st July 2017. Considering the inflationary trend and the substantial increase in the business activities of the Company which results in increase in the work load and responsibilities of Managerial Personnel, the Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee has deem fit to increase the monthly remuneration of above three Directors w.e.f. 1st April 2015 on the same terms and conditions as mentioned in the special resolution passed by the members of the Company at their meeting held on 29.09.2014.

All the three directors are having very rich experience in industries and are acquainted with complete knowledge of business. Their experience, commitment and capabilities are playing a crucial role in the growth of the Company. All the three Directors have proved to be an invaluable asset for the Company. Considering their sincerity, commitment, hard work, devotion and concern about the company and its growth, the Board feels it absolutely necessary to increase the remuneration from Rs.1,25,000/- (One Lacs Twenty Five Thousand only) per month to Rs.2,00,000/- (Two Lacs only) per month of each Director w.e.f 1st April 2015.

The Board recommends to pass special resolutions as set out in Item No. 5 to 7 of the notice. Mr. Surendra Jain, Mr. Devendra Jain and Mr. Mukesh Jain are considered as the financially interested in the resolutions to the extent of the remuneration as may be paid to them. Further that Mr. Shailesh Jain, CFO being relative of above directors may also be deemed as concerned or interested 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.

Place: Pithampur

Date: 10.08.2015

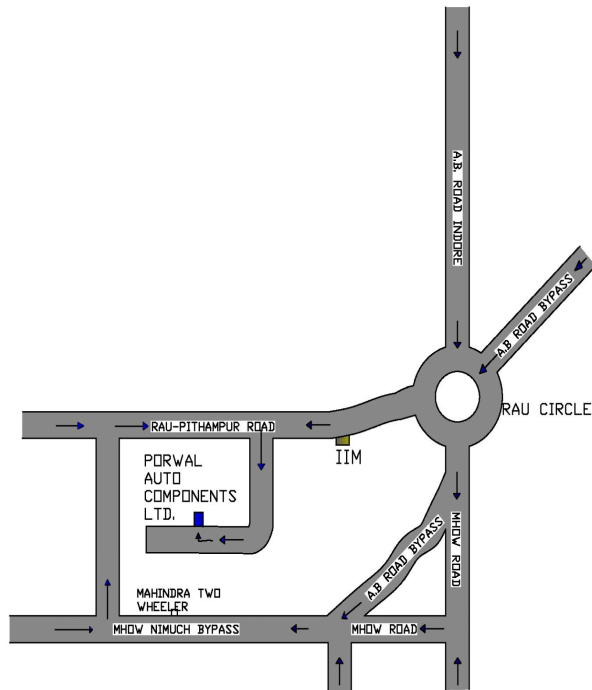
Registered office

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

Road Map



BOARDS' REPORT

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

Your directors are pleased to present the 23rd Annual Report together with the Audited financial Statement for the year ended 31st March, 2015.

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

1.1 Financial Results highlights and summary

Particulars	(Rs. in lacs)	
	As on 31.03.2015	As on 31.03.2014
Total Income	7267.21	4780.23
Less : Total Expenditures	6505.44	4363.35
Profit before Interest, Tax & Depreciation	761.77	416.88
Less : Financial Charges	171.64	53.90
Less : Depreciation	417.22	446.15
Profit before tax	172.91	(83.18)
Less: Provision for tax- Current Tax	36.50	-
Deferred Tax	24.50	(23.67)
Profit/(Loss) after tax	111.91	(59.51)

During the year under review the Company has reported a turnover of Rs. 7267.21 Lacs against the turnover of Rs.4780.23 Lacs in the Previous Financial Year, registering a growth of 52.03%. The overall expense of the Company has also increased from Rs. 4363.35 Lacs to Rs. 6505.44 Lacs due to high operational cost and financial charges The Company's has earned a net profit of Rs. 111.91 Lacs as compared to net loss of Rs.59.51 in previous Financial Year.

1.2 OPERATIONS AND FUTURE OUTLOOK

The Indian auto industry has entered the new fiscal on an optimistic note after reporting a 7.22% increase in overall vehicle sales in 2014-15, ending two years of sales fall, on the back of rising demand for passenger vehicles, two wheelers and medium and heavy commercial vehicles. The Passenger Vehicle Segment during the year under review grew by about 5% over the previous year. The Commercial Vehicle Segment remained flat after two years of successive de-growth of about 9% and 16%. Tractors however registered a 13% fall in Sales.

For the current fiscal, the industry expects sales to grow across all segments. 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 2015-16 will be much better for the industry as compared to the last fiscal year and conditions will be more 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. (MPPVCL) and receives the credit of the same by the settlement of electricity bill. During the year 2014-15 the Company has earned total receipts of Rs. 402.94 Lacs form solar power generation unit.

1.3 Change in nature of Business

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

1.4 Changes in Share Capital

During the Financial Year 2014-15 there was no change in capital structure of the company. The paid up equity capital as on March 31, 2015 was Rs.1510 Lakhs. During the year under review, the company has not issued shares with differential voting rights nor has granted any stock option or sweat equity shares.

1.5 Revision of Annual Financial Statement

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

2. Transfer to Reserves

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

3. Dividend

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

4. Deposits

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

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

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

6. Subsidiary, Associate Companies or Joint Venture

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

7. Extracts of Annual Return

Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 the extracts of the Annual Return as at March 31, 2015 forms part of this report as **Annexure I**.

8. Number of Meetings of the Board

During the year under review the Board meets five times viz. **May 29, 2014; July 30, 2014; October 30, 2014, January 30, 2015 and March 30, 2015**. The details of meetings of the Board and the attendance of Directors are provided in the Corporate Governance Report.

9. Directors' Responsibility Statement

In terms of Section 134(3) (c) of the Companies Act, 2013, your Directors state that:

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

10. Reporting of fraud by Statutory Auditors

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

11. Appointment and Declaration by Independent Directors

11.1 Appointment of Independent Directors

At the Annual General Meeting held on 29.09.2014, the members approved the appointment of Mr. Nitin Dafira, Mr. Surajmal Kucheria & Mr. Ramesh Kashyap as Independent Directors of the Company for a term of 5 years to hold the office till 31st March, 2019 who are not liable to retire by rotation.

During the year, the Board of Directors at their meeting held on 30.03.2015 have appointed Mrs. Rajni Jain as an Additional Director in the capacity of Non executive Independent Director to hold office up to the date of forthcoming Annual General Meeting.

11.2 Declaration by Independent Directors

All Independent Directors of your Company have given a declaration pursuant to Section 149(7) of the Companies Act, 2013 affirming compliance to the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement with stock exchanges.

Based on the declaration(s) of Independent Directors, the Board of Directors recorded its opinion that all Independent Directors are independent of the Management and have fulfilled the conditions as specified in the Companies Act, 2013, rules made thereunder as well as concerning provisions of Clause 49 of the Listing Agreement with stock exchanges.

11.3 Meetings of Independent Directors

During the year under review, a separate meeting of Independent Directors was held on March 30, 2015, interalia, to discuss:

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

All the Independent Directors were present at the said Meeting.

11.4 Familiarization Programme

The Company shall through its Executive Directors / Senior Managerial Personnel conduct programs / presentations periodically to familiarize the Independent Directors with the strategy, operations and functions of the Company.

The details of familiarization programme have been posted on the website of the Company under the web link - <http://www.porwalauto.com/FamiliarisationProgrammeForIndependentDirectors.pdf>

12. Nomination & Remuneration Committee and Stakeholders Relationship Committee

As per the requirement of Section 178 of the Companies Act, 2013 and clause 49 of listing agreement the Company have constituted Nomination and Remuneration Committee and Stakeholders Relationship Committee. The Composition of the above Committees, their terms of reference detailed in the report of Corporate Governance.

13. Remuneration Policy

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

14. Auditors

14.1 Statutory Auditor

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

Explanation to Auditor's Remark

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

14.2 Secretarial Auditor

The Board has appointed Mr. Ashish Nayak, Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed herewith marked as **Annexure III** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

The Board in its meeting held on 10.08.2015 has appointed Ms. Shraddha Jain, Practicing Company Secretary as Secretarial Auditor of the Company to conduct Secretarial Audit for the financial year 2015-16.

14.3 Cost Record and Cost Audit

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

15. Particulars of loans, guarantees or investments

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to the financial statements.

16. Particulars of contracts or arrangements with Related Parties

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

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

Suitable disclosures as required under AS-18 have been made in the Notes to the financial statements.

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

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

18. Risk Management

The Company has developed a Risk Management Policy which laid down the procedures to inform to the Board about the risk assessment and minimization procedures. The main aim to develop a risk management policy is to identify, monitor and take precautionary measures in respect of the events that may pose risks for the business.

19. Corporate Social Responsibility

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

20. Performance Evaluation of the Board

Pursuant to the provisions of section 134 of Companies Act 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated.

The Nomination and Remuneration Committee has defined the evaluation criteria for the Performance Evaluation process for the Board, its Committees and Director including the Independent Directors.

The statement indicating the manner in which formal annual evaluation of the Directors, the Board and Board level Committees are given in detail in the report on Corporate Governance, which forms part of this Annual Report.

21. Directors and Key Managerial Personnel

Mr. Mukesh Jain, retires by rotation at the forthcoming Annual General Meeting, and being eligible offers himself for re-appointment.

During the year, the Board of Directors appointed Mrs. Rajni Jain as an Additional Director in the capacity of Non-Executive Independent Director with effect from 30.03.2015 to hold office up to the date of forthcoming Annual General Meeting. The Board proposed the appointment of Mrs. Rajni Jain as Independent Director for a term of 5 years as per requirement of section 149 of the Companies Act, 2013 as well as Clause 49 of the Listing Agreement to hold the office till 29th March, 2020 on non-rotational basis.

The Company has also received notice in writing from the member as required under section 160 of the Act for proposal for appointment of Mrs. Rajni Jain as Independent Director of the Company at the ensuing Annual General Meeting.

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

During the year under review, the members approved the appointment of Mr. Nitin Dafira, Mr. Surajmal Kucheria & Mr. Ramesh Kashyap as Independent Director for a term of 5 years to hold the office till 31st March, 2019 who are not liable to retire by rotation. The members have also re-appointed Mr. Surendra Jain as Chairman, Mr. Devendra Jain as Managing Director and Mr. Mukesh Jain as Whole Time Director of the Company for further period of three years till 31st July 2017.

At the Board Meeting held on 29th May 2014, Mr. Shailesh Jain appointed as CFO & Ms. Shilpa Gulani appointed as company secretary of the Company.

Disqualifications of Directors

During the year declarations received from the Directors of the Company pursuant to Section 164 of the Companies Act, 2013. Board appraised the same and found that none of the director is disqualified for holding office as director.

22. Code of Conduct

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

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

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

24. Internal Financial Controls and its adequacy

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

The internal and operational audit is entrusted to M/s Jain Praveen and Associates, Chartered Accountants. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry. Based on the audit observations & suggestions, follow up & remedial measures are being taken on a regular basis.

25. Audit Committee

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

26. Whistle Blower/Vigil Mechanism Policy

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

The Whistle Blower Policy has been disclosed on the Company's at www.porwalauto.com and circulated to all the Directors and employees.

27. Commission received by directors from holding/subsidiary

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

28. Disclosure of ratio of remuneration of Directors and Key Managerial Personnel

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

29. Particulars of Employees

During the year, there was no employee drawing remuneration in excess of Rs. 60,00,000/- p.a. or Rs. 5,00,000/- p.m. Accordingly, information required to be given pursuant to provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, has not been given here.

30. Voting Rights of employees

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

31. Disclosure regarding issue of Employee Stock Options

The Company does not have issued shares under employee's stock options scheme pursuant to provisions of Section Rule 12(9) of Companies (Share Capital and Debenture Rules, 2014).

32. Disclosure regarding issue of Sweat Equity Shares

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

33. Corporate Governance Report

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 VI**.

34. 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 – VII**.

35. Listing at Stock Exchange

The Equity shares of the Company are listed with BSE Ltd, Mumbai.

36. Depository System

Your Company's shares are tradable compulsorily in electronic form and your Company has connectivity with both the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Service (India) Limited (CDSL). In view of the numerous advantage offered by the Depository System, members are requested to avail of the facility of Dematerialization of the Company's shares on either of the Depositories mentioned as aforesaid.

37. Environment and Safety

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy required conduct of operations in such a manner, so as to ensure safety of all concerned, compliances environmental regulations and preservation of natural resources.

38. Industrial Relations

Industrial relations remained cordial throughout the year. Your Directors recognize and appreciate the sincere and hard work, loyalty, dedicated efforts and contribution of all the employees in the growth and performance of the Company during the year.

The Company continues to accord a very high priority to both industrial safety and environmental protection and these are ongoing process at the Company's plant and facilities to maintain high awareness levels. The Company as a policy re-evaluates safety standards and practices from time to time in order to raise the bar of safety for its people as well as users and customers.

39. Disclosure under the sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013

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

It may be noted that during the year 2014-15, no grievance / complaint from any women employee was reported.

40. Acknowledgements

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

Place: Pithampur

Date: 10.08.2015

Registered office

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

For & on behalf of the Board of Directors

Porwal Auto Components Limited
SURENDRA JAIN

Chairman

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2015
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014

I REGISTRATION & OTHER DETAILS:-

1	CIN	L34300MP1992PLC006912
2	Registration Date	03.02.1992
3	Name of the Company	Porwal Auto Components Ltd
4	Category/Sub-category of the Company	Public Company / Limited by shares
5	Address of the Registered office & contact details	Plot No. 209, Sector 1, Industrial Area, Pithampur, (M.P.) 454775
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt Ltd. C-13, Pannalala Silk Mills Compound, LBS Marg, Bhandup, Mumbai (M.H.) 400078 Ph. 98211 – 66832

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

S.No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	CI & SG Iron Automobile Components	34300	92%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

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

A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 1- 04-2014]				No. of Shares held at the end of the year[As on 31-03-2015]				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	%Change during the year
A. Promoters									
1 Indian									
a) Individual/ HUF	2825973	50800	2876773	19.05	2825973	50800	2876773	19.05	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	2750000	0	2750000	18.21	2750000	0	2750000	18.21	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Total share-holding of Promoter (A)(2):-	5575973	50800	5626773	37.26	5575973	50800	5626773	37.26	0
2 Foreign									
a) NRIs -	0	0	0	0	0	0	0	0	0
Individuals	0	0	0	0	0	0	0	0	0

Category of Shareholders	No. of Shares held at the beginning of the year[As on 1- 04-2014]				No. of Shares held at the end of the year[As on 31-03-2015]				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	%Change during the year
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	14386297	713703	15100000	100.00	14387997	712003	15100000	100	0

B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2014)			Shareholding at the end of the year (As on 31-03-2015)			
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	% change in shareholding during the year
1	Surendra Jain	404280	2.6774	0	404280	2.6774	0	0
2	Devendra Jain	352299	2.3331	0	352299	2.3331	0	0
3	Mukesh Jain	281105	1.8616	0	281105	1.8616	0	0
4	Flag Vittwas Limited	2750000	18.2119	0	2750000	18.2119	0	0
5	Gajendra Utsavljaji Jain	275989	1.8277	0	275989	1.8277	0	0
6	Shailesh Jain	192800	1.2768	0	192800	1.2768	0	0
7	Chandanbai Utsavljaji Jain	144000	0.9536	0	144000	0.9536	0	0
8	Sunita Jain	114600	0.7589	0	114600	0.7589	0	0
9	Pramila Jain	110000	0.7285	0	110000	0.7285	0	0
10	Pushpa Jain	95000	0.6291	0	95000	0.6291	0	0
11	Manju Jain	94900	0.6285	0	94900	0.6285	0	0
12	Premalata Jain	92000	0.6093	0	92000	0.6093	0	0
13	Atin Jain	78500	0.5199	0	78500	0.5199	0	0
14	Santosh Aidasani	75000	0.4967	0	75000	0.4967	0	0
15	Arshui Jain	72500	0.4801	0	72500	0.4801	0	0
16	Devendra Jain	69000	0.457	0	69000	0.457	0	0
17	Gajendra Jain	66000	0.4371	0	66000	0.4371	0	0
18	Surendra Jain	59500	0.394	0	59500	0.394	0	0
19	Mukesh Jain	59000	0.3907	0	59000	0.3907	0	0
20	Sejal Jain	34500	0.2285	0	34500	0.2285	0	0
21	Sonali Jain	30800	0.204	0	30800	0.204	0	0
22	Parul Atin Jain	26500	0.1755	0	26500	0.1755	0	0
23	Richa Devendra Jain	24000	0.1589	0	24000	0.1589	0	0
24	Cherry Kapale	23500	0.1556	0	23500	0.1556	0	0
25	Reema Devendra Jain	23000	0.1523	0	23000	0.1523	0	0
26	Shailesh Jain	20500	0.1358	0	20500	0.1358	0	0
27	Chandan Bhai Jain	20000	0.1325	0	20000	0.1325	0	0
28	Rohan Mukesh Jain	17500	0.1159	0	17500	0.1159	0	0
29	Riti Dawra	9000	0.0596	0	9000	0.0596	0	0
30	Shikha Gawade	7000	0.0464	0	7000	0.0464	0	0
31	Anish Jain	4000	0.0265	0	4000	0.0265	0	0
Total	5626773	37.2634	0	5626773	37.2634	0	0	

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

SN	Particulars	Shareholding at the beginning of the year (As on 01-04-2014)		Cumulative Shareholding during the year (01-04-2014 to 31-03-2015)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	5626773	37.2634	5626773	37.2634
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	5626773	37.2634	5626773	37.2634
	At the end of the year				

Note : There is no change in the total shareholding of promoters between 01-04-2014 and 31-03-2015.

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

Sl. No.	Name (For Each of the Top 10 Shareholders)	Shareholding					Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of Shares at the beginning (01-04-14)/ end of the year (31-03-15)	% of total shares of Company	Date	Increase/ Decrease in shareholding	Reason	No. of Shares	% of total shares of Company
1	Porwal Finsec Pvt. Limited	3308300	21.9092	01-Apr-14	0	Nil movement during the year	3308300	21.9092
					0			
		3308300	21.9092	31-Mar-15	0			
2	Padma Pirlamarla	103200	0.6834	1-Apr-14				
				30-May-14	850	Transfer	104050	0.6891
				6-Jun-14	-1550	Transfer	102500	0.6788
				13-Jun-14	250	Transfer	102750	0.6805
				20-Jun-14	497	Transfer	103247	0.6838
				30-Jun-14	1480	Transfer	104727	0.6936
				04-Jul-14	2520	Transfer	107247	0.7102
				11-Jul-14	2800	Transfer	110047	0.7288
				25-Jul-14	2400	Transfer	112447	0.7447
				1-Aug-14	5150	Transfer	117597	0.7788
				8-Aug-14	2230	Transfer	119827	0.7936
				15-Aug-14	10800	Transfer	130627	0.8651
				22-Aug-14	-3627	Transfer	127000	0.8411
				29-Aug-14	4777	Transfer	131777	0.8727
				5-Sep-14	10273	Transfer	142050	0.9407
				12-Sep-14	7889	Transfer	149939	0.993
				19-Sep-14	6924	Transfer	156863	1.0388
				30-Sep-14	-863	Transfer	156000	1.0331
				10-Oct-14	5629	Transfer	161629	1.0704
				17-Oct-14	1460	Transfer	163089	1.0801
				24-Oct-14	1170	Transfer	164259	1.0878
				31-Oct-14	2690	Transfer	166949	1.1056
				7-Nov-14	-1949	Transfer	165000	1.0927
				14-Nov-14	18198	Transfer	183198	1.2132
				21-Nov-14	12450	Transfer	195648	1.2957
				28-Nov-14	5649	Transfer	201297	1.3331
				5-Dec-14	1512	Transfer	202809	1.3431
				12-Dec-14	-1909	Transfer	200900	1.3305
				19-Dec-14	4767	Transfer	205667	1.3620
				31-Dec-14	2265	Transfer	207932	1.3770
		9-Jan-15	5250	Transfer	213182	1.4118		
		23-Jan-15	1080	Transfer	214262	1.4190		
		27-Feb-15	825	Transfer	215087	1.4244		
		6-Mar-15	4295	Transfer	219382	1.4529		
		13-Mar-15	695	Transfer	220077	1.4575		
		20-Mar-15	6630	Transfer	226707	1.5014		
		27-Mar-15	1050	Transfer	227757	1.5083		
		232738	1.5413	31-Mar-15	4981	Transfer	232738	1.5413
3	Zen Securities Ltd-Bse Clients A/C	149508	0.9901	01-Apr-14				
				18-Apr-14	150	Transfer	149658	0.9911

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Sl. No.	Name (For Each of the Top 10 Shareholders)	Shareholding					Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of Shares at the beginning (01-04-14)/ end of the year (31-03-15)	% of total shares of Company	Date	Increase/ Decrease in shareholding	Reason	No. of Shares	% of total shares of Company
				25-Apr-14	866	Transfer	150524	0.9968
				02-May-14	750	Transfer	151274	1.0018
				09-May-14	1134	Transfer	152408	1.0093
				16-May-14	25	Transfer	152433	1.0095
				31-Oct-14	100	Transfer	152533	1.0102
				07-Nov-14	300	Transfer	152833	1.0121
				21-Nov-14	-400	Transfer	152433	1.0095
				12-Dec-14	10	Transfer	152443	1.0096
				30-Dec-14	-150	Transfer	152293	1.0086
				16-Jan-15	-10	Transfer	152283	1.0085
		152283	1.0085	31-Mar-15			152283	1.0085
4	Ramesh Aidasani	54135	0.3585	01-Apr-14	0	Nil movement during the year	54135	0.3585
		54135	0.3585	31-Mar-15	0			
5	Keynote Industries Private Limited	49000	0.3245	01-Apr-14	0	Nil movement during the year	49000	0.3245
		49000	0.3245	31-Mar-15	0			
6	Surana International Private Limited	46900	0.3106	01-Apr-14	0	Nil movement during the year	46900	0.3106
		46900	0.3106	31-Mar-15	0			
7	Anil Kumar Jain	41515	0.2749	01-Apr-14	0	Nil movement during the year	41515	0.2749
		41515	0.2749	31-Mar-15	0			
8	Kunjita Impex Private Limited	46000	0.3046	01-Apr-14				
				10-Oct-14	-2000	Transfer	44000	0.2914
				17-Oct-14	-1622	Transfer	42378	0.2806
				31-Oct-14	-2000	Transfer	40378	0.2674
				21-Nov-14	-2000	Transfer	38378	0.2542
		38378	0.2542	31-Mar-15			38378	0.2542
9	Kamal Kumar Khurana	37000	0.2450	01-Apr-14	0	Nil movement during the year	37000	0.2450
		37000	0.2450	31-Mar-15	0			
10	Muthulakshmi M	50146	0.2121	1-Apr-14		Nil movement during the year	50146	0.2121
		50146	0.2121	31-Mar-15				

E) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name (For Each of the Directors and Key Managerial Personnel)	Shareholding					Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of Shares at the beginning (01-04-14)/ end of the year (31-03-15)	% of total shares of Company	Date	Increase/ Decrease in shareholding	Reason	No. of Shares	% of total shares of Company
A. DIRECTORS								
1	Surendra Jain- Chairman	404280	2.6774	01-Apr-14	0	Nil movement during the year	404280	2.6774
		404280	2.6774	31-Mar-15			404280	2.6774
2	Mukesh Jain- WTD	281105	1.8616	01-Apr-14	0	Nil movement during the year	281105	1.8616
		281105	1.8616	31-Mar-15			281105	1.8616
3	Devendra Jain- MD	352299	2.3331	01-Apr-14	0	Nil movement during the year	352299	2.3331
		352299	2.3331	31-Mar-15			352299	2.3331
4	Nitin Dafria- Independent Director	0	0	01-Apr-14	0	Nil Holding/ movement during the year	0	0
		0	0	31-Mar-15			0	0
5	Surajmal Kucheia- Independent Director	0	0	01-Apr-14	0	Nil Holding/ movement during the year	0	0
		0	0	31-Mar-15			0	0
6	Ramesh Kashyap- Independent Director	0	0	01-Apr-14	0	Nil Holding/ movement during the year	0	0
		0	0	31-Mar-15			0	0
7	Rajni Jain-Additional Director (appointed as additional Director w.e.f 30.03.2015)	0	0	-	0	Nil Holding/ movement during the year	0	0
		0	0	31-Mar-15			0	0
KEY MANAGEMENT PRSONNEL								
1	Shailesh Jain- CFO	192800	1.2768	01-Apr-14	0	Nil movement during the year	192800	1.2768
		192800	1.2768	31-Mar-15			192800	1.2768
2	Shilpa Gulani- CS	0	0	01-Apr-14	0	Nil Holding/ movement during the year	0	0
		0	0	31-Mar-15			0	0

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

SN	Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
	Indebtedness at the beginning of the financial year (01.04.2014)				
i)	Principal Amount	1375.38	-	-	1375.38
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	1375.38	-	-	1375.38
	Change in Indebtedness during the financial year				
	Addition	30.87	-	-	30.87
	Reduction	90.17	-	-	90.17
	Net Change	(59.30)	-	-	(59.30)
	Indebtedness at the end of the financial year (31.03.2015)				
i)	Principal Amount	1316.08	-	-	1316.08
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	1316.08	-	-	1316.08

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SN	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Surendra Jain	Mr. Devendra Jain	Mr. Mukesh Jain	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1500000	1500000	1500000	4500000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit-	-	-	-	-
	- others, specify...-	-	-	-	-
5	Others, please specify-	-	-	-	-
	Total (A)	1500000	1500000	1500000	4500000
	Ceiling as per the Act	As per schedule V of Companies Act 2013			

B Remuneration to other directors

SN	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Nitin Dafria	Mr. Surajmal Kucheria	Mr. Ramesh Kashyap	Mrs. Rajni Jain	
1	Independent Directors					
	Fee for attending board committee meetings	5000	5000	5000	-	15000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	5000	5000	5000	-	15000
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	5000	5000	5000	-	15000
	Total Managerial Remuneration	5000	5000	5000	-	15000

Overall Ceiling as per the Act	The Company may pay sitting fees to the Directors for attending Board / Committee meetings as may be decided by the Board of Directors which shall not exceed one lakh rupees per meeting of the Board or committee. The Board has fixed ' 1000/- as sitting fees for Board/ Committee meetings. -Mrs. Rajni Jain has joined the Board of the Company w.e.f. 30.03.2015, hence no sitting fees was paid to her in the financial year 2014-15
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C REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD /MANAGER/ WTD

SN	Particulars of Remuneration	Key Managerial Personnel		
		CS*	CFO	Total Amount
1	Gross salary	155000	1200000	1355000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total (A)	155000	1200000	1355000

* Ms. Shilpa Gulani has joined the Company w.e.f 29.05.2014, hence, the remuneration is shown for 10 months.

VII **PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:** There were no Penalties/ Punishment/ Compounding of Offences for the year ended 31st March 2015.

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY			NIL		
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

ANNEXURE – II
NOMINATION AND REMUNERATION POLICY

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 of the Listing Agreement, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

Objectives of the Committee:

The Committee shall:

- i. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees;
- ii. Formulation of criteria for evaluation of Independent Director and the Board;
- iii. Devising a policy on Board diversity;
- iv. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy;
- v. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

Definitions:

- **"Board"**:-Board means Board of Directors of the Company.
- **"Director"**:-Directors means Directors of the Company.
- **"Committee"**:-Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.
- **"Company"**:- Company means Porwal Auto Components Limited.
- **"Key Managerial Personnel"**:- Key Managerial Personnel (KMP) means-
 - o Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-Time Director;
 - o Company Secretary; and
 - o Chief Financial Officer
- **"Independent Director"**:- As provided under clause 49 of the Listing Agreement and/or under the Companies Act, 2013, 'Independent director' shall mean a non-executive director, other than a nominee director of the company:
 - a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
 - b. (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;
 - (ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
 - c. apart from receiving director's remuneration, has or had no material pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
 - d. none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
 - e. who, neither himself nor any of his relatives —
 - i. holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - ii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of —

- a) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - b) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
 - iii. holds together with his relatives two per cent or more of the total voting power of the company; or
 - iv. is a Chief Executive or director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company;
 - v. is a material supplier, service provider or customer or a lessor or lessee of the company;
 - f. who is less than 21 years of age.
- **“Senior Management”**:- The expression “senior management” means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

Applicability:-

The Policy is applicable to

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

Constitution of the Nomination and Remuneration Committee:

The Board has the power to constitute/ reconstitute the Committee from time to time in order to make it consistent with the Company's policy and applicable statutory requirement.

General Appointment Criteria:

- i. The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.
- ii. The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made thereunder, Listing Agreement or any other enactment for the time being in force.
- iii. The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder, Listing Agreement or any other enactment for the time being in force.

Additional Criteria for Appointment of Independent Directors:

The Committee shall consider qualifications for Independent Directors as mentioned in herein earlier under the head 'Definitions' and also their appointment shall be governed as per the provisions of clause 49 of the Listing Agreement (as amended from time to time) and Companies Act, 2013.

Term / Tenure:

The Term / Tenure of the Directors shall be governed as per provisions of the clause 49 of Listing Agreement, Companies Act, 2013 and rules made there under as amended from time to time.

Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations or any other reasonable ground, the Committee may recommend to the Board for removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

Policy on Board diversity:

The Board of Directors shall have the optimum combination of Directors from the different areas / fields like production, Management, Quality Assurance, Finance, Sales and Marketing, Supply Chain, Research and Development, Human Resources etc. or as may be considered appropriate.

Remuneration:

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

The remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate directors, Key Managerial Personnel and Senior Management of the quality required to run the company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks.

The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:

1. Non-Executive Directors

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

2. Managing Director & Key Managerial Personnel & Other Employees

The objective of the policy is directed towards having a compensation philosophy and structure that will reward and retain talent. The Remuneration Policy of the Company for Director & Key managerial personnel is primarily based on the following criteria:

- Overall Performance of the Company.
- Track record, potential and performance capacity and capability of individual.

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

Remuneration to Directors, Key Managerial Personnel and Senior Management will involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

Amendment

Any change in the Policy shall, on recommendation of Nominations and Remuneration Committee, be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

ANNEXURE – III

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

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

To,

The Members,

Porwal Auto Components Limited

Plot No. 209, Sector 1, Industrial Area,

Pithampur Distt – Dhar (M.P.) 454775

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Porwal Auto Components Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31.03.2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Porwal Auto Components Limited** ("the Company") for the financial year ended on 31st March, 2015 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;(in so far as they are made applicable)
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; which is not applicable to the Company
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and any amendments thereto;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; which is not applicable to the Company
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; which is not applicable to the Company
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; which is not applicable to the Company
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and which is not applicable to the Company and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; which is not applicable to the Company

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

1. Secretarial Standards issued by The Institute of Company Secretaries of India. (Not notified hence not applicable to the company during the audit period)
2. The Listing Agreements entered into by the Company with BSE Limited

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

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of Board of Directors that took place during the period under review were carried out in compliance with the provision of the Act.

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

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Indore
Date: 10.08.2015

Ashish Nayak
Company Secretary
A.C.S No. 36967
C.P. No. 14141

Annexure – IV

The information under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2015 is given here below and forms part of the Directors' Report.

A. Conservation of Energy :

i. The steps taken or impact on conservation of energy

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

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

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

iii. Capital Investment on Energy Conservation Equipments

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

The Company has setup solar power plant in the year 2013-14 for environment protection and conservation of energy. The Company has invested Rs. 11.97 crore as capital investment on energy conservation equipment.

B. Technology Absorption

i. The efforts made towards technology absorption

Installation of solar power generation unit for electricity.

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

iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) – The company is using manufacturing technology which is entirely indigenous.

iv. Expenditure on R&D – Research & Development activities are being carried out as part of the Company's normal business activities. In order to maintain its position, your Company is continuously upgrading its technology to meet the ever increasing demands of its customers The Company is regular in adding new equipments for testing .During the year the Company has made an investment of Rs 1.90 Lacs towards Research and Development.

C. Foreign exchange earnings and Outgo-

	2014-15	2013-14
Foreign exchange earnings	NIL	NIL
Foreign exchange outgo	Rs.166230	NIL
	(Travelling Expenses)	

Annexure – V

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

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of each key Managerial Personnel (KMP) against the performance of the Company are as under:

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S N	Name of Director/ KMP and Designation	Designation	Remuneration of Director/ KMP for financial year 2014-15	% increase in Remuneration in the Financial Year 2014-15	Ratio of Remuneration of each Director to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1.	Mr. Surendra Jain	Chairman	15,00,000	3.68%	17.99	Profit after tax is increased to Rs. 111.91 Lacs as compared to net loss of Rs.59.51 Lacs in previous financial year
2.	Mr. Devendra Jain	Managing Director	15,00,000	3.30%	17.99	
3.	Mr. Mukesh Jain	Whole Time Director	15,00,000	3.68%	17.99	
4.	Mr. Nitin Dafria	Independent Director	—	—	—	—
5.	Mr. Surajmal Kucheria	Independent Director	—	—	—	—
6.	Mr. Ramesh Kashyap	Independent Director	—	—	—	—
7.	Mrs. Rajni Jain	Additional Director in the capacity of Non-Executive Independent Director	—	—	—	Profit after tax is increased to Rs. 111.91 Lacs as compared to net loss of Rs.59.51 Lacs in previous financial year
8.	Mr. Shailesh Jian	CFO	12,00,000	2.73%	NA	
9.	Ms. Shilpa Gulani	Company Secretary	1,55,000	—	NA	

Note

- None of the Independent Directors of the Company received any remuneration other than sitting fees of Rs.1000/- for attending Board Meetings during the financial year 2014-15.

—Mrs. Rajni Jain has joined the Board of the Company w.e.f. 30.03.2015, hence no sitting fees was paid to her in the financial year 2014-15

- (i) The percentage increase in the median remuneration of employees in the financial year- **15.22%**
- (ii) The number of permanent employees on the rolls of Company as on March 31, 2015- **310**
- (iii) The explanation on the relationship between average increase in remuneration and Company performance: The Profit after Tax for the financial year ended March 31, 2015 increased by 288.07% whereas the increase in median remuneration was 15.22%. The average increase in median remuneration was in line with the performance of the Company.
- (iv) Comparison of Remuneration of the Key Managerial Personnel against the performance of the company: The total remuneration of Key Managerial Personnel increased by 13.39% whereas the Profit after Tax increased by 288.07% (Profit of Rs.111.91 lacs in 2014-15 as compared to net loss of Rs.59.51 Lacs in previous financial year).
- (v) Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year

Particulars	March 31, 2015	March 31, 2014
Market Capitalization	127444000	50434000
P/E Ratio	11.41	-8.56

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- (vii) Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Particulars	March 31, 2015	IPO*	% Change
Market Price (BSE)	Rs.8.44	Rs.75	-88.75%
% decrease in Shares	Price over last public offer	- 87.94%	

- (viii) Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2014-15 was 12.84 % whereas the increase in the managerial remuneration for the same financial year was 13.39%. There are no exceptional circumstances for increase in the managerial remuneration.
- (ix) The key parameters for any variable component of remuneration availed by the directors are approved by the Board of Directors based on the recommendation of Nomination & Remuneration Committee.
- (x) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year- 1.08:1 (There is 1 Top Management Executive who is not director but receive remuneration in excess of the highest paid director during the year).
- (xi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

Annexure – VI

CORPORATE GOVERNANCE REPORT 2014-15

(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 to generate long term wealth and create value for all its stakeholders.

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

1. Company's Philosophy on code

The Company has a strong legacy of fair, transparent and ethical governance practices. The Company's philosophy on Corporate Governance strives for attaining the optimum level of transparency and accountability in all 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

a) Composition

The Board of Directors of the company consists of eminent persons with considerable professional expertise and experience of trade, commerce, profession and industry. The Board has an optimum combination of executive & non executive director. The present composition is three directors in the whole time employment of the company and four independent directors out of them one is the women director.

b) Board Procedure

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

May 29, 2014; July 30, 2014; October 30, 2014, January 30, 2015 and March 30, 2015

c) Board Category, Directors Attendance and their other directorship and Committee position as on March 31, 2015

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

*Mrs. Rajni Jain has joined the Board of the Company w.e.f. 30.03.2015

d) Inter-se relationship among directors

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

e) Independent Director

During the year under review, a separate meeting of Independent Directors was held on March 30, 2015, interalia, to discuss:

- evaluation of the performance of Non-Independent Directors and Board of Directors as a whole.
- evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive Directors.
- evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and necessarily perform its duties. All the Independent Directors were present at the said Meeting.

4. Code of Conduct

Revised clause 49 of the Listing Agreement requires listed companies to lay down a code of conduct for its directors and senior management, incorporating duties of directors as laid down in the Companies Act, 2013. As required under the revised clause 49, the Board at its meeting on 29th May 2014 adopted a Code of Conduct for all Directors and Senior Management of the Company and the same has been placed on the Company's website www.porwalauto.com.

All Directors and Senior Management personnel have affirmed compliance with the Code for 2014-15. A declaration to this effect signed by the Managing Director is given in this Annual Report.

5. Formal Letter of appointment to Independent Directors

The Company issues a formal letter of appointment to Independent Directors in the manner as provided in the Companies Act, 2013 and clause 49 of the Listing Agreement. The terms and conditions of appointment of Independent Directors are placed on the Company's website www.porwalauto.com.

6. Performance Evaluation of the Board

A detailed exercise for evaluation of the performance of the Board, its various Committees, viz. Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee and also the performance of individual Directors was carried out by the Board

Criteria for performance evaluation

The performance of the Board and that of its Committees was evaluated on the basis of various parameters like adequacy of its Composition, Board Culture, No. of meetings held, Execution and Performance of Specific Duties, Obligations and Governance, Participation and contribution etc.

Whereas the evaluation of individual Directors including the Independent Directors and that of the Chairman of the Board was on the basis of various factors like their attendance, level of their engagement and contribution at Board/ Committee Meetings, independency of judgment, their contribution in safeguarding the

interest of the Company, guidance/ support to the management outside Board/ Committee Meetings etc. In addition, the Chairman was also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members and motivating and providing guidance to the Managing Director.

The Board recorded its satisfaction over the performance of its various Committees, its directors individually as well as the collective efforts put in by the Board in enhancing and safeguarding the interest of the Company as a whole.

7. Familiarization Programme

The Company shall through its Executive Directors / Senior Managerial Personnel conduct programs / presentations periodically to familiarize the Independent Directors with the strategy, operations and functions of the Company.

The details of familiarization programme have been posted in the website of the Company under the web link <http://www.porwalauto.com/FamiliarisationProgrammeForIndependentDirectors.pdf>

8. Code of Conduct for prohibition of Insider Trading

The Market Regulator, SEBI with the objective of bringing the basic framework governing the regime of Insider Trading practices in line with the dynamic global scenario and to tighten the gap of existing norms, notified the new PIT Regulations to be renowned as SEBI (Prohibition of Insider Trading) Regulations, 2015 effective from 15th May, 2015.

The new Regulations seem to be more promising and equipped to ensure better compliance and enforcement. SEBI, via new norms has enhanced the role and responsibilities of the Compliance Officer for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of Unpublished Price Sensitive Information and implementation of codes specified in the Regulations.

Accordingly, the Board at its meeting held on 30.03.2015 has substituted its 'Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices' by a new "Code of Fair Disclosure" and a "Code of Conduct" in tandem with the aforesaid new Regulations effective from 15th May, 2015.

9. Committees of the Board

Board has three Committees, viz.

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

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

A. Audit Committee

As a measure of good Corporate Governance and to provide assistance to the Board of directors and to meet the requirement of section 177 of the Companies Act, 2013 and 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.

Terms of reference

Apart from all the matters provided in clause 49 of the listing agreement and section 177 of the Companies Act 2013, the Audit committee review reports of the internal auditor, meets statutory auditors as and when required and discusses their findings, suggestions, observations and other related matters.

Composition

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

Name	Category	Number of Meetings during the year 2014-15	
		Held	Attended
Mr. Nitin Dafria	Chairman, Non Executive Independent Director	4	4
Mr. S.B. Kucheria	Member, Non Executive Independent Director	4	4
Mr. Ramesh Kashyap	Member, Non Executive Independent Director	4	4

Meetings

During the financial year ended 31st March, 2015, four Audit Committee Meetings were held and the Dates on which the said meetings were held are as follows:

May 29, 2014; July 30, 2014; October 30, 2014 and January 30, 2015

B. Nomination and Remuneration Committee

In line with the Companies Act, 2013 / Clause 49 of the Listing Agreement requirements, the nomenclature of Remuneration Committee has been changed to Nomination and Remuneration Committee.

Terms of reference

The terms of reference of the Nomination and Remuneration Committee covers all the areas mentioned under Clause 49 of Listing Agreement and section 178 of the Companies Act, 2013. The broad terms of reference includes recommending a policy relating to remuneration and employment terms of Managing Director, Whole-Time Director and senior management personnel, adherence to the remuneration policy as finally approved by the Board of Directors, preparing the criteria and identify persons who may be appointed as directors or senior management.

Composition

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

Name	Category	Number of Meetings during the year 2014-15	
		Held	Attended
Mr. S.B. Kucheria	Chairman, Non Executive Independent Director	3	3
Mr. Nitin Dafria	Member, Non Executive Independent Director	3	3
Mr. Ramesh C Kashyap	Member, Non Executive Independent Director	3	3

Remuneration Policy

The Board on the recommendation of the Nomination and Remuneration Committee has approved and adopted a Remuneration Policy which is attached as **Annexure II** to the report of Directors.

Remuneration to Executive Directors

During the financial year, there were only three directors who are in the whole time employment of the company and drawing remuneration. The details of remuneration for the year ended March 31, 2015 to the Executive Directors and their proposed remuneration for Financial Year 2015-16 are as follows

Name of Directors	Designation	Remuneration	Proposed remuneration for 2015-16
Mr. Devendra Jain	Managing Director	1,25,000/- pm	2,00,000/- pm
Mr. Mukesh Jain	Whole Time Director	1,25,000/- pm	2,00,000/- pm
Mr. Surendra Jain	Chairman & Executive Director	1,25,000/- pm	2,00,000/- pm

Payment to non-executive directors

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

C. Stakeholders Relationship Committee

In line with the Companies Act, 2013 / Clause 49 of the Listing Agreement requirements, the nomenclature of Shareholders Grievance Committee has been changed to Stakeholders Relationship Committee.

Terms of reference

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 Stakeholders Relationship 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.

Composition

The Stakeholders Relationship Committee comprised of three Directors, out of which majority of the Directors are Independent Directors. The composition of the Committee is given below:

Postal Ballot:

For the year ended March 31, 2015 there have been no ordinary or special resolutions passed by the Company's Shareholders through postal ballot.

12. Note on Directors Appointment/ Re-appointment

Mr. Mukesh Jain, Whole-time director of the Company, retire by rotation and being eligible offer himself for re-appointment at the forthcoming Annual General Meeting.

The Board in its meeting held on 30th March 2015 has appointed Mrs. Rajni Jain as the Additional Director in the category of Non-executive Independent Director of the Company till the ensuing AGM of the Company. The Company has received notice in writing from the member as required under section 160 of the Companies Act 2013 for proposal for her appointment as Independent Director of the Company for a term of 5 years to hold the office till 29th March, 2020 on non-rotational basis.

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

13. 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. Compliance by the Company

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

iii. Whistle Blower/Vigil Mechanism Policy

The Company has in place Whistle Blower/Vigil Mechanism Policy which is also available on the Company's website www.porwalauto.com. No personnel has been denied access to the Audit Committee to lodge their grievances.

iv. Compliance with mandatory requirements

The Company is in full compliance with the mandatory requirements as contained in Clause 49 of the Listing Agreement. The Company has not adopted any of the non-mandatory requirements of clause 49 of the listing agreement.

v. Disclosure of Accounting Treatment

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

vi. Anti Sexual Harasment Policy

The Company has in place an Anti Sexual Harasment Policy in line with the requirements of the sexual harassment of women at the workplace (Prevention, Prohibition & Redressal) Act 2013. An Internal Complaint Committee has been set up to redress complaints received regarding sexual Harasment. During the year no complaints of Sexual Harasment were received.

14. 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 "Chotha Sansar" (Hindi).**

iii. The Company's website contains a section "Investor" which displays details / information of interest to various stakeholders.

15. Shareholder Information

i. AGM

Date, Time & Venue of AGM - On Wednesday, 30th September 2015 at 1.30 PM at the Registered Office of the Company.

ii. Financial Calendar

(Tentative)

Results for the quarter ending 30 th June, 2015	:	Last week of July 2015
Results for the quarter ending 30 th Sept, 2015	:	Last week of Oct. 2015
Results for the quarter ending 31 st Dec, 2015	:	Last week of Jan. 2015
Results for the quarter ending 31 st Mar, 2016	:	Last week of May 2016

iii. Book Closure

26th September 2015 to 30th September 2015 (both days inclusive).

iv. Dividend

Not declared for the financial year.

v. **Listing**

The equity shares of the company are listed at BSE Ltd, Mumbai, and the listing fees has been paid for 2015-16.

vi. **Stock Code**

The Company has Scrip Code: - 532933

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

Table 1: Monthly highs and lows Quotes at the BSE, 2014-15

Year	High(Rs.)	Low(Rs.)	Close(Rs.)
Mar 2015	10.50	6.76	8.44
Feb 2015	11.50	8.60	9.45
Jan 2015	13.32	9.64	10.50
Dec 2014	15.60	8.71	10.24
Nov 2014	10.64	8.58	9.74
Oct 2014	10.58	7.47	9.74
Sep 2014	9.85	7.57	8.39
Aug 2014	8.29	6.07	7.98
Jul 2014	7.50	5.97	6.71
Jun 2014	7.49	6.47	7.45
May 2014	6.68	4.09	6.63
Apr 2014	5.82	3.28	4.83

viii. **Registrars and Share Transfer Agents**

Link Intime India Pvt Ltd.

C-13, Pannalala Silk Mills Compound,

LBS Marg, Bhandup, MUMBAI

Tel : 022-25963838

Fax : 022-25946969

E Mail : trupti.bandekar@linkintime.co.in/mumbai@linkintime.co.in

ix. **Share transfer system:**

During the year the share transfers which were received in physical form and for which documents were valid and complete in all respects, were processed and the share certificates were returned within the prescribed time from the date of receipt.

x. **ISIN no.**

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

xi. Distribution of shareholding as on 31st March, 2015

SHAREHOLDING OF NOMINAL SHARES	NUMBER OF SHAREHOLDERS	PERCENTAGE OF TOTAL	SHARE AMOUNT RS.	PERCENTAGE OF TOTAL
1 — 5000	7467	79.0493	14211460	9.4116
5001 — 10000	1005	10.6394	7939640	5.258
10001 — 20000	559	5.9178	8093040	5.3596
20001 — 30000	129	1.3657	3368780	2.231
30001 — 40000	48	0.5082	1733140	1.1478
40001 — 50000	53	0.5611	2478890	1.6416
50001 — *****	185	1.9585	113175050	74.9504
TOTAL	9446	100.0000	151000000	100.0000

xii) Dematerialization of Shares

CATEGORY	NO. OF SHARES	PERCENTAGE (%)
Total number of Dematted shares with NSDL	8984346	59.50%
Total number of Dematted shares with CDSL	5403651	35.79%
TOTAL	14387997	95.29%

xiii) SHAREHOLDING PATTERN AS ON 31-03-2014

Sr. No.	Category	No. of Shares Held	Percentage of Shareholding
1.	Promoters & Promoter Group	5626773	37.26
2.	Corporate Bodies	3994095	26.45
3.	Indian Public	5414281	35.86
4.	NRIs/OCBs	64851	0.43
		15100000	100

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

xv) Registered Office & Plant Location

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

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 I (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, 2015.

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 2015 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: 10.08.2015

Shailesh Jain
Chief Financial officer

Devendra Jain
Managing Director

Annexure – VII

MANAGEMENT DISCUSSION AND ANALYSIS

Industry structure and developments

The automotive industry in India is one of the largest automotive markets in the world. The automobile industry accounts for 22 per cent of the country's manufacturing gross domestic product (GDP). It plays a pivotal role in country's growth. Almost all the global auto manufacturers have set up their facilities in India. In today's competitive environment, auto component manufacturers are under pressure to adopt to global standards to ensure maintaining on-time delivery and World-class quality.

The Automobile Industry in India is an emerging sector. The Industry has been continually evolving and absorbing new technologies in order to align itself with global developments.

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. Your Company operates in Casted Components, Assemblies and Sub-assemblies segment of the Auto Components Industry. It manufactures a range of Casted components and assemblies for the Automobile Industry and is a Tier One auto components supplier.

Opportunities and Threats

Opportunities-

The Indian auto industry is witnessing a phase of rapid transformation and growth. The Indian auto components industry is gearing up to compliment the vehicle industry's growth. 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 being one of the largest automobile markets in the world has a bright future because of several factors like rapid urbanization, overall growth of industries, infrastructure development and the improved road infrastructure. The Company, with its wide portfolio is expected to benefit from the same.

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

Threats-

The intensity of competition has increased in almost all the segments of the Indian automobile. Moreover, in the automobile industry, vehicles cannot be kept in the store for long unlike consumer durables, as automobiles lose value with time. The model gets old and the customer would not be willing to pay for it.

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

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

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

Risks and concerns

Intensity of competition has increased in almost all the segments of the Indian automotive market. The Company is aware of the increasing competition and is taking measures to remain competitive in the market place. Instead of it there is no other apparent, significant and material risk involved in this company.

Internal control systems and their adequacy

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

Discussion on financial performance with respect to operational performance

Share Capital and reserve and surplus – The total paid up share capital during the year was Rs.1510 lacs consisting of 151 lacs shares of Rs. 10 each. During the year the company has earned a profit of Rs. 111.91 lacs as compared to loss of Rs. 59.50 Lacs in previous year.

Secured Loans – As on 31st March 2015 the Company has a secured loan of Rs.1316.08 out of which Rs.101.66 Lacs are current liabilities.

Fixed assets –The total gross block of Land, Building, Plant and Machinery and other fixed assets was Rs. 6528.77 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 1896.48 Lacs.

Turnover - The total turnover registered for the fiscal year 2014-15 was Rs. 7267.21 lacs as compared to Rs. 4780.23 lacs of fiscal year 2013-14.

Material development in human resources/industrial relations front, including number of people employed

During the year, the Company has taken several initiatives to further strengthen its human resource base to meet its current & future growth plans. There was unity of purpose among the employees to continuously strive for all round improvements in work practices & productivity Industrial relations were cordial throughout the year at all locations. As on 31st March, 2015, there were 310 employees on the roll of the Company.

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, 2015 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: 10.08.2015

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, which comprise the Balance Sheet as at March 31, 2015, 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

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31st 2015, and its Profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Act (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014).
 - e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of information and according to the explanation given to us:
 - (i) The Company has disclosed the impact of pending litigation as at March 31st 2015, on its financial position in its financial statements.
 - (ii) The Company has made provisions, as required under the applicable law or accounting standards for material foreseeable losses, if any on long term contracts.
 - (iii) There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31st 2015.

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

PLACE : INDORE
DATE : 21.05.2015

CA SANJAY GUPTA
PARTNER
M.No. 072073

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

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

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

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Major items of fixed assets have been physically verified by the management during the year in accordance with a programmed of verification, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (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) In our opinion and according to the information and explanation given to us, the company has not granted any loans, secured or unsecured to the Companies, Firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (b) This clause of the Caro order is not applicable.
- (c) This clause of the Caro order is not applicable.
- (iv) There are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. We did not observed any major weaknesses in internal control system.
- (v) The Company has not accepted any deposits from public within the meaning of Section 73 and 74 of the Act and the rules framed there under to the extent notified.
- (vi) The Central Government has not prescribed maintenance of cost records under of sub- section (1) of Section 148 of the Act, for the nature of industry in which the Company is doing business.
- (vii) (a) Undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess (as applicable) have generally been regularly deposited with the appropriate authorities.
- (b) No disputed amounts payable in respect of Wealth Tax, Income Tax, Service Tax, Custom Duty, Excise Duty and Cess were in arrears as at 31st March 2015 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. 1.38 lacs	F. Y. 2010-11	M. P. Commercial Tax Appellate Board, Bhopal
MP VAT Tax	Vat Tax	Rs. 2.56 lacs	F. Y. 2011-12	M. P. Commercial Tax Appellate Board, Bhopal
Employee Provident Fund & Mis. Provisions Act 1952	Provident Fund	Rs. 8.05 lacs	F.Y. 2005-06	Employee Provident Fund Appellate Tribunal

≡ **Porwal Auto Components Ltd.** ≡≡≡≡≡≡≡ **Annual Report 2014 - 2015** ≡≡≡≡≡≡≡

- (c) According to the information and explanation given to us there is no amount which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act 1956 (1 of 1956) and rules there under.
- (vii) The company does not have accumulated losses as at 31st March 2015 and it did not incur any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- (ix) During the period under review, the company has not defaulted in repayment of dues to financial institutions or banks as at the balance sheet date.
- (x) The Company has not given any guarantees for loans taken by others from Banks or Financial Institutions.
- (xi) The Company did not availed any fresh term loan facility during the year.
- (xii) There was no fraud on or by the Company noticed or reported during the course of our audit.

PLACE : INDORE
DATE : 21/05/2015

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

CA SANJAY GUPTA
PARTNER
M.No. 072073

Balance Sheet as at 31st March, 2015

Particulars	Note No	As at 31st March 2015	As at 31st March 2014
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	151,000,000	151,000,000
(b) Reserves and Surplus	2	350,105,296	338,920,270
(2) Non-Current Liabilities			
(a) Long-term borrowings	3	56,300,343	64,741,003
(b) Deferred tax liabilities (Net)	4	14,400,800	11,951,000
(c) Other long term liabilities	5	-	150,000
(3) Current Liabilities			
(a) Short-term borrowings	6	65,141,523	62,470,208
(b) Trade payables	7	32,180,754	14,748,018
(c) Other current liabilities	8	22,454,243	27,433,169
(d) Short-term provisions	9	18,192,718	12,351,867
	Total	<u>709,775,676</u>	<u>683,765,355</u>
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	353,986,820	363,450,692
(ii) Capital work in-progress		9,944,740	5,330,294
(b) Non-current investments	11	17,105,843	16,601,494
(c) Long term loans and advances	12	64,630,570	71,864,762
(d) Other non-current assets	13	74,460,082	41,638,850
(2) Current assets			
(a) Inventories	14	108,911,703	128,158,669
(b) Trade receivables	15	59,350,262	32,365,010
(c) Cash and cash equivalents	16	1,015,063	16,423,543
(d) Short-term loans and advances	17	742,980	1,386,539
(e) Other current assets	18	19,627,613	6,545,502
	Total	<u>709,775,676</u>	<u>683,765,355</u>

Significant Accounting Policies

Notes on Financial Statements

1 to 25

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

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

(CA SANJAY GUPTA)

Partner

M. No.072073

PLACE : INDORE

DATED : 21.05.2014

For and on behalf of Board

DEVENDRA JAIN

Managing Director

DIN 00232920

SHLIPA GULANI

Company Secretary

MUKESH JAIN

Director

DIN 00245111

SHAILESH JAIN

Chief Financial Officer

Statement of Profit and Loss for the year ended 31st March, 2015

S. No.	Particulars	Note No	As at 31st March 2015	As at 31st March 2014
I.	Revenue From Operations	19	725601072	474,412,409
II.	Other income	20	1120248	3,610,901
	Total Revenue (I+II)		726721320	478,023,310
III.	Expenses:			
	Cost of materials consumed	21	357859846	241,812,857
	Cost of Traded Goods		20808215	0
	(Increase) in inventories of finished goods work-in-progress and stock-in-Trade	22	25822412	4,145,909
	Employee benefit expense	23	59301006	44,474,080
	Finance Costs	24	17164325	5,390,262
	Depreciation		41721558	44,615,478
	Other Expenses	25	186752660	145,902,356
	Total Expenses		709430022	486340941
IV.	Profit before tax		17291298	-8317631
V.	Extraordinary items		0	0
VI.	Profit before tax (VII-VIII)		17291298	-8317631
VII.	Tax expenses :			
	(1) Current tax		3650000	-
	(2) Deferred tax		2449800	-2,367,000
			6099800	-2,367,000
VIII.	Profit/(Loss) for the period from continuing operations (VII + VIII)		11191498	-5,950,631
VII.	Earning per equity share of face value of Rs. 10 each Basic and Diluted (in Rs.)		0.74	-0.39
	Significant Accounting Policies	1 to 25		
	Notes on Financial Statements			

As per our report of even date

For ASSG & ASSOCIATES

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

(CA SANJAY GUPTA)

Partner
M. No. 72073

PLACE : INDORE
DATED : 21.05.15

For and on behalf of Board

DEVENDRA JAIN

Managing Director
DIN 00232920

SHLIPA GULANI
Company Secretary

MUKESH JAIN

Director
DIN 00245111

SHAILESH JAIN
Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENT

PARTICULARS	As at 31-03-2015	As at 31-03-2014
-------------	---------------------	---------------------

1. Share Capital

Authorised 200,00,000 (31 March 2014 : 200,00,000) equity Share of Rs. 10/- each	200,000,000	200,000,000
Issued, subscribed & fully paid up 151,00,000 (31 March 2014 : 151,00,000) equity Share of Rs. 10/- each	151,000,000	151,000,000
Total	151,000,000	151,000,000

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

	As at 31 March 2015		31 March 2014	
	Number	Amount	Number	Amount
Share outstanding at the beginning of the year	15,100,000	151,000,000	15,100,000	151,000,000
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Any other movement (please specify)	-	-	-	-
Shares outstanding at the end of the year	15,100,000	151,000,000	15,100,000	151,000,000

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 2015		31 March 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Flag Vittawas Limited	2750000	18.21	2750000	18.21
Porwal Finsec Private Limited	3308300	21.91	3308300	21.91

2. Reserves and Surplus

	As at 31st March 2015	As at 31st March 2014
Securities Premium Account		
Opening Balance as per last balance sheet	326,000,000	326,000,000
Add : Securities premium credited on Share issue	-	-
Less : Premium Utilised	-	-
Closing Balance	326,000,000	326,000,000

NOTES TO THE FINANCIAL STATEMENT

9. Short Term Provisions

	As at 31.03.2015	As at 31.03.2014
(a) Provision for employee benefits		
Bonus Payable	1,294,889	1,256,414
Directors Sitting Fees Payable	3,000	11,000
Leave Encashment (unfunded)	2,813,580	1,213,675
E.S.I.C. Payable	127,788	96,774
Good Work Reward	862,023	371,148
Professional Tax Payable (Employees)	22,120	-
Provident Fund Payable	155,842	117,183
Salary and Wages Payable	2,582,659	2,320,392
Unpaid Good work Reward	10,103	-
Unpaid Salary & Wages	8,323	-
House rent payable	-	3,960
(b) Others (Specify nature)		
Provision for Income Tax	3,650,000	-
TDS Payable	354,282	536,301
Excise Duty payable on finished goods	3,798,275	4,428,344
Power & Fuel Payable (solar)	16,304	-
Power & Fuel Payable	2,173,366	1,496,110
Commercial Tax on Construction	11,709	24,970
Entry Tax Payable	76,674	100,118
ESIC Payable (Contractors)	54,358	16,700
Professional Tax Payable (Co.)	2,500	2,500
Service Tax Payable	1,052	12,883
Telephone Expenses Payable	47,376	42,679
Audit Fees Payable	60,000	45,000
Professional Charges Payable	-	33,000
Repairs and Maintenance Payable	-	42,500
Water Charges Payable	66,495	180,216
Total	18,192,718	12,351,867

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

Sl. No.	Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As on 01.04.2014	Addition during the Year	Deductions	Total As on 31.03.2015	Up to 31.03.2014	Provided For the Year	Write off	up to 31.03.2015	As on 31.03.2015	As on 31.03.2014
	TANGIBLE ASSETS										
1.	LAND (FREEHOLD)	15634610	0	0	15634610	0	0	0	0	15634610	15634610
2.	LAND (LEASEHOLD)	2461888	0	0	2461888	0	0	0	0	2461888	2461888
3.	FACTORY BUILDING	90778087	540118	0	91318205	26153764	2981536	0	29135300	62182905	64624323
4.	PLANT & MACHINERY	76143402	0	26109561	50033841	68017403	592626	25592608	43017421	7016420	8125999
5.	MATERIAL HANDLING EQUIP.	51365487	12145496	839588	62671395	40841061	5514500	839588	45515973	17155422	10524426
6.	TOOLS & PATTERNS	62826847	9217897	10567856	61476888	48447217	5138205	10567856	43017566	18459322	14379630
7.	ELECTRICAL INSTALLATIONS	18525091	365694	3852206	15038579	16450151	21722	3852206	12619667	2418912	2074940
8.	TESTING EQUIPMENTS	9393957	95520	1296513	8192964	6963833	291230	1296513	5958550	2234414	2430124
9.	AUXILIARY EQUIPMENTS	68102077	7828559	9826144	66104492	40302884	5311805	9826144	35788545	30315947	27799194
10.	FURNITURE & FIXTURES	1039671	46550	0	1086221	687102	199782	0	886884	199337	352569
11.	OFFICE EQUIPMENTS	5364018	96832	688652	4772198	2690562	2485884	688652	4487794	284404	2673456
12.	COMPUTER	4516948	307640	0	4824588	4427558	64698	0	4492256	332332	89390
13.	VEHICLES	7235705	1601969	1777175	7060499	2594004	982863	1044696	2532171	4528328	4641701
14.	IR POLLUTION EQUIPMENT	5517704	0	0	5517704	3090660	245888	0	3336548	2181156	2427044
15.	PLANT & MACHINERY	135596165	0	0	135596165	47245483	10199852	0	57445335	78150830	88350682
	SOLAR PLANT										
1.	LAND (FREEHOLD))	2405250	0	0	2405250	0	0	0	0	2405250	2405250
2.	FACTORY BUILDING	2912186	919841	0	3832027	0	116101	0	116101	3715926	2912186
3.	SOLAR PLANT	114448665	341000	0	114789665	2958498	7565063	0	10523561	104266104	111490167
	INTANGIBLE ASSETS										
	SOFTWARE & LICENSES	60465	0	0	60465	7351	9801	0	17152	43313	53114
	TOTAL	674328223	33507116	54957695	652877643	310877530	41721556	53708263	298890823	353986820	363450692
	Previous Year	537318396	137553852	544025	674328223	266395566	44615478	133513	310877530	363450692	270922830

Details of Stores and Consumable Consumed

Particulars	As at 31.03.2015	As at 31.03.2014
Inventory at the beginning of the year	8,360,030	9,116,761
Add : Purchases	13,343,787	9,718,042
Less : Inventory at the end of the year	21,703,817	18,834,803
Cost of raw material consumed	13,955,527	10,474,773
Total Consumption	357,859,846	241,812,857

Details of raw Material Consumed

Pig iron	9,347,756	6,256,289
Scrap	216,568,406	155,973,113
Others	117,988,157	69,108,682
Total	343,904,319	231,338,084

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 2015	for the year ended 31 March 2014	Increase/ Decrease
Stock in Process	35,599,796	56,093,054	-20,493,258
Finished Goods	34,184,472	40,256,368	-6,071,896
Stock of runners and Risers	844,271	101,529	742,742
Total	70,628,539	96,450,951	-25,822,412

Inventories at the beginning of year

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

23. Employee Benefits expenses

	For the year ended 31 March 2015	for the year ended 31 March 2014
(a) Salaries and incentives	53,390,251	39,206,219
(b) Contributions to		
(i) Provident Fund/ESIC and other fund	3,306,151	2,447,575
(ii) Superannuation scheme		
(c) Gratuity fund contributions	250,000	100,000
(d) Staff welfare expenses	2,354,604	2,720,286
Total	59,301,006	44,474,080

24. Finance Cost

Interest expense	2,893,594	1,459,416
Interest expense (Solar)	9,575,406	1,324,319
Bank Charges	4,695,325	2,606,527
Total	17,164,325	5,390,262

SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting:

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

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

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

(c) Depreciation:

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

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

(d) Inventories:

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

(e) Turnover:

Turnover is net of excise duty.

(f) Recognition of Income & Expenditure:

These are accounted on accrual basis. 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 notes to 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

	2014-15		2013-14	
	Amount in Rs.	% of Consumption	Amount in Rs.	% of Consumption
Imported	0	0	0	0
Indigenous	13955527	100	1,04,74,773	100
TOTAL	13955527	100	1,04,74,773	100

VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF

	2014-15	2013-14
Raw Material and Stock in trade	Nil	Nil
Stores Spares and Packing Material	Nil	Nil
Capital Goods	Nil	Nil

EXPENDITURE IN FOREIGN CURRENCY

	2014-15	2013-14
Exhibition	0	232853
Repairing	0	752533
Travelling	166230	0

PAYMENT TO AUDITORS

	2014-15	2013-14
a. Auditor	45000	35000
b. for other services	15000	10000
Total	60000	45000

EARNING PER SHARE

Particular	2014-15	2013-14
Profit after tax as per Profit and Loss Account (Rs/Lacs)	11191498	(5950630)
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.)	0.74	(0.39)

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 2014 - 2015

Transactions carried out with related parties referred 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	1500000 (1452906)	Nil (Nil)	4200000 (4061610)	Nil (Nil)
<u>Loans</u>				
Opening Balance	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Advance given	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Advance paid	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Closing Balance	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Sundry Creditors	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Purchase of Goods	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Sale of Goods	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Job work	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Interest received	Nil (Nil)	Nil (Nil)	Nil (Nil)	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	1500000	1452096
Shri Mukesh Jain	Director	1500000	1446773
Shri Surendra Jain	Director	1500000	1446773
Shri Shailesh Jain	Brother of Director	1200000	1168064

CONTINGENT LIABILITIES

- | | | |
|----|---|--------------------------------------|
| a. | Guarantee issued by Bank on behalf on the company | Rs. 31,64,389/- (Rs. 60,94,100/-) |
| b. | Vendor bill discounting limit with Axis Bank Ltd. | Rs. 6,73,84,873/- (Rs.2,54,72,128/-) |
| c. | Provident Fund demand for the financial year 2005-06 (Disputed by the company, deposited Rs. 4.02 Lacs for appeal). | 8,04,944/- (Rs. 8,04,944/-) |
| d. | Estimated amount of contracts remaining unexecuted on capital account and not provided for | Rs. 55,33,480/- (Rs. 67,57,296/-) |
| e. | Income tax demand for the assessment year 2010-11 | Rs.5,36,560/- (Rs. 5,36,560/-) |
| f. | VAT tax demand for financial year 2010-11 | Rs.1,38,029/- (Rs.1,38,029/-) |
| g. | VAT tax demand for financial year 2011-12 | Rs. 2,56,111/- (Rs. 2,56,111/-) |
- 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.
- For and on behalf of the Board

As per our report of even date

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

Devendra Jain
Managing Director
DIN 00232920

Mukesh Jain
Director
DIN 00245111

Shilpa Gulani
Company Secretary

Shailesh Jain
Chief Financial Officer

PLACE : INDORE
DATED : 21/05/2015

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	31.03.2015	31.03.2014
Operating Activities		
Profit before tax	17291298	-8317631
Add : Depreciation	41721556	44615478
Add : Interest / Finance Cost	17164325	5390262
Less : Non Operating Income	-1120248	-3610901
Add : Loss on Sale of Fixed Assets	112432	41,512
Cash Flow from operating activities	75169363	38118719
Add Increase CL (including bank borrowings)	20966155	-39705772
Less increase in current assets	-20176838	-20340614
Less tax paid	-6099800	-2367000
Less interest Paid	-17164325	5390262
Net Operating Cash Flow	52694555	15730299
Investing Activities		
In flow :		
Increase in Deferred Tax Liability	2449800	-2367000
Short Provision W/o	-6472	-24499
Increase in other Term Liabilities	-150000	451059
Sale of Fixed Assets	1137000	369,000
Outflow		
Increase in Fixed Assets	-33507116	-137553852
Increase in Non current Assets	-30705835	-10532417
Net Cash from Investing Activities	-60782622	-149657709
Financial Activities		
Inflow :		
Net Change in Term Loans	-8440660	64013365
Net Non Operating Income	1120248	3610901
Net Cash from Financial Activities	-7320412	67624266
Opening Cash	16423543	82726687
Cash Surplus/Deficit	-15408479	-66303144
Closing Cash	1015063	16423543
Difference	0	0

As per our report of even date

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

PLACE : INDORE
DATED : 21/05/2015

For and on behalf of the Board

Devendra Jain
Managing Director
DIN 00232920

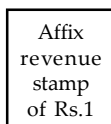
Mukesh Jain
Director
DIN 00245111

Shilpa Gulani
Company Secretary

Shailesh Jain
Chief Financial Officer

Ordinary Business:	
1.	Receive, consider and adopt the audited Balance Sheet as at March 31, 2015, the Statement of Profit & Loss and the Cash Flow Statement for the financial year ended March 31, 2015 and the Reports of the Board of Directors and Auditors thereon.
2.	Re-appointment of Mr. Mukesh Jain who retires by rotation
3.	Appointment of Auditors and fixing their remuneration.
Special Business:	
4.	Appointment of Mrs. Rajni Jain as Non Executive Independent Director
5.	Increase in remuneration of Mr. Surendra Jain, Chairman of the company
6.	Increase in remuneration of Mr. Devendra Jain, Managing Director of the company.
7.	Increase in remuneration of Mr. Mukesh Jain, Whole Time Director of the company

Signed this _____ day of _____ 2015



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
23RD ANNUAL GENERAL MEETING ON 30TH SEPTEMBER 2015.

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 23rd Annual General meeting of the company at the registered office of the company on 30th September, 2015.

(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