

30<sup>th</sup> August, 2024

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

**Sub: Submission of Annual Report for the Financial Year 2023-2024 along with Notice convening the 32<sup>nd</sup> Annual General Meeting as per Regulation 34 of SEBI (LODR) Regulations, 2015.**

Dear Sir/ Madam,

This is to inform that the 32<sup>nd</sup> AGM of the Company is scheduled to be held on Friday, 27<sup>th</sup> September, 2024 at 01:00 P.M. (IST) through VC /OAVM, in compliance with relevant circulars issued by the MCA and the SEBI as amended from time to time. In accordance with the Circulars issued by the MCA and SEBI, the Annual Report of the Company for the Financial Year 2023-24 along with the Notice convening 32<sup>nd</sup> AGM is being sent to those members of the Company whose email addresses are registered with the Company and/or Depository Participant(s).

Pursuant to Regulation 34 of the SEBI (LODR) Regulations, 2015, please find enclosed herewith a copy of Annual Report of the Company for the financial year 2023-24 containing the Notice convening 32<sup>nd</sup> AGM of the Company.

The Annual Report for the financial year 2023-24 along with Notice convening the 32<sup>nd</sup> AGM is also uploaded on the Company's website at <https://www.porwalauto.com/> and the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com).

Kindly take the same on your record and acknowledge.

Thanking You,  
Yours' Sincerely

For, **PORWAL AUTO COMPONENTS LIMITED**

**HANSIKA MITTAL**  
COMPANY SECRETARY

***Enclosure: Annual Report for the F.Y. 2023-24 along with Notice of AGM.***



**Porwal**

**Auto Components Ltd.**

**32<sup>ND</sup>**

**ANNUAL REPORT  
2023-2024**

**ANNUAL REPORT 2023 - 2024**

**THIRTY SECOND ANNUAL REPORT 2023 - 2024**  
**ANNUAL REPORT 2023-24**

MR. SURENDRA JAIN	-	<b>CHAIRMAN AND WHOLE TIME DIRECTOR</b>
MR. DEVENDRA JAIN	-	<b>MANAGING DIRECTOR</b>
MR. MUKESH JAIN	-	<b>WHOLE TIME DIRECTOR</b>
MR. NITIN DAFRIA	-	<b>INDEPENDENT DIRECTOR*</b>
MR. SURAJMAL KUCHERIA	-	<b>INDEPENDENT DIRECTOR*</b>
MR. RAMESH C KASHYAP	-	<b>INDEPENDENT DIRECTOR*</b>
MRS. RAJNI JAIN	-	<b>INDEPENDENT DIRECTOR</b>
MR. GAUTAM CHAND KOTHARI	-	<b>INDEPENDENT DIRECTOR**</b>
MR. NAVEEN DHIMAN	-	<b>INDEPENDENT DIRECTOR**</b>
MR. MOHIT HANDOO	-	<b>INDEPENDENT DIRECTOR**</b>
MRS. SHALU ANAND	-	<b>ADDITIONAL DIRECTOR***</b>

*Note: \*Above Independent Directors have completed their second term as an Independent Directors and consequently ceased to be the Directors of the Company w.e.f. the close of business hours on 31<sup>st</sup> March, 2024.*

*\*\* Above three Independent Directors has been appointed as Independent Director with the approval of members in the 31<sup>st</sup> AGM held on 29<sup>th</sup> September, 2023.*

*\*\*\* Additional Director (in the capacity of Non-Executive Independent Director) was appointed in the Board Meeting dated 21<sup>st</sup> August, 2024 and proposed to be appointed as Independent Director in the ensuing AGM subject to the approval of the Members.*

**CHIEF FINANCIAL OFFICER &  
CHIEF OPERATING OFFICER**

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

**COMPANY SECRETARY**

MS. HANSIKA MITTAL

**STATUTORY AUDITORS**

HN JHAVAR & CO.  
Chartered Accountants  
17, Girdhar Nagar,  
Near Mahesh Nagar,  
Indore (M.P.) - 452002

**BANKERS**

STATE BANK OF INDIA  
SME Branch, Indore (M.P.)

**REGISTERED OFFICE & WORKS**

CIN: L34300MP1992PLC006912  
Plot No. 209 & 215, Sector No. 1,  
Industrial Area, Pithampur,  
(M.P.) 454775  
Tel: 07292-403608  
Fax: 07292-405120  
admin@porwalauto.com  
www.porwalauto.com

**REGISTRAR AND SHARE TRANSFER AGENT**

Link Intime India Pvt Ltd.  
C 101, 247 Park, L B S Marg, Vikhroli West,  
Mumbai -400083  
Tel: +91 22 49186270  
Tel: +91-8108116767  
Fax: +91 22 49186060  
E Mail: rnt.helpdesk@linkintime.co.in

**NOTICE**

NOTICE is hereby given that Thirty Second Annual General Meeting of the Members of the Porwal Auto Components Limited will be held on **Friday, 27<sup>th</sup> September, 2024** at **01:00 P.M. (IST)** through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following business:

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

**ORDINARY BUSINESS:****1. Consideration & Adoption of Audited Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2024:**

To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2024, together with the Reports of the Board of Directors and the Auditors thereon.

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

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

**SPECIAL BUSINESS:****3. Ratification of the remuneration payable to M/s Nikhil Jain & Associates, Cost Accountants, Indore (FRN: 006363) for the financial year ended on 31<sup>st</sup> March, 2024 & 31<sup>st</sup> March, 2025.**

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

**"RESOLVED THAT** in accordance with the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and based on the recommendation of the Audit Committee and the approval of the Board of Directors of the Company, the remuneration to be paid to M/s. Nikhil Jain & Associates, Cost Accountants, Indore (FRN: 006363), appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost accounting records of the Company for the financial year ended on 31<sup>st</sup> March, 2024 & 31<sup>st</sup> March, 2025, amounting to Rs. 35,000/- for each year (Rupees Thirty Five Thousand Only) plus applicable taxes and re-imburement of expenses incurred by them, in connection with the said audit, be and is hereby ratified and confirmed;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all the needful acts, deeds, matters and things to give effect to this resolution including filing of forms with ROC."

**4. Appointment of Mrs. Shalu Anand (DIN - 10738711) as the Independent Director of Company.**

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

**"RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152, 161 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualifications of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modification or amendment thereof, approval and recommendation of the Nomination and Remuneration Committee and that of the Board, Mrs. Shalu Anand who was appointed as an Additional Director in the capacity of an Independent Director by the Board of Directors of the Company w.e.f. 21<sup>st</sup> August, 2024, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of five consecutive years till 20<sup>th</sup> August, 2029 and shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution."

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

**Place:** Pithampur  
**Date:** 21<sup>st</sup> August, 2024

**HANSIKA MITTAL**  
COMPANY SECRETARY

**Notes:**

1. The Ministry of Corporate Affairs (MCA) by Circular No.14/2020 dated 8<sup>th</sup> April 2020, Circular No. 17/2020 dated 13<sup>th</sup> April 2020, Circular No. 20/2020 dated 5<sup>th</sup> May 2020, Circular No. 02/2021 dated 13<sup>th</sup> January 2021, Circular No. 19/2021 dated 08<sup>th</sup> December 2021, 21/2021 dated 14<sup>th</sup> December 2021 and Circular No. 2/2022 dated 5<sup>th</sup> May 2022 and General Circular No. 10/2022, 11/2022 dated 28<sup>th</sup> December 2022 and General Circular No. 09/2023 dated September 25, 2023 and read with Securities and Exchange Board of India (SEBI) Circular No. SEBI/HO/CFD/ CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May 2020, SEBI Circular No. SEBI/HO/CFD/CMD2/ CIR/P/2021/11 dated 15<sup>th</sup> January 2021 and SEBI Circular No. SEBI/HO/CFD/CMD2/ CIR/P/2022/62 dated 13<sup>th</sup> May 2022, Circular No. SEBI/HO/DDHS/P/CIR/2022/0063 dated 13<sup>th</sup> May, 2022, SEBI Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 05<sup>th</sup> January, 2023 and Circular No. SEBI/HO/CFD/CFD-PoD2/P/CIR/2023/167 dated October 7, 2023 ('MCA and SEBI Circulars' /'the Circulars') had permitted sending of the Notice of the AGM along with Annual Report only through electronic mode to those Members whose e-mail IDs were registered with the Company/Depositories as well as conducting the AGM through Video Conferencing (VC) or Other Audio-Visual Means (OAVM).

Central Depository Services (India) Limited ('CDSL'), shall be providing facility for voting through remote e-voting, for participation in the AGM through VC/OAVM facility

and e-voting during the AGM. The procedure for participating in the meeting through VC/OAVM is explained at Note No. 32 below.

2. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed and forms part of the Notice. The Board of Directors have considered and decided to include the Item Nos. 3 & 4 given above as Special Business in the forthcoming AGM, as they are unavoidable in nature. Additional information, pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 ('Listing Regulations') and Secretarial Standards on General Meetings in respect of the Directors seeking appointment at the AGM furnished as Annexure to the Notice and Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India is annexed herewith.
3. Pursuant to General Circular No. 09/2023 dated September 25, 2023, MCA Circular, **physical attendance of the Members is not required at the AGM, and attendance of the Members through VC/OAVM will be counted for the purpose of reckoning the quorum under section 103 of the Companies Act, 2013.**
4. Since this AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility of appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of Sections 112 and 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-Voting through Board Resolution/Power of Attorney/Authority Letter, etc. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address at [csshreddhajain@gmail.com](mailto:csshreddhajain@gmail.com) with a copy marked to [www.evotingindia.com](http://www.evotingindia.com) and [investors.pacl@gmail.com](mailto:investors.pacl@gmail.com).
5. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
6. The voting rights of Shareholders shall be in proportion of shares held by them to the total paid up equity shares of the Company as on **Friday, 20<sup>th</sup> September, 2024**, being the cut-off date.
7. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company. Since, AGM will be held through VC/OAVM facility, the route map of the venue of the AGM is not annexed hereto.
8. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
9. The report on the Corporate Governance and Management Discussion and Analysis also forms part to the report of the Directors.

10. M/s. HN Jhavar and Co., Chartered Accountants, were appointed as Statutory Auditors of the Company at the 30<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> September, 2022 to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2027. Pursuant to the Notification issued by the Ministry of Corporate Affairs on 7<sup>th</sup> May, 2018 amending section 139 of the Act and the Rules framed thereunder, the mandatory requirement for ratification of appointment of Auditors by the Members at every Annual General Meeting has been omitted, and hence the Company is not proposing an item on ratification of appointment of Auditors at this AGM.
11. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of Companies Act, 2013 and relevant documents referred to in this Notice of AGM, will be available electronically for the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members on the date of AGM, i.e. 27<sup>th</sup> September, 2024. Members seeking to inspect such documents can send an email to [investors.pacl@gmail.com](mailto:investors.pacl@gmail.com).
12. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB /P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/Exchange of securities certificate; Endorsement; Sub-division/Splitting of securities certificate; Consolidation of securities certificates/ folios; Transmission and Transposition.

For this purpose, the securities holder/claimant shall submit a duly filled up Form ISR-4 which is hosted on the website of the Company as well as on the website of Link Intime India Pvt. Ltd., Registrar and share transfer agent (RTA) The aforementioned form shall be furnished in hard copy form. It may be noted that any service request can be processed only after the folio is KYC compliant.

SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.

**Members holding shares in physical form are requested to dematerialize their holdings at the earliest.**

13. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified from time to time.
14. As per the provisions of Section 72 of the Act, and SEBI vide its Circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16<sup>th</sup> March 2023 which is issued in suppression of circular no. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated 3<sup>rd</sup> November 2021 has made it mandatory for all shareholders holding shares in physical form to furnish nomination details to the Company / RTA:



Shareholders can register their nomination details in Form SH-13 or they can choose to give declaration to opt out of Nomination by filing Form ISR-3.

In case of shareholder holding shares in physical form wishes to change the nominee or cancel the nomination then Form SH-14 needs to be filled.

The forms mentioned above are available on the website of the Company as well as on the website of RTA.

Members holding shares in electronic form are requested to give the nomination to their respective Depository Participants.

15. The Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC details and Nomination pursuant to SEBI vide its Circular no. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated 3<sup>rd</sup> November, 2021 read with Circular no. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 dated December 14, 2021 and Circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16<sup>th</sup> March 2023, Further it has made it mandatory for all holders holding shares in physical form to furnish the following documents / details to the RTA.

- a) PAN
- b) Contact details, Postal address with PIN, Mobile number, E-mail address
- c) Bank account details (bank name and branch, bank account number, IFS code)
- d) Specimen signature

For furnishing the above-mentioned details, shareholder must submit Form ISR-1 and/or ISR-2 in hard copy form to the company/ RTA. The forms are available on the website of the company as well as on the website of RTA.

16. Members holding shares in physical form may kindly note that in reference to SEBI, vide its circular dated November 03, 2021 (subsequently amended by circulars dated December 14, 2021, March 16, 2023 and November 17, 2023) mandated that the security holders holding securities in physical form, whose folio(s) do not have PAN or Choice of Nomination or Contact Details or Mobile Number or Bank Account Details or Specimen Signature updated, shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode with effect from April 01, 2024.

In case of non-updation of PAN or Choice of Nomination or Contact Details or Mobile Number or Bank Account Details or Specimen Signature in respect of physical folios, the dividend shall be paid only through electronic mode with effect from April 01, 2024 upon furnishing all the aforesaid details in entirety.

In case of non-submission of above details dividend will not be paid and kept with the company and will be paid only when complete details are submitted.

17. SEBI vide Circular dated July 31, 2023 read with Master Circular dated December 28, 2023, has established a common Online Dispute Resolution Portal ('ODR Portal') for resolution of disputes arising in the Indian Securities Market. Pursuant to above mentioned circulars, post exhausting the option to resolve their grievances with the RTA/ Company directly and through existing SCORES platform and ODR Portal.

18. **BOOK CLOSURE:** The Register of Members and Transfer Books of the Company will be closed from **Saturday, 21<sup>st</sup> September, 2024 to Friday, 27<sup>th</sup> September, 2024 (both days inclusive)** for the purpose of AGM.
19. Pursuant to Section 124 and other applicable provisions, if any, of the Act, all dividend remaining unpaid and unclaimed for a period of 7 (seven) years from the date of declaration will be transferred to Investor Education and Protection Fund ('IEPF'), established by the Central Government. Accordingly, unpaid and unclaimed dividend for the FY 2015-16, has been transferred to the IEPF.

Further, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 31<sup>st</sup> March, 2023 (29<sup>th</sup> September, 2023, date of last AGM), on the website of the Company at <https://www.porwalauto.com/>

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

Financial Year Ended	Date of declaration of dividend	Last date for claiming unpaid/unclaimed dividend
31 <sup>st</sup> March 2017	28 <sup>th</sup> September 2017	26 <sup>th</sup> October 2024
31 <sup>st</sup> March 2018	29 <sup>th</sup> September 2018	28 <sup>th</sup> October 2025
31 <sup>st</sup> March 2019	28 <sup>th</sup> September 2019	28 <sup>th</sup> October 2026

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

Pursuant to sections 124 and 125 of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer, and Refund) Rules, 2016 ("the IEPF Rules") notified by the Ministry of Corporate Affairs with effect from 7<sup>th</sup> September, 2016, as amended, all unclaimed/ unpaid dividend, application money, debenture interest and interest on deposits as well as principal amount of debentures and deposits remaining unpaid or unclaimed for a period of 7 years from the date they became due for payment, are required to be transferred to the Investor Education and Protection Fund ("IEPF") administered by the Central Government.

Further, pursuant to the provisions of section 124 of Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 all shares on which dividend has been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

Furthermore, Members, who have so far not encashed the dividend warrant(s) for the Financial Year 2016-17, are requested to make their claims to the Company's RTA on or before 26<sup>th</sup> October, 2024, failing which the unpaid/unclaimed dividend and the equity shares relating thereto for FY 2016-17 will be transferred to the IEPF.

The Company is in compliance with the aforesaid IEPF rules, and has sent individual notices to those Members whose shares are liable to be transferred to Demat account of the IEPF Authority and has also published notice in the newspapers. The Company has also uploaded full details of such unclaimed/unpaid dividend and the related shares due for transfer on the website of the Company at (<https://www.porwalauto.com/investor.html>).

Members are requested to verify the details and lodge their claims with the Company to avoid transfer of dividend and related shares to IEPF Account.

20. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with RTA of the Company at Link Intime India Private Limited, C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai – 400083, in case the shares are held by them in physical form.
21. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to RTA of the Company at Link Intime India Private Limited, C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai – 400083, in case the shares are held by them in physical form.
22. The MCA General Circular No. 10/2022 and 11/2022 dated 28<sup>th</sup> December, 2022, General Circular No. 09/2023 dated September 25, 2023 and SEBI Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 05<sup>th</sup> January, 2023 and General Circular No. 09/2023 dated September 25, 2023, have granted relaxations to the companies in view of the prevailing situation and owing to the difficulties involved in dispatching physical copies of the financial statements (including Board's Report, Auditor's Report or other documents required to be attached therewith) for the Financial Year ended 31<sup>st</sup> March, 2024 pursuant to Section 136 of the Act and Notice calling the AGM pursuant to Section 101 of the Act read with the Rules framed thereunder, such statements including the Notice of AGM are being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. For Members who have not registered their e-mail address and those members who have become the members of the Company after Friday, 23<sup>rd</sup> August, 2024 being the cut-off date for sending soft copy of the Notice of 32<sup>nd</sup> AGM and Annual Report for the financial year 2023-2024, the same will also be available on the Company's website [www.porwalauto.com](http://www.porwalauto.com), website of CDSL i.e. [www.evotingindia.com](http://www.evotingindia.com) and on website of stock exchanges viz. [www.bseindia.com](http://www.bseindia.com), in Portable Document Format (PDF), in line with the Ministry of Corporate Affairs (MCA) Circular.
23. Members, who hold shares in multiple Demat accounts and those who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names, are advised to consolidate their holdings in single Demat account/ Folio.
24. For ease of conduct of AGM, members who wish to ask questions/express their views on the items of the businesses to be transacted at the meeting are requested to write to the Company's investor email-id [investors.pacl@gmail.com](mailto:investors.pacl@gmail.com), at least 7 days before the date of the AGM, mentioning their name, demat account no. /folio number; email ID, mobile number etc. The queries may be raised precisely and in brief to enable the Company to answer the same. Those Members who have registered themselves as a speaker will be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
25. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

26. **Investor Grievance Redressal:** The Company has designated an exclusive e-mail ID i.e. [investors.pacl@gmail.com](mailto:investors.pacl@gmail.com) to enable the investors to register their complaints / send correspondence, if any for the purpose of AGM.
27. **Webcast:** Members who are entitled to participate in the AGM can view the proceedings of AGM by logging in the website of CDSL i.e. [www.evotingindia.com](http://www.evotingindia.com) using the login credentials.
28. The Chairman shall at the AGM at the end of discussion on the resolutions on which voting is to be held, allow e-voting to all those members who are present/logged in at the AGM but have not cast their votes by availing the remote e-voting facility.
29. A person who has acquired the shares and has become a member of the Company after dispatch of notice of AGM and prior to the Cut-off date i.e. Friday, 20<sup>th</sup> September, 2024, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or e-voting system on the date of AGM by following the procedure mentioned in this Notice.
30. The Securities and Exchange Board of India (SEBI) vide its Circular No. SEBI/HO/MIRSD/DOP1/ CIR/P/2018/73 dated 20<sup>th</sup> April, 2018 has mandated registration of PAN and Bank Account Details for all security holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account details to Link Intime India Private Limited along with a self-attested copy of PAN Card and original cancelled cheque. The original cancelled cheque should bear the name of the Member. In the alternative Members are requested to submit a copy of bank passbook/statement attested by the bank. Members holding shares in Demat form are requested to submit the aforesaid information to their respective Depository Participant.
31. **SCRUTINISER FOR E-VOTING:** Ms. Shraddha Jain, Practicing Company Secretary (Membership No. ACS 39488) has been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.
32. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 (including any statutory modification(s), clarifications, exemptions or reenactments thereof for the time being in force), Regulation 44 of the SEBI Listing Regulations (as amended from time to time) and Secretarial Standard on General Meetings (SS-2) and in terms of relevant MCA Circulars, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Central Depository Services (India) Limited ('CDSL'), as the authorized e-Voting's agency on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.

The process/manner for availing e-voting facility and the instructions for members voting electronically are as under:

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

**Step 1** : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 2** : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on Tuesday, 24<sup>th</sup> September 2024 from 9:00 A.M. and ends on Thursday, 26<sup>th</sup> September, 2024 at 5:00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20<sup>th</sup> September, 2024 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9<sup>th</sup> December, 2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

**Step 1** : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

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

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

Type of shareholders	Login Method
Individual Shareholders	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further

holding securities in Demat mode with <b>CDSL Depository</b>	<p>authentication. The users to login to Easi / Easiest are requested to visit cdsl website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab.</p> <ol style="list-style-type: none"> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting</li> </ol>

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

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

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

<b>Login type</b>	<b>Helpdesk details</b>
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cDSLindia.com">helpdesk.evoting@cDSLindia.com</a> or contact at toll free no. 1800 2109911
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 022-4886 7000 and 022-2499 7000

**Step 2 :** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

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

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “Shareholders” module.

- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

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

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <PORWAL AUTO COMPONENTS LIMITED> on which you choose to vote.



- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) **Additional Facility for Non - Individual Shareholders and Custodians - For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
  - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of

the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investors.pacl@gmail.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

1. The procedure for attending meeting & e-Voting on the day of the AGM/EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [investors.pacl@gmail.com](mailto:investors.pacl@gmail.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [investors.pacl@gmail.com](mailto:investors.pacl@gmail.com). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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

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

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 2109911.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call at toll free no. 1800 2109911.

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

**Place:** Pithampur

**Date:** 21<sup>st</sup> August, 2024

**HANSIKA MITTAL**  
COMPANY SECRETARY

**EXPLANATORY STATEMENT IN TERMS OF SECTION 102 OF THE COMPANIES ACT, 2013**
**ITEM NO. 03**
**Ratification of the remuneration payable M/s Nikhil Jain & Associates, Cost Accountants, Indore (FRN: 006363) for the financial year ended on 31<sup>st</sup> March, 2024 & 31<sup>st</sup> March, 2025**

The Board of Directors has, on the recommendation of the Audit Committee, approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company across various segments, for the financial year ending 31<sup>st</sup> March, 2024 and 31<sup>st</sup> March, 2025, as per the following details:

<b>Name of the Cost Auditor</b>	<b>Cost Audit Fee</b>
M/s. Nikhil Jain & Associates, Cost Accountants, Indore (FRN: 006363)	Rs. 35000/- for each year plus applicable taxes and re-imburement of expenses incurred by them in connection with the audit

In accordance with the provisions of Section 148 of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board, has to be ratified by the members of the Company.

Further, due to the sudden and unfortunate passing of Mr. Anil Kumar Jain (M.NO.: 30938), Cost Auditor of the Company, the Company needs to appoint a new Cost Auditor for the financial year 2023-2024. In response to this, the Board of Directors has appointed M/s Nikhil Jain & Associates, Indore (M.P), Cost Accountants, as the new Cost Auditors in the Board meeting held on 25<sup>th</sup> November, 2023. M/s Nikhil Jain & Associates have agreed to undertake this role for the financial year ending 31<sup>st</sup> March, 2024. And it is necessary to ratify their remuneration at the ensuing Annual General Meeting (AGM) to be held on 27<sup>th</sup> September, 2024.

Accordingly, ratification by the members is sought for the remuneration payable to the Cost Auditors for the financial year ending on 31<sup>st</sup> March, 2024 & 31<sup>st</sup> March, 2025 by passing an Ordinary Resolution as set out at Item No. 03 of the Notice.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Ordinary Resolution set out at Item No. 03 of the Notice for ratification by the members.

**ITEM NO. 04**
**Appointment of Mrs. Shalu Anand (DIN-10738711) as an Independent Director of the Company**

The Board of Directors at its meeting held on 21<sup>st</sup> August, 2024, based on the recommendation of the Nomination and Remuneration Committee appointed Mrs. Shalu Anand (DIN-10738711) as an Additional Director in the capacity of an Independent Director by the Board of Directors of the Company w.e.f. 21<sup>st</sup> August, 2024, who holds office up to the date of the 32<sup>nd</sup> Annual General Meeting convened on 27<sup>th</sup> September, 2024. The Board further based on the recommendation of the Nomination and Remuneration Committee and subject to shareholders' approval, recommended the appointment of Mrs. Shalu Anand (DIN-10738711) as an Independent Director, not liable to retire by rotation. The Board of Directors of the

Company has proposed to appoint Mrs. Shalu Anand (DIN-10738711) as an Independent Director of the Company to hold office for a term of five consecutive years up to 20<sup>th</sup> August, 2029, subject to consent by the Members of the Company at the ensuing Annual General Meeting (“AGM”). The Company has received a notice in writing from a member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company.

The Company follows a robust process for Board appointments and succession, which is a hallmark of a forward-thinking, future-ready and progressive board. The Board deliberates on various factors including current tenure of board members, anticipated vacancies in key board positions, skill matrix including skill-gaps, diversity, time-commitment and statutory requirements etc. The appointment of Mrs. Shalu Anand (DIN-10738711) has been made by the Board to address the long term requirement of the Company and to ensure smooth transition in key board positions. In the opinion of the Board, Mrs. Shalu Anand (DIN-10738711) fulfill the conditions specified in the Companies Act, 2013 (the “Act”), rules made thereunder and SEBI (Listing obligations and disclosure requirements) Regulations 2015 (“Listing Regulations”) for appointment as an Independent Director of the Company.

Mrs. Shalu Anand(DIN-10738711) is a dedicated and experienced HR management professional and having experience of more than 5 years in finance and human resources. She brings a practical and insightful approach to HR practices. Mrs. Shalu Anand’s practical experience and expertise in managing human resources and finance have equipped them with a unique perspective and problem-solving skills that are highly valuable for an Independent Director role. Currently, She is serving as an HR Manager at Recruitment Company. Mrs. Shalu Anand is known for her strong analytical mindset, attention to detail, and ability to lead and collaborate with diverse teams, fostering a positive and productive organizational culture. The detailed profile of Directorship and Committee position held by him in other Companies are included separately in this Notice.

The Company has also received a declaration from Mrs. Shalu Anand (DIN-10738711) confirming that she meets the criteria of independence as prescribed under the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). The Company has received from Mrs. Shalu Anand (DIN-10738711) consent in writing to act as Director in form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 and intimation in Form DIR-8 in terms of Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that she is not disqualified under sub- section (2) of section 164 of the Companies Act, 2013 and have successfully registered themselves in the Independent Director’s data bank maintained by Indian Institute of Corporate Affairs.

In the opinion of the Board, Mrs. Shalu Anand (DIN-10738711) fulfils the conditions for her appointment as an Independent Director as specified in the Act and the Listing Regulations and she is independent of the management. Mrs. Shalu Anand (DIN-10738711) is not related to any other Director and Key Managerial Personnel of the Company. The Board recommends to pass Special Resolution as set out in Item No. 4 of the notice. Additional information in respect of Mrs. Shalu Anand (DIN-10738711), pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2), is given at Annexure A to this Notice.

**ANNEXURE A - DISCLOSURES RELATING TO DIRECTORS PURSUANT TO REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, AND SECRETARIAL STANDARD ON GENERAL MEETINGS:**

S. No.	Particulars	Details
1.	<b>Name</b>	Mrs. Shalu Anand
2.	<b>DIN</b>	10738711
3.	<b>Date of Birth</b>	03-03-1983
4.	<b>Date of first Appointment</b>	21-08-2024
5.	<b>Qualification</b>	Undergraduate
7.	<b>Expertise/Experience in specific functional areas</b>	As per the resolution at Item no. 4 of this Notice, read with the explanatory statement thereto.
8.	<b>Terms and conditions of appointment</b>	Appointment as an Independent Director, not liable to retire by rotation
9.	<b>Details of remuneration</b>	Sitting fees and Commission as may be approved by the Board
10.	<b>No. &amp; % of Equity Shares held</b>	NA
11.	<b>Relationship with other Directors, Manager and other Key Managerial Personnel of the company</b>	NONE
12.	<b>List of outside Company Directorships held</b>	NONE
13.	<b>Chairman / Member of the Committees of the Board of Directors of the Company</b>	NONE
14.	<b>Chairman / Member of the Committees of the Board of Directors of other Companies in which she is director</b>	NONE

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

**Place:** Pithampur

**Date:** 21<sup>st</sup> August, 2024

**HANSIKA MITTAL**  
 COMPANY SECRETARY

**Registered office**

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

## BOARDS' REPORT

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

Your Directors have immense pleasure in presenting 32<sup>nd</sup> Boards' Report of **Porwal Auto Components Ltd**, together with the Audited Financial Statements for the year ended March 31, 2024.

### 1. State of Affairs, Financial Performance and Future Outlook:

#### a. Financial Performance

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

(Rupees in lakhs)

Particulars	As on 31.03.2024	As on 31.03.2023
Revenue from operations	14638.52	14060.54
Other Income	42.89	4.10
Total Expenses [excluding interest & depreciation]	13617.26	13489.15
<b>Profit before Interest, Depreciation &amp; Tax</b>	1064.15	575.48
<b>Less:</b> Depreciation	578.74	595.61
<b>Less:</b> Interest	49.16	83.03
<b>Less:</b> Exceptional items	-26.41	0.00
<b>Profit / (Loss) Before Tax</b>	462.66	-103.16
<b>Less:</b> Tax Expenses		
Current Tax	77.23	0.00
Deferred Tax	0.00	0.00
<b>Net Profit / (Loss) after Tax</b>	385.43	-103.16
<b>Add:</b> Amount brought forward from Last Year	1,089.10	1192.26
<b>Balance carried forward to Balance Sheet</b>	1474.53	1,089.10
<b>Appropriations:</b>		
Income Tax/Wealth tax of earlier years	0.07	0.00
<b>Balance carried forward to Balance Sheet</b>	1474.46	1,089.10

Your Company's financial statements for the year ended March 31, 2024 are the financial statements prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as applicable.

During the year under review the Company has reported a turnover of Rs. 14,638.52 Lacs against the turnover of Rs. 14,060.54 in the previous year, registering increment of Rs. 577.98 Lacs (approx). The overall expenses of the Company have also increased from Rs. 13489.15 Lacs to Rs. 13617.26 Lacs. The Company has incurred a net profit of Rs. 385.43 Lacs as compared to loss of Rs. 103.16 Lacs in the previous year. Your Company is trying their best to uplift the profit in the coming period.

**b. Operations And Future Outlook**

India's auto components industry's market share has significantly expanded, led by increasing demand for automobiles by the growing middle class and exports globally. India's automotive industry is a major contributor to the country's production economy. Supporting this dynamic industry is the auto component manufacturing (ACM) segment. In recent years, the number of Indian OEM suppliers in the ACM segment has grown, making India a noteworthy player in the global automotive supply chain. India has become the fastest-growing economy in the world in recent years. This fast growth, coupled with rising incomes, a boost in infrastructure spending and increased manufacturing incentives, has accelerated the automobile industry. Significant demand for automobiles also led to the emergence of more original equipment and auto components manufacturers. As a result, India developed expertise in automobiles and auto components, which helped boost international demand for Indian automobiles and auto components. Hence, the Indian automobile industry has a considerable impact on the auto component industry.

To navigate these evolving dynamics and capitalize on opportunities, Your Company is implementing several strategic initiatives. These include strengthening our product portfolio, updating existing products, and enhancing our research and development (R&D) and technological capabilities. We are committed to investing in new product development, technology upgrades, and expanding our channel reach to remain competitive and sustain leadership. We are developing and offering customized auto component parts that meet the unique specifications of railway and defence applications. This includes high durability, reliability, and adherence to safety standards.

To strengthen our position in the railway and defence sectors, we will focus on building direct relationships with key decision-makers by engaging them through regular meetings, tailored presentations, and consultative interactions. By understanding their specific needs and challenges, we can offer customized solutions that address their unique requirements. Our approach includes attending industry events, joining professional associations, and actively seeking feedback to refine our offerings. This strategic engagement will enable us to position ourselves as a trusted partner, driving long-term collaboration and ensuring that our solutions effectively support their operational goals and project success.

We will focus on developing auto components specifically tailored for international markets by identifying global customer needs, adhering to international standards, and ensuring high quality. Our strategy includes market research, customization, and compliance with export regulations to enhance our global presence and drive successful international sales.

Your Company has also introduced new machinery for the smooth functioning. We also have a long standing relationship with all our customers, our built on the years of remarkable responsiveness, to their ever changing needs. The Company offer the best-in-class products to our existing and potential customers and partners for sustained performance.

**c. Change in nature of Business**

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

**d. Changes in Share Capital**

During the Financial Year 2023-24 there was no change in capital structure of the Company. The paid up equity capital as on March 31, 2024 is Rs. 15,10,00,000. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock option or sweat equity shares.



**e. Revision of Annual Financial Statements**

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

**2. Transfer to Reserves, If any**

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

**3. Dividend**

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

**4. Deposits**

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

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

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

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

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

**7. Annual Return**

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

**8. Directors and Key Managerial Personnel**

At the year ended March 31, 2024, the Board of Directors comprised of three Executive directors and seven Non-Executive Independent Directors including one Woman Director. The Company has one Chief Financial Officer and a Company Secretary.

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

**Retire By Rotation**

In accordance with the provisions of Section 152 of the Act and in terms of the Articles of Association of the Company, Mr. Surendra Utsavlal Jain (DIN: 00245154) retires by rotation and being eligible, offers himself for reappointment at the ensuing 32<sup>nd</sup> Annual General Meeting.

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

**Appointments/ Reappointments**

During the year under review, Mr. Gautam Chand Kothari (DIN: 00115063) has been appointed as Independent Director of the Company for the term of five consecutive years commencing from August 11, 2023 till August 10, 2028, who is not liable to retire by rotation and has been approved by the members in the 31<sup>st</sup> AGM held on 29<sup>th</sup> September, 2023.

Mr. Naveen Kumar Dhiman (DIN: 10273058) has been appointed as Independent Director of the Company for the term of five consecutive years commencing from August 11, 2023 till August 10, 2028, who is not liable to retire by rotation and has been approved by the members in the 31<sup>st</sup> AGM held on 29<sup>th</sup> September, 2023.

And Mr. Mohit Handoo (DIN - 10274798) has been appointed as Independent Director of the Company for the term of five consecutive years commencing from August 11, 2023 till August 10, 2028, who is not liable to retire by rotation and has been approved by the members in the 31<sup>st</sup> AGM held on 29<sup>th</sup> September, 2023.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company has appointed Mrs. Shalu Anand (DIN: 10738711) as an Additional Director in the capacity of Non-executive Independent Director w.e.f from August 21, 2024 and has proposed to appoint Mrs. Shalu Anand (DIN: 10738711) as an Independent Director of the Company for the term of five consecutive years commencing from August 21, 2024 till August 20, 2029, subject to consent by the members of the Company in the ensuing AGM.

**Independent Directors:**

The Independent Directors on the Board of the Company comprise of MR. Nitin Dafria, Mr. Surajmal Kucheria, Mr. Ramesh C Kashyap Mr. Mohit Handoo, Mr. Naveen Kumar Dhiman, Mr. Gautam Chand Kothari & Mrs. Rajni Jain.

**Declaration by Independent Directors**

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

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

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

**Disqualifications of Directors**

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

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

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

Your Company has three committees which have been constituted as a part of the good corporate governance practices and the same are in compliance with the requirements of the relevant provisions of applicable laws and statutes. Your Company has an adequately qualified and experienced Audit Committee. The recommendations of the Audit Committee were duly approved and accepted by the Board during the year under review.

The other Committees of the Board are:

- i. Nomination and Remuneration Committee
- ii. Stakeholders Relationship Committee

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

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

- a. **Board Meetings:** During the year under review the Board has met 7 (seven) times viz **May 29, 2023; July 21, 2023; August 11, 2023; October 05, 2023; November 08, 2023; November 25, 2023 and February 14, 2024**. The details of meetings of the Board and the attendance of Directors are provided in the Corporate Governance Report.
- b. **Committee Meetings:** During the year under review, the Committees duly met and the details of the Meetings held and attendance of the Directors at such Meetings, are provided in the Corporate Governance Report.
- c. **Separate Meeting of Independent Director:** During the year under review, a separate meeting of Independent Directors was held on March 20, 2024.

#### **11. Nomination and Remuneration Policy**

Pursuant to the provisions of Section 178(3) of the Companies Act, 2013, and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee has formulated a policy relating to the remuneration for the Directors, key managerial personnel (KMP) and other employees which was approved and adopted by the Board. The policy is available on the website of the Company at <http://www.porwalauto.com/Other-shareholder-information.html>.

#### **Other Policies:**

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

## **12. Performance Evaluation of the Board**

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

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

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

The Performance of the Committee was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of the committee, effectiveness of committee meetings, etc. The Board and the Nomination and Remuneration Committee reviewed the performance of individual director on the basis of criteria such as the contribution of the individual directors to the board and committee meeting like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meeting, etc.

## **13. Directors' Responsibility Statement**

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

- a. In the preparation of the Annual Accounts for the Financial Year ended on 31<sup>st</sup> March, 2024, the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- b. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit for the year ended on that period.
- c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- d. The Directors had prepared the annual accounts on a going concern basis.
- e. The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f. The Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

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

Pursuant to the provisions of section 139 of the Act and the rules framed there under, at the 30<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> September 2022, of M/S. HN Jhavar and Co., Chartered

Accountants, Indore (ICAI Firm Registration Number: 000544C) 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 2027.

The Company has received a certificate from the Statutory Auditors confirming their eligibility and willingness for their appointment and affirmation that the appointment is in accordance with Section 139 read with Section 141 of the Act.

In accordance with Notification No. GSR 432(E) issued on 07<sup>th</sup> May, 2018 by the Ministry of Corporate Affairs the appointment of statutory auditors is not required to be ratified at every Annual General Meeting.

**Explanation to Auditor's Remark**

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

**Reporting of fraud by Statutory Auditors**

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

**b. Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mrs. Shraddha Jain, Practicing Company Secretary, to conduct Secretarial Audit for the Financial Year 2023-24. The Secretarial Audit Report for the Financial Year ended on March 31, 2024 is annexed herewith marked as **Annexure-I** to this Report.

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

**Annual Secretarial Compliance Report:**

The Company has undertaken an audit for the Financial Year 2023-24 for all applicable compliances as per Securities and Exchange Board of India Regulations and Circulars/Guidelines issued thereunder. The Annual Secretarial Compliance Report duly signed by Ms. Shraddha Jain, Practicing Company Secretary has been submitted to the Stock Exchanges.

**c. Cost Record and Cost Audit**

Pursuant to Section 148 of the Companies Act, 2013 ('the Act') read with Rule 8 of the Companies (Accounts) Rules, 2014, it is stated that the cost accounts and records are made and maintained by the Company as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

The Board had appointed M/s. Nikhil Jain & Associates, Cost Accountants, Indore (FRN: 006363), as Cost Auditor for conducting the audit of cost records of the Company for the Financial Year 2023-24.

The Board of Directors of the Company on recommendation of Audit Committee, in pursuance of Section 148 of the Companies Act, 2013, have appointed M/s. Nikhil Jain & Associates, Cost Accountants, Indore (FRN: 006363), for conducting the audit of the cost accounting records maintained by the Company for the Financial Year 2024-2025. They have confirmed that their appointment is within the limits of Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified from acting as Cost Auditors.

As per the provisions of the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be placed before the Members in a General Meeting for their ratification. Accordingly, a Resolution seeking Members' ratification for the remuneration payable to M/s. Nikhil Jain & Associates, Cost Auditors is included in the Notice convening the Annual General Meeting.

#### **d. Internal Auditor**

Pursuant to the provisions of Section 138 of the Act read with Rule 13(1)(a) of Companies (Accounts) Rules, 2014, the Board of Directors of the Company have appointed M/s. Nishi Agrawal and Company, Chartered Accountant, Indore to conduct internal audit reviews for the Company for the FY 2023-24. Further, The Board of Directors of the Company on recommendation of Audit Committee, have appointed M/s. Nishi Agrawal and Company, Chartered Accountant, Indore to conduct internal audit reviews for the Company for the FY 2024-25.

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

The Company has comprehensive Internal Financial Controls system for all major processes including financial statements to ensure reliability of reporting. The system also helps management to have timely data on various operational parameters for effective review. It also ensures proper safeguarding of assets across the Company and its economical use. The internal financial controls system of the Company is commensurate with the size, scale and complexity of its operations. The system and controls are periodically reviewed and modified based on the requirement. The internal and operational audit is entrusted to M/s. Nishi Agrawal and Company, Chartered Accountant, Indore for the Financial Year 2024-25. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry. Based on the audit observations & suggestions, follow up & remedial measures are being taken on a regular basis.

#### **16. Particulars of loans, guarantees or investments**

Particulars of the loans given, investment made or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient of the loan or guarantee or security are provided in Note Nos. 5 and 6 to the Financial Statements.

#### **17. WEBSITE**

As per provisions of the Regulation 46 of the SEBI (LODR), 2015 all necessary information as required to be given to the shareholders/ stakeholders, is available at <https://www.porwalauto.com/>. Shareholders/ stakeholders are requested to refer to investor section.

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

During the Financial Year 2023-2024, all contracts/ arrangements/ transactions entered into by the Company with its related parties were reviewed and approved by the Audit Committee and the Board. Prior omnibus approvals were obtained from the Audit Committee for related party transactions which were of repetitive nature, entered in the ordinary course of business and on an arm's length basis. No transaction with any related party was in conflict with the interest of the Company.

All Related Party Transactions that were entered into during the Financial Year were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of Section 188 of the Companies Act, 2013 ('the Act') and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Therefore, there is no particulars of contracts or arrangements with related parties referred to in section 188(1) of the Companies Act, 2013 which needs to be disclosed in the prescribed form AOC-2 and may be treated as not applicable. The Related Party Transactions Policy as approved by the Board is uploaded on the Company's web link <https://www.porwalauto.com/Other-shareholder-information.html>. However, the related party transactions as covered under Indian Accounting Standards (IND AS 24) have been disclosed in the Note No. 32 of the financial statements for the year under review.

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

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

**20. Risk Management**

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

**21. 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.

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

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

Policy has been posted on the website of the Company [https://www.porwalauto.com/pdf/Vigil\\_Mechanism.pdf](https://www.porwalauto.com/pdf/Vigil_Mechanism.pdf).

**23. Human Resources**

Our relations with the employees are very cordial. Your directors would like to place on record their appreciation of the commitment and efficient services rendered by all employees of the Company, without whose wholehearted efforts, the overall satisfactory performance of the Company would not have been possible.

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

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

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

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

**26. Particulars of Employees**

During the year, there was no employee drawing remuneration in excess of Rs. 1,02,00,000/- p.a. or Rs. 8,50,000/- p.m. Accordingly, information required to be given pursuant to provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, has not been given here. Further the particulars of top ten employees in terms of remuneration drawn required under section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended is enclosed as **Annexure IV** and forms the part of this Board Report.

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

As required under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Managing Director and Chief Financial Officer of the Company have certified to the Board regarding the Financial Statements for the year ended March 31, 2024 which is enclosed as forms the part of this Board Report.

**28. 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.

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

The Company has not issued shares under Employee's Stock Options scheme during the year under review.

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

The Company has not issued Sweat Equity Shares during the year under review.



### **31. Corporate Governance Report**

Your Company and its Board has been complying with Corporate Governance practices as set out in a separate report in pursuance of requirement of Para C of Schedule V SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as **Annexure V**. Certificate obtained from Ms. Shraddha Jain, Practicing Company Secretary, confirming compliance of the Corporate Governance as stipulated under the said Regulations is also enclosed herewith in the Report and the same is enclosed as forms the part of this Annual Report.

### **32. Investor Education And Protection Fund (IEPF)**

Pursuant to the provisions of the Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules") notified by the Ministry of Corporate Affairs, the unclaimed and unpaid dividends amount for the year 2016-17 is required to be transferred to IEPF on the due date as specified in the Notice of the AGM and resulting shares on which no dividend is claimed for a consecutive 7 years will also be transferred to IEPF Authority as per the requirement of the IEPF rules on due date. Further, according to the rules, the resulting shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more also need to be transferred to the Demat account of the IEPF Authority. The Company has uploaded full details of such shareholders and shares due for transfer to IEPF Authority on its website at <https://www.porwalauto.com/investor.html>. The Company had sent individual notices and also advertised in the newspapers seeking action from the Members who have not claimed their dividends for seven consecutive years or more.

An amount of 217843/- in respect of unpaid/unclaimed dividend declared for the FY 2015-2016 was transferred to the Investor Education and Protection Fund Authority as well as 312,157 equity shares of face value of Rs. 10 each, in respect of dividend remained unpaid/unclaimed for a consecutive 7 (Seven) years in relation to dividend declared for FY 2015-2016, was also transferred and credited to the IEPF Authority by the Company during the year ended 31st March, 2024. The investors may claim their unpaid dividend and the shares from the IEPF Authority by applying in the Form IEPF-5 and complying with the requirements as prescribed.

### **33. Corporate Social Responsibility**

During the Financial Year under review, the provisions of Section 135 of the Act relating to the constitution of a Corporate Social Responsibility Committee are not applicable to the Company.

### **34. Management Discussion and Analysis Report**

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

### **35. Listing at Stock Exchange**

The Equity shares of the Company are listed on Bombay Stock Exchange Limited, Mumbai and the Listing Fee for the year 2023-24 has been duly paid.

The Company has complied with SEBI (LODR) Regulations, 2015 including payment of Annual Listing Fees up to March 31, 2025 to BSE Limited.

**36. Insurance**

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

**37. Business Responsibility Report**

The Business Responsibility Reporting as required by Regulation 34(2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, is not applicable to your Company for the Financial Year ending March 31, 2024.

**38. Depository System**

Your Company's shares are tradable compulsorily in electronic form and your Company has connectivity with both the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Service (India) Limited (CDSL). As per the SEBI (Listing Obligations & Disclosure Requirements) (Fourth Amendment) Regulations, 2018, vide Gazette notification dated June 8, 2018 & 30<sup>th</sup> November, 2018 mandated that Share transfer shall be mandatorily carried out in dematerialized form only w.e.f. from April 1, 2019. In view of the numerous advantages offered by the Depository System, members are requested to avail the facility of Dematerialization of the Company's shares on either of the Depositories mentioned as aforesaid.

**39. Convening Annual General Meeting (AGM) Through Audio-Visual Means Facility:**

The Ministry of Corporate Affairs (MCA) by Circular No.14/2020 dated 8<sup>th</sup> April 2020, Circular No. 17/2020 dated 13<sup>th</sup> April 2020, Circular No. 20/2020 dated 5<sup>th</sup> May 2020, Circular No. 02/2021 dated 13<sup>th</sup> January 2021, Circular No. 19/2021 dated 08<sup>th</sup> December 2021, 21/2021 dated 14<sup>th</sup> December 2021 and Circular No. 2/2022 dated 5<sup>th</sup> May 2022 and General Circular No. 10/2022 and 11/2022 dated 28<sup>th</sup> December 2022 and Circular No. 09/2023 dated September 25, 2023 read with Securities and Exchange Board of India (SEBI) Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May 2020, SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15<sup>th</sup> January 2021 and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13<sup>th</sup> May 2022 and SEBI Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 05.01.2023 and Circular No. SEBI/HO/CFD/CFD-PoD2/P/CIR/2023/167 dated October 7, 2023 ('MCA and SEBI Circulars' /'the Circulars') permitted convening the Annual General Meeting through Video Conference ('VC')/Other Audio-Visual Means ('OAVM'), without the physical presence of the Members at a common venue. In compliance with the MCA and SEBI Circulars, applicable provisions of the Act and the Listing Regulations, the 32<sup>nd</sup> Annual General Meeting of your Company will be convened and conducted through VC / OAVM.

**40. Provision of Voting by Electronic Means through remote e-voting and e-voting at the AGM:**

In compliance with Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, your Company will facilitate

E-voting. The upcoming AGM will be held via VC/OVAM, with no physical meeting. Arrangements with CDSL ensure remote and AGM e-voting. Details are included in the AGM notice.

**41. Environment and Safety**

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

**42. Industrial Relations**

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

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

**43. Disclosure as required under Section 22 of Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013**

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

It may be noted that during the year 2023-24, no grievance/complaint from any women employee was reported.

**44. Compliance of Secretarial Standard**

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

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

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

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

There are no such events occurred during the period from April 01, 2023 to March 31, 2024, thus no valuation is carried out for the one-time settlement with the Banks or Financial Institutions.

#### **47. Acknowledgements**

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

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

Date: 21<sup>st</sup> August, 2024

Place: Pithampur

**Mukesh Jain**

Whole time Director  
(DIN - 00245111)

**Devendra Jain**

Managing Director  
(DIN - 00232920)

#### **Registered office**

Plot No. 209, Sector No. 1,

Industrial Area,

Pithampur (M.P.) 454775

CIN: L34300MP1992PLC006912

**ANNEXURE - I**

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2024**  
*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies*  
*(Appointment and Remuneration Personnel) Rules, 2014]*

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

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

Based on my verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, and authorized representatives during the conduct of Secretarial Audit, the explanations and clarifications given to me and the representations made by the Management, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024 ("audit period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2024 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');
- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, in so far as they are made applicable from time to time;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; which is not applicable to the company during audit period
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; which is not applicable to the company during audit period
  - e. The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021; which is not applicable to the company during audit period
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; which is not applicable to the company during audit period
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; which is not applicable to the company during audit period
  - i. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

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

- i. Secretarial Standards relating to Board Meetings and General Meetings issued by The Institute of Company Secretaries of India.
- ii. The Securities and Exchange Board of India (Listing obligations And Disclosure Requirements) Regulations, 2015 and amendments made thereunder ("Listing Regulations")

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

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors & Woman Director. There is appointment of Additional Director in the Board Meeting and proposed to be appointed as Independent Director subject to the approval of members in the ensuing Annual General Meeting that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

I further report that during the audit period except as stated below there were no major events/ actions have taken place having a major bearing on the Company's affairs in pursuance to the above referred laws, rules, regulations, guidelines, standards etc.

Place: Indore

Date: 21<sup>st</sup> August, 2024

**SHRADDHA JAIN**  
PRACTISING COMPANY SECRETARY  
M. No.: ACS 39488  
C P No.: 14717  
PR No.: 1765/2022  
UDIN: A039488F001016992

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

Annexure A

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

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

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

Place: Indore

Date: 21<sup>st</sup> August, 2024

**SHRADDHA JAIN**  
PRACTISING COMPANY SECRETARY  
M. No.: ACS 39488  
C P No: 14717  
PR No.: 1765/2022  
UDIN: A039488F001016992



**ANNEXURE – II****CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

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, 2024 is given here below and forms part of the Boards' 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.
- Educate staff on energy-saving practices and promote energy-conscious behavior.
- Replacement of inefficient motors with energy efficient motors.
- Reduce waste and improve workflow efficiency.

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

The Company has installed Solar Plants at its manufacturing location for using solar energy as a source in place of conventional sources. Continuously assess the effectiveness and efficiency of the installed systems and make improvements as needed.

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

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

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

The Company has setup another solar power plant in the year 2017-18 of three mega watt for the captive consumption. The Company has invested Rs. 13.49 crores as capital investment.

The Company focuses on investments aiming to reduce usage of conventional energy, energy conservation projects and increase the generation of solar energy and optimization of energy utilization and also upgradation of equipment to achieve higher operational efficiencies for current business practices.

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

The company is focusing efforts on investing in advanced machinery, enhancing staff training, integrating cutting-edge software, and fostering R&D initiatives. Additionally, they are collaborating with technology partners and continuously upgrading systems to drive efficiency and innovation.

Your Company is leveraging advanced Lost Foam Casting technology to develop innovative components for the railway and defence sectors. This cutting-edge casting method enhances precision, reduces waste, and improves the performance and durability of critical components.

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

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

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

The Company has adopted Lost Foam technology, an advanced imported method, to enhance manufacturing. This technology improves precision and performance of components, leveraging cutting-edge international innovations to boost efficiency and product quality.

**iv. Expenditure on Research & Development -**

Research & Development activities are being carried out as part of the Company's normal business activities. This initiative focuses on driving innovation, enhancing product performance, and optimizing manufacturing processes. These efforts are designed to keep the company competitive and responsive to the evolving demands of the industry. 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. 26.15 Lacs approximately towards Research and Development. We have also focused on knowledge management, capturing, and sharing valuable insights and best practices across the organisation.

**C. Foreign exchange earnings and Outgo-**

Particulars	2023-24	2022-23
Foreign exchange earnings	---	---
Foreign exchange outgo:		
Travelling Expenses	22.96 Lacs	Nil
Capital Goods	51.41 lacs	7.49 Lacs

**Date:** 21<sup>st</sup> August, 2024

**Place:** Pithampur

For and on behalf of the Board of Directors

**Porwal Auto Components Limited**
**Registered office**

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

**Mukesh Jain**

 Whole time Director  
 (DIN - 00245111)

**Devendra Jain**

 Managing Director  
 (DIN - 00232920)

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

(i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2023-24, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2023-24 are as under:

S. No.	Name of Director/KMP and Designation	Designation	Remuneration of Director/KMP for Financial Year 2023-24	% Increase/decrease in Remuneration in the Financial Year 2023-24	Ratio of Remuneration of each Director to median remuneration of employees
1.	Mr. Devendra Jain	Managing Director	36,00,000	0%	24.66:1
2.	Mr. Mukesh Utsavlal Jain	Whole Time Director	36,00,000	0%	24.66:1
3.	Mr. Surendra Utsavlal Jain	Whole Time Director	36,00,000	0%	24.66:1
4.	Mr. Surajmal Birdichand Kucheria	Independent Non-Executive	-	-	NA
5.	Mr. Nitin Kumar Dafria	Independent Non-Executive	-	-	NA
6.	Mr. Ramesh C Kashyap	Independent Non-Executive	-	-	NA
7.	Mrs. Rajni Jain	Independent Non-Executive	-	-	NA
8.	Mr. Gautam Chand Kothari	Independent Non-Executive	-	-	NA
9.	Mr. Naveen Kumar Dhiman	Independent Non-Executive	-	-	NA
10.	Mr. Mohit Handoo	Independent Non-Executive	-	-	NA
11.	Mr. Shailesh Utsavlal Jain	CFO	27,00,000	0%	NA
12.	Ms. Hansika Mittal	Company Secretary	3,60,000	0%	NA

**Note:** Mr. Gautam Chand Kothari, Mr. Naveen Dhiman, Mr. Mohit Handoo were appointed as Independent Director with the approval of members in the 31<sup>st</sup> AGM held on 29<sup>th</sup> September, 2023. Mr. Surajmal Birdichand Kucheria, Mr. Ramesh C Kashyap and Mr. Nitin Kumar Dafria has completed their tenure as Independent Directors of the Company and ceased to be Director w.e.f 31<sup>st</sup> March, 2024.

**Note:**

None of the Independent Directors of the Company received any remuneration during the Financial Year 2023-24

- (ii) **The percentage increase in the median remuneration of employees in the Financial Year:** 12.10%
- (iii) **The number of permanent employees on the rolls of Company as on March 31, 2024:** 423 employees
- (iv) Average percentile increase made in the salaries of employees other than the managerial personnel in the last Financial Year i.e. 2023-24 was 25.23% and there is also increase in the managerial remuneration for the same Financial Year was Nil percentage.
- (v) The key parameters for any variable component of remuneration availed by the directors are approved by the Board of Directors based on the recommendation of Nomination & Remuneration Committee.
- (vi) It is hereby affirmed that the remuneration paid is as per the Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

**PLACE:** Pithampur

**DATE:** 21<sup>st</sup> August, 2024

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

**Registered office**

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

**Mr. Mukesh Jain**  
Whole Time Director  
(DIN: 00245111)

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

**ANNEXURE - IV**

**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013, READ WITH RULE 5(2) & 5(3) OF CHAPTER XIII, THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014, AND FORMING PART OF THE BOARDS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2024.**

S. No.	Name	Designation	Remuneration received During the Financial Year (In Rs.)	Qualification and Experience	Date of Joining	Age	Last employment
1	Mr. Surendra Utsavlal Jain	Whole Time Director	36,00,000	B. E. (Mech), 50 Years experience of Business & Industry	07.06.2005	71 Years	Triveni Conductors Limited, Indore
2	Mr. Devendra Jain	Managing Director	36,00,000	B. E. (Mech), 48 Years experience of Business & Industry	03.02.1992	69 Years	Porwal Diesels Pvt. Ltd., Pithampur
3	Mr. Mukesh Utsavlal Jain	Whole Time Director	36,00,000	Graduate in Commerce, 48 Years experience of Business & Industry	31.03.1998	67 Years	Porwal Udhyog
4	Mr. Shailesh Utsavlal Jain	CFO	27,00,000	B. Com; 45 Years	01.04.1999	65 Years	Porwal Diesels Pvt. Ltd., Pithampur
5	Mr. Atin Jain	Chief Operating Officer	27,00,000	MBA (Foreign), 22 Years	01.04.2014	46 Years	Porwal Diesel Pvt. Ltd., Pithampur
6	Mr. Praveen Sinha	Vice President (Oper.)	25,20,000	B. Tech , MCA ; 42 Years	25.11.2015	63 Years	Priyanshi Casting Pvt. Ltd., Pithampur
7	Mr. Anish Jain	Commercial Manager	24,00,000	BBA MBA, 16 Years	01.04.2008	36 Years	.....
8	Mr. Nutan Joshi	Maintanance Manager	12,72,000	B. Sc , DME ; 45 Years	05.09.2015	63 Years	Pioneer Enginee. P. Ltd. Ujjain
9	Mr. Sunil Lanjewar	Quality Manager	12,60,000	B.E. (Mech), 28 Years	19.09.2006	46 Years	Raneka Industries Ltd., Pithampur
10	Mr. Narendra Malakar	NPD Manager	12,24,000	B. E. (Mech), 26 Years	02.02.2010	43 Years	-----

11	Mr. G. L. Tirole	Accounts & Finance Manager	10,20,000	M. Com., MBA Finance; 39 years	02.02.1995	57 Years	N. K. Machines Pvt. Ltd., Indore
12	Mr. Anil Mendiratta	Marketing Manager	10,08,000	B.A. ; 35 Years	01.05.2014	56 Years	Phooltas Temper Pvt. Ltd. New Delhi
13	Mr. R. K. Sahu	H R Manager	9,60,000	B. A. 39 years	02.02.2001	53 Years	Gomtesh Engineering, Pithampur
14	Mr. B. K. Gupta	Assistant Manager (IT Deptt)	6,24,000	MCA; 20 years	01.04.2015	44 Years	Sonic Biochem Pvt Ltd
15	Mr. Ashraf Rizvi	Assistant Manager	5,70,000	B.SC. 24 years (approx)	-	47 Years	SPM Auto, Pithampur

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

**PLACE:** Pithampur  
**DATE:** 21<sup>st</sup> August, 2024

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

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

**Mr. Mukesh Jain**  
Whole Time Director  
(DIN: 00245111)

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

**ANNEXURE-V****CORPORATE GOVERNANCE REPORT 2023-24****[Pursuant to Part C of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

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

The Directors present the Report on compliance with the Corporate Governance provisions as prescribed under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 ("SEBI (LODR) Regulations, 2015") for the Financial Year ended on March 31, 2024.

Corporate Governance refers to a set of laws, regulations and good practices that enables an organization to perform its business efficiently and ethically to generate long-term wealth and create value for all its stakeholders. The essence of Corporate Governance lies in promoting and maintaining integrity, transparency, accountability, sustainability and safety across all business practices. Good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics.

Corporate Governance has always been intrinsic to the management of the business and affairs of your Company. In line with the above philosophy, your Company continuously strives for excellence and focuses on enhancement of long-term stakeholder value through adoption of best governance and disclosure practices. Your Company is committed to the adoption of best governance practices and its adherence in true spirit, at all times. Your Company aims at fostering and sustaining a culture that demonstrates highest standard of ethical and responsible business conduct.

Good Corporate Governance is a synonym for sound management, transparency and adequate disclosure, encompassing good corporate practices, procedures, standards and implicit rules which propel a company to take sound decisions. As a Company with a strong sense of values and commitment, the Company believes that profitability must go hand-in-hand with a sense of responsibility towards all stakeholders. The cardinal principles such as independence, accountability, responsibility, transparency, trusteeship and disclosure serve as means for implementing the philosophy of Corporate Governance.

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

The Company is committed to the adoption of best governance practices. The fundamental principle of Corporate Governance is achieving sustained growth legally and ethically and in the best interest of all stakeholders. It is not mere compliance of laws, rules and regulations, but a commitment to values, best management practices and adherence to the highest ethical principles in all its dealings, to achieve the objects of the Company, enhance stakeholder value and discharge its social responsibility. Your Company believes in the concept of good Corporate Governance involving transparency, empowerment, accountability, equity and integrity with a view to enhance stakeholder's value in order to achieve its mission as stated below: -

**“To continually enhance the stakeholders’ value through global competitiveness while contributing to society.”**

For your Company, Good Corporate Governance is a synonym for sound management, transparency and adequate disclosure, encompassing good corporate practices, procedures, standards and implicit rules which propel a Company to take sound decisions. As a Company with a strong sense of values and commitment, Porwal Auto Components Limited believes that profitability must go hand in hand with a sense of responsibility towards all stakeholders. This is an integral part of Porwal Auto Components Limited's business philosophy. The cardinal principles such as independence, accountability, responsibility, transparency, trusteeship and disclosure serve as means for implementing the philosophy of Corporate Governance.

The Company has adopted Governance Guidelines to cover aspects related to composition and role of the Board, Chairman and Directors, Board diversity, Director's term, retirement age and committees of the Board. It also covers aspects relating to nomination, appointment, remuneration, induction of Directors, and Board effectiveness review.

In India, Corporate Governance Standards for listed companies are regulated by the Listing Regulation. The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time and as applicable, with regard to Corporate Governance including relaxations granted by the Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI) from time to time.

## **2. BOARD OF DIRECTORS**

### **a. Composition & Category:**

Your Company has a balanced and diverse Board, which includes independent professionals and confirms to the provisions of the Companies Act, 2013 ('the Act') and the Listing Regulations. Your Company comprises of eminent and distinguished personalities with proficiency and vast experience in diversified sectors with an optimum mix of management and financial experts thereby ensuring the best interest of the stakeholders and the Company.

The Board of Directors comprised of ten Directors with Executive Director as Chairman. There were three executive Directors of the Company. The remaining Directors were non-executive Directors including Independent Director and Woman Director. The number of Independent Directors was one third of the total number of Directors.

**The size and composition of the Board as on March 31, 2024, is as under:**

<b>Name of Director</b>	<b>Category</b>
Mr. Surendra Utsavlal Jain	Chairman and Whole-Time Director
Mr. Devendra Jain	Managing Director
Mr. Mukesh Utsavlal Jain	Whole-Time Director
Mrs. Rajni Jain	Independent Non-Executive
Mr. Ramesh C Kashyap*	Independent Non-Executive
Mr. Nitin Kumar Dafria*	Independent Non-Executive



Mr. Surajmal Birdichand Kucheria*	Independent Non-Executive
Mr. Gautam Chand Kothari**	Independent Non-Executive
Mr. Naveen Dhiman**	Independent Non-Executive
Mr. Mohit Handoo**	Independent Non-Executive
Mrs. Shalu Anand***	Additional Director (Independent Non-Executive)

**Note:**

\*Above Independent Directors have completed their second term as an Independent Directors and consequently ceased to be the Directors of the Company w.e.f. the close of business hours on March 31, 2024.

\*\*Above three of them were appointed as an Additional Director in the capacity of Non- Executive Independent Director in the Board Meeting dated 11<sup>th</sup> August, 2023 and further, they were appointed as Independent Director with the approval of members in 31<sup>st</sup> Annual General Meeting held on 29<sup>th</sup> September, 2023 in the Financial Year 2023-2024.

\*\*\*Mrs. Shalu Anand (DIN-10738711) has appointed as an Additional Director in the capacity of an Independent Director by the Board of Directors of the Company w.e.f. 21<sup>st</sup> August, 2024, who holds office up to the date of the 32<sup>nd</sup> Annual General Meeting convened on 27<sup>th</sup> September, 2024. The Board of Directors of the Company has proposed to appoint Mrs. Shalu Anand (DIN-10738711) as an Independent Director of the Company to hold office for a term of five consecutive years up to 20<sup>th</sup> August, 2029, subject to consent by the Members of the Company at the ensuing Annual General Meeting ("AGM"). She brings valuable expertise, impartiality, and accountability to a Company. However, she might face challenges such as limited knowledge about the Company She has the opportunity to significantly influence the strategic direction and enhance governance practices.

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

**Independent Directors:**

The term Independent Director has been defined under Section 149 of the Companies Act, 2013 and rules framed there under and Regulation 16 of the Listing Regulations.

Based on the disclosures received from all the Independent Directors and also in the opinion of the Board, the Independent Directors meet the criteria of 'Independence' specified in the Regulation 16(1) of the LODR Regulations and section 149(6) of the Companies Act, 2013 and rules framed there under and are independent of the management as required under Regulation 25 of the LODR Regulations.

The Company has complied with the provisions with respect to appointment and term of appointment of Independent Directors which are consistent with the Act and Listing Regulations. The Independent Directors on the Board of the Company are given a formal appointment letter inter alia containing the terms of appointment, role, duties and responsibilities etc. The terms and conditions of appointment are disclosed on the website at <https://www.porwalauto.com/Other-shareholder-information.html>. None of the Independent Directors have resigned before the expiry of their respective tenures during the year under review.

A separate meeting of the Independent Directors was held on March 20, 2024 without the attendance of non- Independent Directors and other members of the Management. All the Independent Directors took part in the discussion. At the said meeting, the Independent Directors reviewed the performance of non-independent directors, the Board as a whole and the Chairman of the Company. They also assessed the quality, quantity, timeliness of flow of information and adequacy of information between the Company's management and the Board.

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

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

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

- i. 29<sup>th</sup> May, 2023;*
- ii. 21<sup>st</sup> July, 2023;*
- iii. 11<sup>th</sup> August, 2023;*
- iv. 05<sup>th</sup> October, 2023;*
- v. 08<sup>th</sup> November, 2023;*
- vi. 25<sup>th</sup> November, 2023*
- vii. 14<sup>th</sup> February, 2024*

**c. Details of attendance of each Director at Board Meetings and at the last year's Annual General Meeting with particulars of their other Directorships and Chairman/Membership of Board Committees showing the position as on 31<sup>st</sup> March, 2024 are given in the following table**

S. No.	Name of the Director	Category	Attendance at Board meeting	Attendance at last AGM	No. of Directorship (including this Company)	No. of Committee membership position (including this Company)		Shareholding of Non Executive Director
						Chairman	Member	
1	Mr. Devendra Jain (DIN: 00232920)	Managing Director	7	Yes	1	-	-	-
2	Mr. Mukesh Utsavlal Jain (DIN:00245111)	Whole-Time Director	7	Yes	1	-	1	-

3	Mr. Surendra Utsavlal Jain (DIN :00245154)	Whole-Time Director	7	Yes	1	-	-	-
4	Mr. Surajmal Birdichand Kucheria (DIN: 00027661)	Independent Non-Executive	7	Yes	1	1	2	-
5	Mr. Nitin Kumar Dafria (DIN:01560804)	Independent Non-Executive	7	Yes	1	2	1	-
6	Mr. Ramesh C Kashyap (DIN:06593723)	Independent Non-Executive	7	Yes	1	-	2	-
7	Mrs. Rajni Jain (DIN:07140288)	Independent Non-Executive	7	No	1	-	-	-
8	Mr. Naveen Kumar Dhiman (DIN: 10273058)	Independent Non-Executive	4	Yes	1	-	-	-
9	Mr. Gautam Chand Kothari (DIN: 00115063)	Independent Non-Executive	4	Yes	2	-	-	-
10	Mr. Mohit Handoo (DIN: 10274798)	Independent Non-Executive	4	Yes	1	-	-	-

**-Details of Directors who holds Directorship in another Listed Company: NA**

**d. Separate Meeting of Independent Directors:** Pursuant to the Regulation 25(3) of the SEBI (LODR) Regulations, 2015 and Schedule IV of the Companies Act, 2013, a separate meeting of the Independent Directors of the Company was held on 20<sup>th</sup> March, 2024, without the attendance of Non-Independent Directors and members of management. They discussed following at the meeting:

- Evaluation of the performance of Non-independent Directors and the Board of Directors as a whole;

- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-executive Directors;
- Evaluation of the quality, quantity and timelines of flow of information between the Management and the Board, that is necessary for the Board to effectively and reasonably perform its duties.

The Independent Directors expressed satisfaction on the overall performance of the Directors and the Board as a whole. The Independent Directors also expressed satisfaction on the Board's freedom to express views on matters transacted at meetings.

Attendance in Independent Directors meeting:

<b>Name of Director</b>	<b>No. of Meetings Held</b>	<b>No. of Meetings Attended</b>
Mr. Surajmal Birdichand Kucheria	1	1
Mr. Nitin Dafria	1	1
Mr. Ramesh C Kashyap	1	1
Mrs. Rajni Jain	1	1
Mr. Naveen Kumar Dhiman	1	1
Mr. Gautam Chand Kothari	1	1
Mr. Mohit Handoo	1	1

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

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

**f. Familiarization Programme:**

All Board members of the Company are accorded every opportunity to familiarise themselves with the Company, its management, its operations and above all, the industry perspective and issues. They are made to interact with senior management personnel and proactively provided with relevant news, views and updates on the Company and sector. The Company periodically presents updates at the Board/Committee meetings to familiarize the Directors with the Company's strategy, business performance including Company's product offerings, finance, risk, key statutory and regulatory updates, human resources and other related matters. The Board has an active communication channel with the management, which enables Board members to raise queries, seek clarifications for enabling a good understanding of the Company and its various operations.

Further details of familiarization programme are available on the Company's website at <https://www.porwalauto.com/Other-shareholder-information.html>

**g. Key Board Skills, Expertise and Competence:**

The Board comprises qualified members who bring in the required skills, competence and expertise that allow them to make effective contribution to the Board and its Committees. In view of the objectives and activities of our Business, the Company requires skills/ expertise/ competencies in the areas of Finance, Regulatory, Strategy, Business Leadership, Automotive Technology, Human Resources, risk and Governance.

The Board is satisfied that the current composition reflects an appropriate mix of knowledge, skills, experience, diversity and independence required for it to function effectively. The Board periodically evaluates the need for change in its composition and size.

The Members of the Board are committed to ensuring that the Board is in compliance with the highest standard of Corporate Governance. In terms of the requirement of the Listing Regulation, the Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company, which are currently available with the Board along with the names of the Directors, who have such skill/expertise/competence, are given below:-

1. Knowledge on Company's businesses, policies and business culture major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.
2. Behavioural skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.
3. Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making.
4. Financial and Management skills.
5. Technical / Professional skills and knowledge in relation to Company's business.

NAME OF DIRECTORS	SKILLS				
	Knowledge on Company's businesses etc.	Behavioural skills	Business Strategy, Sales & Marketing etc	Financial and Management skills	Technical / Professional skills etc.
Mr. Devendra Jain	√	√	√	√	√
Mr. Mukesh Utsavlal Jain	√	√	√	√	√
Mr. Surendra Utsavlal Jain	√	√	√	√	√
Mr. Surajmal Birdichand Kucheria	√	√	√	√	√
Mr. Nitin Dafria	√	√	√	√	√
Mr. Ramesh C Kashyap	√	√	√	√	√

Mrs. Rajni Jain	√	√	√	√	√
Mr. Naveen Kumar Dhiman	√	√	√	√	√
Mr. Gautam Chand Kothari	√	√	√	√	√
Mr. Mohit Handoo	√	√	√	√	√

These skills/ competencies are broad-based, encompassing multiple domains of expertise/ experience. Each Director may possess varied combinations of attributes/ experience. While all the Board members broadly possess the identified skills/ competence

#### **h. Note on Directors Appointment/Re-appointment**

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

#### **Changes in the Board during the financial year 2023-24:**

Mr. Gautam Chand Kothari(DIN: 00115063), Mr. Naveen Dhiman (DIN: 10273058) and Mr. Mohit Handoo (DIN - 10274798) were appointed as a Additional Director in the capacity of an Independent Director by the Board of Directors of the Company w.e.f. 11<sup>th</sup> August, 2023 and further, they were appointed as Independent Director with the approval of members in the 31<sup>st</sup> Annual General Meeting held on 29<sup>th</sup> September, 2023 in the Financial Year 2023-2024.

#### **Changes in the Board subsequent to the financial year 2023-24:**

Mrs. Shalu Anand (DIN-10738711) was appointed as an Additional Independent Director with effect from 21<sup>st</sup> August, 2024 and proposed to be appointed as Independent Director in the ensuing AGM subject to the approval of Members.

#### **i. Performance Evaluation of Independent Director:**

The Nomination and Remuneration Committee of the Board reviewed the criteria laid down for the performance evaluation of all Directors. The performance evaluation has been done by the entire Board of Directors, except the Director concerned being evaluated.

#### **j. Board's Functioning and Procedures:**

The Board plays a pivotal role in ensuring good governance. Its style of functioning is

democratic. The Members of the Board have always had complete freedom to express their opinion and decisions are taken on the basis of a consensus arrived at after detailed discussion. The members are also free to bring up any matter for discussion at the Board Meetings with the permission of the Chairman.

The Board's role, functions, responsibility and accountability are clearly defined. In addition to its primary role of setting corporate goals and monitoring corporate performance, it directs and guides the activities of the management towards the set goals and seeks accountability with a view to ensure that the corporate philosophy and mission viz., to create long term sustainable growth that translates itself into progress, prosperity and the fulfilment of stakeholders' aspirations, is accomplished. It also sets standards of corporate behavior and ensures ethical behavior at all times and strict compliance with Laws and Regulations.

The required information including information as enumerated in Regulation 17(7) read together with Part A of Schedule II of the LODR Regulations is made available to the Board of Directors.

All the items on the agenda are accompanied by notes giving comprehensive information on the related subject and in certain matters such as financial/business plans, financial results, detailed presentations are made. The agenda and the relevant notes are sent in advance separately to each Director to enable the Board to take informed decisions.

The minutes of the meetings of the Board are individually given to all directors for their comments, if any and are noted at the subsequent Board Meeting. The Minutes of the various Committees of the Board are also individually given to the respective Committee members and thereafter tabled for noting purpose at the subsequent Board Meeting, in compliance with Secretarial Standards issued by the Institute of Company Secretaries of India.

### **3. COMMITTEES OF THE BOARD:**

The Board Committees are set up by the Board and play a crucial role in the governance structure of the Company and deal with specific areas of concern for the Company that need a closer review. The Committees operate under the direct supervision of the Board and the Chairpersons of the respective Committees report to the Board about the deliberations and decisions taken by the Committees. The recommendations of the Committees are submitted to the Board for approval. The Minutes of the meetings of all Committees of the Board are placed before the Board for noting purpose. The Composition of the following Committees of the Board as on 31<sup>st</sup> March 2024 are as under:

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

The above mentioned Committees consist of appropriate number of Executive Directors and Non-executive Independent Directors. The quorum for the Meetings is either two directors or one third of the members of the Committee, whichever is higher.

**a. AUDIT COMMITTEE:**

The composition of the Audit Committee is in compliance with Section 177 of the Companies Act, 2013 and with Regulation 18(1) of the SEBI (LODR) Regulations. The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. It addresses itself to matters pertaining to adequacy of internal controls, reliability of financial statements/ other management information, adequacy of provisions for liabilities, and whether the audit tests are appropriate and scientifically carried out and that they are aligned with the realities of the business, adequacy of disclosures, compliance with all relevant statutes and other facets of Company's operation that are of vital concern to the Company.

**i. Terms of reference**

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

**ii. Composition and Meetings:**

The Company has an Audit Committee and Mr. Nitin Dafria, Chairperson of the Audit Committee is a Non-Executive Independent Director of the Board who has relevant accounting and financial expertise.

During the financial year ended 31<sup>st</sup> March, 2024, six Audit Committee Meetings were held and the dates on which the said meetings were held are as follows:

- i. 29<sup>th</sup> May, 2023;*
- ii. 11<sup>th</sup> August, 2023;*
- iii. 05<sup>th</sup> October, 2023;*
- iv. 08<sup>th</sup> November, 2023;*
- v. 25<sup>th</sup> November, 2023;*
- vi. 14<sup>th</sup> February, 2024;*

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

Name	Category	Number of Meetings	
		Held	Attended
Mr. Nitin Dafria*	Chairman, Non-Executive Independent Director	6	6
Mr. Ramesh C Kashyap*	Member, Non-Executive Independent Director	6	6
Mr. Surajmal Birdichand Kucheria*	Member, Non-Executive Independent Director	6	6



**Note:** \* The above three Independent Directors ceased to be Directors w.e.f. March 31, 2024 due to the completion of their second term. The new Audit Committee composition is effective from April 1, 2024, has been approved by the Board of Directors in their meeting dated February 14, 2024, and as follows:

Mr. Gautam Chand Kothari (Independent Director), Chairman

Mr. Naveen Kumar Dhiman (Independent Director), Member

Mr. Mohit Handoo (Independent Director), Member

## **b. NOMINATION AND REMUNERATION COMMITTEE**

In terms of the provisions of Section 178(3) of the Act and Regulation 19(4) read with Part D of Schedule II to the Listing Regulations. The Nomination and Remuneration Committee comprises only independent directors. The Committee oversees key processes by which the Company recruits new members to its Board, and the processes by which the Company recruits, motivates and retains outstanding senior management as well as the Company's overall approach to human resources management.

### **i. Terms of reference**

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

### **ii. Composition and Meetings**

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

During the financial year ended on 31<sup>st</sup> March, 2024, two meeting of Nomination and Remuneration Committee were held and the date on which the said meeting was held is:

**i. 29<sup>th</sup> May, 2023;**

**ii. 11<sup>th</sup> August, 2023;**

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

Name	Category	Number of Meetings	
		Held	Attended
Mr. Surajmal Birdichand Kucheria*	Chairman, Non-Executive Independent Director	2	2
Mr. Ramesh C Kashyap*	Member, Non-Executive Independent Director	2	2
Mr. Nitin Dafria*	Member, Non-Executive Independent Director	2	2

**Note:** \* The above three Independent Directors ceased to be Directors w.e.f. March 31, 2024 due to the completion of their second term,. The new NRC composition is effective from April 1, 2024, has been approved by the Board of Directors in their meeting dated February 14, 2024, and as follows:

*Mr. Gautam Chand Kothari (Independent Director), Chairman*

*Mr. Naveen Kumar Dhiman (Independent Director), Member*

*Mr. Mohit Handoo (Independent Director), Member*

### **iii. Criteria for Performance Evaluation**

Annual Board Evaluation is an important component of our corporate governance framework. This involves a comprehensive and transparent assessment, providing candid feedback and constructively using the results of the evaluation process to continuously augment the overall effectiveness of the Board. The Board firmly believes that a robust Board Evaluation helps in delivering greater value to the Company and all its stakeholders.

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

The criteria for Performance Evaluation are as under:

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

The Board carries out annual performance evaluation of its own performance, the Directors individually, as well as the evaluation of the working of its Committees as mandated under the Act, the Listing Regulations and the Executive Remuneration Policy of your Company, as amended from time to time. The performance evaluation of Non-independent Directors and the Board as a whole was carried out by the Independent Directors. The performance of the Chairman of the Board was also reviewed, taking into account the views of the Executive, Non-executive and Independent Directors.

#### **For Board as a whole:**

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

#### **For Board Committee:**

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

**iv. REMUNERATION OF DIRECTORS**

The Board has, on the recommendation of the NRC framed a policy on Remuneration of Directors and Senior Management Employees, which is available on the Company's website at <https://www.porwalauto.com/Other-shareholder-information.html>. Performance Review System is primarily based on competencies and values. The Company closely monitors growth and development of top talent in the Company to align personal aspiration with the organisation's goal.

**➤ Remuneration to Executive Directors**

There were no pecuniary relationships or transactions between your Company and its Non-executive/Independent Directors during the year. The remuneration package of the Managing Director is determined by the NRC, which is in accordance with the remuneration policy of the Company. A fair portion of the remuneration is linked to the Company's performance, thereby creating a strong alignment of interest with members. The details of remuneration for the year ended on 31<sup>st</sup> March, 2024 to Executive Directors are as follows:

<b>Name of Directors</b>	<b>Designation</b>	<b>Remuneration</b>
Mr. Devendra Jain	Managing Director	Rs. 36,00,000
Mr. Mukesh Utsavlal Jain	Whole Time Director	Rs. 36,00,000
Mr. Surendra Utsavlal Jain	Whole Time Director	Rs. 36,00,000

- The Company does not pay any fixed component and performance linked incentives to any of its Directors.
- The Company does not have any service contract with any of its directors.
- The Company has not granted any stock option to any of its Director/employees.
- The Company has not paid any fees or compensation to the Executive Directors except the remuneration mentioned above.

**c. STAKEHOLDERS RELATIONSHIP COMMITTEE**

In compliance with Section 178 of the Companies Act, 2013 and the rules made thereunder and Regulation 20 of SEBI (LODR), 2015, the Company has duly constituted a Stakeholders' Relationship Committee (SRC).

**i. Terms of reference**

The terms of reference of the Stakeholders Relationship Committee includes the matters specified in Part D of Schedule II to the SEBI (LODR) Regulations, 2015 which broadly includes to consider and resolve the grievances of the security holders including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends etc.

**ii. Composition and Meetings**

The Stakeholders' Relationship Committee ('SRC') comprises of two Non-Executive Independent Directors and one Executive Director. The composition of the SRC complies with the requirements of the Listing Regulations and the Act. The Committee is chaired by Mr. Nitin Dafria, who is a Non- Executive Independent Director.

During the financial year ended on 31<sup>st</sup> March, 2024, four meetings of Stakeholders Relationship Committee were held and the dates on which the said meetings were held are:

- i. 29<sup>th</sup> May, 2023;*
- ii. 11<sup>th</sup> August, 2023;*
- iii. 08<sup>th</sup> November, 2023;*
- iv. 14<sup>th</sup> February, 2024;*

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

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

**Note:** \* The above two Independent Directors ceased to be Directors w.e.f. March 31, 2024 due to the completion of their second term. The SRC composition is effective from April 1, 2024, has been approved by the Board of Directors in their meeting dated February 14, 2024, and as follows:

*Mr. Gautam Chand Kothari (Independent Director), Chairman*

*Mr. Mohit Handoo (Independent Director), Member*

*Mr. Mukesh Utsavlal Jain (Executive Director), Member*

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

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

**COMPLIANCE OFFICER**

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

Ms. Hansika Mittal,  
 Plot No. 209, Sector No. 1,  
 Industrial Area, Pithampur, (M. P.) 454775  
 Email: [admin@porwalauto.com](mailto:admin@porwalauto.com)  
[cs@porwalauto.com](mailto:cs@porwalauto.com)  
 Telephone: 07292-405101  
 Fax: 07292-403608  
[www.porwalauto.com](http://www.porwalauto.com)

#### 4. **GENERAL BODY MEETINGS**

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

AGM/EGM	Date	Venue	Time
AGM-2021	29 <sup>th</sup> September, 2021	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	03:00 PM
AGM-2022	28 <sup>th</sup> September, 2022	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	01:00 PM
AGM-2023	29 <sup>th</sup> September, 2023	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	01:00 PM

**NOTE:** The proceedings of the Annual General Meeting of the Members of the Company, held on 29<sup>th</sup> September, 2021, 28<sup>th</sup> September, 2022 and 29<sup>th</sup> September, 2023, shall be deemed to be conducted at the Registered Office of the Company at Plot No. 209, Sector No. 1, Industrial Area, Pithampur, (M.P.) 454775.

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

AGM/EGM	Date	Special Business Transacted
AGM-2021	29 <sup>th</sup> September, 2021	<ul style="list-style-type: none"> <li>• NIL</li> </ul>
AGM-2022	28 <sup>th</sup> September, 2022	<ul style="list-style-type: none"> <li>• Ratification of the remuneration payable to M/S. A. K. Jain &amp; Associates, Cost Accountants.</li> <li>• To Re-appoint Mr. Devendra Jain (DIN: 00232920) as the Managing Director of the Company.</li> <li>• To Re-appoint Mr. Mukesh Utsavial Jain (DIN: 00245111) as the Whole-Time Director of the Company.</li> <li>• To Re-appoint Mr. Surendra Utsavial Jain (DIN: 00245154) as the Chairman and Whole Time Director of the Company.</li> <li>• To approve Material Related Party Transaction(s)</li> </ul>

		to be entered into during the Financial Year 2021-22, 2022-23 and 2023-24.
AGM-2023	29 <sup>th</sup> September, 2023	<ul style="list-style-type: none"> <li>• Ratification of the remuneration payable to M/s. A. K. Jain &amp; Associates, Cost Accountants, Indore (FRN: 101472) for the financial year ending March 31, 2024.</li> <li>• Appointment of Mr. Mohit Handoo (DIN - 10274798) as the Independent Director of Company.</li> <li>• Appointment of Mr. Naveen Kumar Dhiman (DIN: 10273058) as the Independent Director of Company.</li> <li>• Appointment of Mr. Gautam Chand Kothari (DIN: 00115063) as the Independent Director of Company.</li> <li>• To approve Material Related Party Transaction(s) to be entered into during the Financial Year 2024-25, 2025-26 and 2026-27</li> </ul>

- No Extra-ordinary General Meeting of the shareholders was held during the year.
- No special resolutions were passed nor proposed to be passed during 2023-24 through postal ballot.

## 5. MEANS OF COMMUNICATION

- a. Quarterly and Annual Financial Results:** The Board of Directors of the Company approves and takes on record the Quarterly, Half Yearly and Yearly Financial Results in the performance prescribed by SEBI (LODR) Regulations, 2015 within 45/60 days of the end of the respective quarter or financial year.
- b. Newspaper publications on Financial Results:** The Quarterly/ Half yearly/ Annual Results of the Company are published in accordance with the SEBI (LODR) Regulations, 2015 in newspapers viz. "Free Press", (English) and "Chhotha Sansar" (Hindi).
- c. Website:** The Company's website [www.porwalauto.com](http://www.porwalauto.com) contains a dedicated segment called 'Investors Corner', where all the information as may be required by the Shareholders is available including quarterly results, shareholding pattern, stock exchange disclosures, Annual Reports, Policies, additional disclosures including IEPF related details etc. in accordance with Regulation 46 of Listing Regulations.
- d. Annual Report and Annual General Meeting:** The Annual Reports are emailed to Members and others entitled to receive them. The Annual Report is also available on the Company's website at [www.porwalauto.com](http://www.porwalauto.com). The Company also provides live webcast facility of its AGM in co-ordination with CDSL. The Notice of the AGM along with the Annual Report for financial year 2024 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. However,

Members desiring a physical copy of the Annual Report for financial year 2024, may either write to us or email us on [investors.pacl@gmail.com](mailto:investors.pacl@gmail.com) to enable the Company to dispatch a copy of the same. Please include details of Folio No./DP ID and Client ID and holding details in the said communication.

- e. Official Media releases and presentations made to Institutional Investors/Financial Analysts:** No official media releases and presentations are made by the Company.
- f. SEBI Complaints Redressal System (SCORES):** A centralised web-based complaints redressal system, which serves as a centralised database of all complaints received, enables uploading of Action Taken Reports (ATRs) by the concerned Company and online viewing by the investors of actions taken on the complaint and its current status. Further, SEBI vide Circular dated July 31, 2023, read with Master circular dated December 28, 2023, as amended, expanded the scope of investors complaints and by establishing a common Online Dispute Resolution Portal ('ODR Portal') which harnesses online conciliation and online arbitration for resolution of disputes arising in the Indian Securities Market.
- g. Reminder to investors:** Pursuant to the provisions of the Act, the Company sends reminder letters to those Members whose unpaid/unclaimed dividends and shares are liable to be transferred to the IEPF.

## **6. GENERAL SHAREHOLDERS INFORMATION**

**a. Annual General Meeting:**

The Date, Time & Venue of the 32<sup>nd</sup> Annual General Meeting is Friday, the 27<sup>th</sup> day of September 2024 at 01:00 PM through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") deemed to be conducted at the Registered Office of the Company.

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

**c. Financial Calendar (Tentative)**

Results for the Quarter ending 30<sup>th</sup> June, 2023: First Fortnight of August, 2023  
Results for the Quarter ending 30<sup>th</sup> Sept, 2023: First Fortnight of November, 2023  
Results for the Quarter ending 31<sup>st</sup> Dec, 2023: First Fortnight of February, 2024  
Results for the Quarter ending 31<sup>st</sup> Mar, 2024: Last week of May, 2024

**d. Dividend**

The Board of Directors of the Company has not declared any dividend on equity share for the financial year 2023-2024.

**e. Book Closure**

Saturday, 21<sup>st</sup> September 2024 to Friday, 27<sup>th</sup> September 2024 (both days inclusive) for the purpose of AGM.

**f. Listing**

- **Stock Exchange:** Bombay Stock Exchange Limited
- **Stock Code:** 532933
- **ISIN No.:** INE386I01018
- Listing Fees has been paid for 2024-2025.

**g. Plant Location**

Plot No. 209 & 215, Sector No. 1, Industrial Area,  
 Pithampur, Distt. DHAR (M.P.) 454775  
 Tel: 07292-403608, Fax: 07292-405120  
[admin@porwalauto.com](mailto:admin@porwalauto.com), [www.porwalauto.com](http://www.porwalauto.com)

**h. Registered Office:**

**Porwal Auto Components Limited**  
**CIN:** L34300MP1992PLC006912  
 Plot No. 209, Sector No. 1, Industrial Area, Pithampur, (M. P.) 454775

**i. Investor Correspondence Address**
**➤ Registrars and Share Transfer Agents**

Link Intime India Pvt Ltd.  
 C 101, 247 Park,  
 LBS Marg, Vikhroli West,  
 Mumbai 400 083  
 Tel: +91 22 49186000  
 Tel: +91 8108116767  
 Fax: +91 22 49186060  
 E Mail: [rushikesh.hingmire@linkintime.co.in](mailto:rushikesh.hingmire@linkintime.co.in),  
[rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

**➤ Compliance Officer**

**Porwal Auto Components Limited**  
**CIN:** L34300MP1992PLC006912  
 Plot No. 209, Sector No. 1,  
 Industrial Area, Pithampur, (M. P.) 454775  
 Tel: 07292-403608  
 Fax: 07292-405120  
 E Mail: [cs@porwalauto.com](mailto:cs@porwalauto.com)  
[www.porwalauto.com](http://www.porwalauto.com)

**j. Market Price Data:**

**High/Low/Close during each month in the last Financial Year**  
**Monthly highs and lows Quotes at the BSE 2023-24**

Year	High(Rs.)	Low(Rs.)	Close(Rs.)
Mar 2024	70.00	47.14	50.90
Feb 2024	69.50	47.00	65.04
Jan 2024	55.60	41.70	54.90
Dec 2023	50.99	43.25	44.07
Nov 2023	51.77	39.00	49.90
Oct 2023	44.90	35.70	37.68



<b>Sep 2023</b>	44.45	31.66	37.60
<b>Aug 2023</b>	35.58	22.72	33.88
<b>Jul 2023</b>	26.79	23.00	24.80
<b>Jun 2023</b>	27.40	23.13	24.45
<b>May 2023</b>	31.00	21.10	24.34
<b>Apr 2023</b>	23.70	19.11	22.15

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



**l. Share Transfer System:**

In terms of Regulation 40(1) of the SEBI - LODR Regulations, as amended from time to time, securities can be transferred (including transmission and transposition) only in dematerialized form. Further, SEBI vide its circular no. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated 25<sup>th</sup> January, 2022 has mandated that listed companies shall henceforth issue the securities in dematerialized form only while processing the service requests for (a) issue of duplicate securities certificate; (b) claim from Unclaimed Suspense Account; (c) Renewal/ Exchange of securities certificate; (d) Endorsement; (e) Sub-division/ Splitting of securities certificate; (f) Consolidation of securities certificates/folios; (h) Transmission, and (i) Transposition, which were earlier allowed in physical form. The necessary forms for the above request are available on the website of the Company at <https://www.porwalauto.com/Other-shareholder-information.html>. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or Link Intime, for assistance in this regard.

Transfers of equity shares in electronic form are affected through the depositories with no involvement of the Company. Share transfer request is processed within stipulated time, subject to documents being valid and complete in all respects. A summary of transfer/transmission of securities of the Company is placed before the Stakeholders' Relationship Committee from time to time. The Company has obtained a yearly certificate from a Company Secretary in Practice to the effect that all certificates have been issued within thirty days of the date of lodgement for transfer, sub-division, consolidation and renewal as required under Regulation 40(9) of the SEBI – LODR Regulations and files a copy of the said certificate with the Stock Exchanges under Regulation 40(10).

**m. Distribution of shareholding as on 31<sup>st</sup> March, 2024:**
**Distribution of shareholding (Rupees)**

SHAREHOLDING OF NOMINAL SHARES	NUMBER OF SHAREHOLDERS	PERCENTAGE OF TOTAL	SHARE AMOUNT RS.	PERCENTAGE OF TOTAL
1 – 5000	6191	79.0778	10218170	6.7670
5001 -- 10000	793	10.1290	6477380	4.2897
10001 – 20000	393	5.0198	5852490	3.8758
20001 -- 30000	145	1.8521	3731970	2.4715
30001 -- 40000	60	0.7664	2146640	1.4216
40001 -- 50000	55	0.7025	2646720	1.7528
50001 -- 100000	88	1.1240	6556520	4.3421
100001 -- *****	104	1.3284	113370110	75.0795
<b>TOTAL</b>	<b>7829</b>	<b>100</b>	<b>1510000000</b>	<b>100</b>

**Distribution of shareholding (Shares)**

SHAREHOLDING OF NOMINAL SHARES	NUMBER OF SHAREHOLDERS	PERCENTAGE OF TOTAL	NO. OF SHARES	PERCENTAGE OF TOTAL
1 – 500	6191	79.0778	1021817	6.7670
501 -- 1000	793	10.1290	647738	4.2897
1001 – 2000	393	5.0198	585249	3.8758
2001 -- 3000	145	1.8521	373197	2.4715
3001 -- 4000	60	0.7664	214664	1.4216
4001 -- 5000	55	0.7025	264672	1.7528
5001 -- 10000	88	1.1240	655652	4.3421
10001 -- *****	104	1.3284	11337011	75.0795
<b>TOTAL</b>	<b>7,829</b>	<b>100</b>	<b>15100000</b>	<b>100</b>

**n. Dematerialization of shares as on 31.03.2024:**

CATEGORY	NO. OF SHARES	PERCENTAGE (%)
Total number of Dematerialized shares with NSDL	87,54,082	57.97
Total number of Dematerialized shares with CDSL	60,25,018	39.90
PHYSICAL	3,20,900	2.13
<b>TOTAL</b>	<b>1,51,00,000</b>	<b>100</b>

**o. Shareholding Pattern as on 31st March, 2024**

Sr. No.	Category	No. of Shares Held	Percentage of Shareholding
1.	Promoters & Promoter Group	5612331	37.17%
2.	Corporate Bodies	3662128	24.25%
3.	Indian Public	5171470	34.25%
4.	Clearing Member	2612	0.02%
5.	Hindu Undivided Family	238084	1.58%
6.	NRIs/OCBs	101218	0.67%
7.	Investor Education And Protection Fund	312157	2.06%
<b>TOTAL</b>		<b>1,51,00,000</b>	<b>100%</b>

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

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

**r. List of Credit Ratings obtained by the Company along with any revisions thereto during the relevant financial year, for all debt instruments of the Company or any fixed deposit programme or any scheme or proposal of the Company involving mobilization of funds, whether in India or abroad:** Your Company does not have any securities other than equity shares thus it does not obtain any credit ratings.

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

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

**7. OTHER DISCLOSURES:**
**a. Related Party Transactions**

All transactions entered into by the Company during the year with related parties were in the ordinary course of business and on arm's length pricing basis. All related party transactions have prior approval of the Audit Committee and are reviewed by the Audit Committee on a quarterly basis. There are no materially significant transactions with the related parties that had potential conflict with the interest of the Company. Further details of related party transactions are as per Accounting Standard 18 and are presented in Notes to Accounts in the Annual Report.

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

Related Party Transactions are disclosed in Note No. 32 to the financial statement in the Annual Report along with detail of such transaction entered by the Company with related parties have been disclosed. The Audit Committee had reviewed and approved the related party transactions as mandatory requirement under Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

There was no such instance.

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

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

**d. Compliance with mandatory requirements**

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

**e. REPORT ON CORPORATE GOVERNANCE**

A report on Corporate Governance forms part of this Annual Report of the Company and is being sent to the shareholders accordingly.

**Disclosures of Compliance with Corporate Governance Requirements**

The Company has complied with Corporate Governance Requirements as specified in Regulation 17 to 27 of LODR. The Company has complied with Clause (b) to (i) of sub regulation (2) of Regulation 46, relating to website disclosures. The Company's website contains a separate section 'Investor Relations' where members can access the details of the Board, Policies, the Board Committee, financials, details of unclaimed dividend and shares transferred/ liable to be transferred to IEPF, Stock exchange disclosures etc.

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

Your Company has no Material Subsidiaries.

**g. Disclosure of commodity price risks and commodity hedging activities.**

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

**h. Disclosure of Accounting Treatment**

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

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

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

**j. Certificate by Practicing Company Secretary**

Your Company has obtained a Certificate from Mrs. Shraddha Jain, Practicing Company Secretary (M.No.: ACS 39488) certifying that none of the directors on the Board of the Company as on 31<sup>st</sup> March, 2024 have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority and the same has been annexed to this report.

**k. Acceptance of recommendations of any Committee of the Board**

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

**l. Payment of Fee for services by the Company**

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

**m. Prevention Of Sexual Harassment**

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

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

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

**o. Disclosure of Subsidiaries**

Your Company does not have any material subsidiary.

**p. OTHER USEFUL INFORMATION FOR SHAREHOLDERS:****• Common And Simplified Norms For Investor Service Request**

In terms of the SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_ RTAMB/P/CIR/2021/655 dated 3rd November 2021 and SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated

March 16, 2023; the Company had sent individual letters to all the Shareholders holding shares of the Company in physical form for furnishing their PAN, KYC details and Nomination. The aforesaid communication is also available on the website of the Company. The Shareholders are requested to go through the communication available on the web link <https://www.porwalauto.com/Other-shareholder-information.html>.

• **Unclaimed Shares/Dividend**

Pursuant to Sections 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time (IEPF Rules), dividend, if not claimed for a period of 7 consecutive years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF).

Further, shares in respect of such dividends which have not been claimed for a period of 7 consecutive years are also liable to be transferred to IEPF. In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividend/shares to IEPF. Notices in this regard are also published in the newspapers and the details of unclaimed dividend and shareholders whose shares are liable to be transferred to the IEPF, are uploaded on the Company's website.

**8. MANAGEMENT DISCUSSION AND ANALYSIS:**

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

**9. DETAILS OF MANDATORY REQUIREMENTS AND ADOPTION OF THE NON-MANDATORY REQUIREMENTS:**

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

**10. CODE OF CONDUCT**

In terms of the requirement of Regulation 17(5)(a) of the Securities and Exchange Board of India (Listing and Disclosure Obligations) Regulations 2015 ["SEBI (LODR), 2015"] & Section 149(8) read with Schedule IV of the Companies Act, 2013 ("the Act"), the Board of Directors has adopted the Code of Conduct for Directors and Senior Management. The said Code has been communicated to the Directors and the Members of the Senior Management. It has been posted at the website of the Company. All Board members and senior management personnel affirm their compliance with the Code on annual basis. A declaration signed by the Managing Director to this effect is annexed separately to this report.

## **11. CODE OF CONDUCT FOR PROHIBITION OF INSIDER TRADING**

The Company has adopted a Code for Prevention of Insider Trading as per SEBI (Prohibition of Insider Trading) Regulations, 2015. All Directors and Designated Employees/ persons who could have access to the Unpublished Price Sensitive Information are governed by the said Code.

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

Date: 21<sup>st</sup> August, 2024  
Place: Pithampur

<b>Mukesh Jain</b>	<b>Devendra Jain</b>
Whole time Director	Managing Director
(DIN - 00245111)	(DIN - 00232920)

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

**CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE****FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2024****[Pursuant to Part E of Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015]**

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

I have examined the compliance of conditions of Corporate Governance by **PORWAL AUTO COMPONENTS LIMITED** (hereinafter called the Company), for the year ended on 31<sup>st</sup> March, 2024 as specified in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraph C, D and E of Schedule V any other relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the relevant records/documents maintained by the Company furnished to me for my review and report on Corporate Governance as approved by the Board of Directors for the period from 1<sup>st</sup> April, 2023 to 31<sup>st</sup> March, 2024. I have obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purpose of certification.

The Compliance of the conditions of Corporate Governance is the responsibility of the Company's Management. My examination was limited to the procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance and was carried out in accordance with the guidance note on Corporate Governance Certificate issued by the Institute of Company Secretaries of India. It is neither an audit, nor an expression of opinion on the financial statements of the Company.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

In my opinion and to the best of my information and according to the explanations given to me and representation made by the Directors and the management, I confirm that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations, 2015.

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

**Date:** 21<sup>st</sup> August, 2024

**Place:** Indore

**SHRADDHA JAIN**  
PRACTICING COMPANY SECRETARY  
ACS: 39488  
CP. No. 14717  
PR No.: 1765/2022  
UDIN: A039488F001017025



**DECLARATION****(COMPLIANCE WITH CODE OF BUSINESS CONDUCT AND ETHICS)**

Porwal Auto Components Limited is committed to conducting its business in accordance with the applicable laws, rules and regulations and with the highest standards of business ethics.

As provided under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the Board Members and Senior Management for the year ended 31<sup>st</sup> March 2024.

**FOR, PORWAL AUTO COMPONENTS LIMITED**

**DEVENDRA JAIN**  
MANAGING DIRECTOR  
(DIN: 00232920)

**MD / CFO CERTIFICATION**

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

As provided under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of Porwal Auto Components Limited ("the Company"), certify the following to the Board that for the year ended 31<sup>st</sup> March, 2024:

- (a) We have reviewed the Audited Financial Statements for the Financial Year ended on 31<sup>st</sup> March 2024 and that to the best of our 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 listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, there are no transactions entered into by the listed entity during the financial year, which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
  - i. significant changes, if any, in the internal control over financial reporting during the year;

- ii. significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
- iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Place:** Pithampur

**Date:** 28<sup>th</sup> May, 2024

**SHAILESH JAIN**  
CHIEF FINANCIAL OFFICER

**DEVENDRA JAIN**  
MANAGING DIRECTOR  
(DIN: 00232920)

**ANNEXURE - VI**  
**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**CAVEAT**

Statements in this Management Discussion and Analysis may contain forward-looking statements reflecting management's expectations and estimates. The automotive industry is dynamic and fraught with risks and uncertainties. Consequently, actual results, performances, and achievements may differ materially from those anticipated. This section is important because it helps users of the report understand the context and potential risks involved in the company's performance and outlook. Shareholders should be aware that some data and information external to the Company, though sourced from reliable entities, may not be fully accurate or comprehensive. No representation is made that this section exhaustively covers all relevant issues. Shareholders are advised to conduct their own investigation and analysis before making any decisions based on the information provided.

**INDUSTRY STRUCTURE AND DEVELOPMENTS:**

The Indian automobile industry continues to expand, solidifying its position as one of the largest automotive markets worldwide. The auto components sector in India has seen notable growth due to rising automobile demand from a burgeoning middle class and increased global exports. The industry's contribution to India's Gross Domestic Product (GDP) remains significant, showcasing resilience amid evolving challenges. The automobile industry emerged as a shining light to catalyze India's Gross Domestic Product (GDP) and the economy as a whole. As of 2024, the industry continues to experience dynamic changes driven by technological advancements, shifting consumer preferences, and evolving regulatory frameworks.

The automobile industry has experienced significant growth and transformation over the past few decades, becoming one of the largest automotive markets globally. The auto components industry is set to experience steady demand driven by ongoing needs for traditional vehicle components and infrastructure enhancements. While electric vehicles (EVs) are a significant focus, the need for components in conventional internal combustion engine vehicles and commercial trucks remains substantial. Advancements in technology and the drive for improved vehicle performance and safety continue to support demand for high-quality engine, transmission, and braking systems. Additionally, the railway sector is undergoing modernization, creating opportunities for components that enhance infrastructure efficiency and reliability. The defense sector's emphasis on maintaining and upgrading military equipment ensures sustained demand for specialized and durable casting solutions.

Due to the remarkable growth in demand for Indian auto components, several Indian and international players have entered the industry. India's auto component industry is broadly classified into organised and unorganised sectors. While the unorganised sector consists of low-valued items and mostly serves the aftermarket category, the organised sector serves OEMs and includes high-value precision instruments.

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

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

This scheme encourages companies to invest in expanding their manufacturing capabilities, enhancing production efficiency, and developing new technologies. It also helps reduce the dependency on imports and supports the growth of domestic supply chains. The Union Cabinet's PLI Scheme for the automotive sector, with an allocation of \$3.5 billion, provides financial incentives of up to 18% to bolster domestic manufacturing of advanced automotive technology products and attract investment in the automotive value chain. This scheme is effective from April 01, 2022, for a period of five years.

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

This plan includes goals for increasing production capabilities, enhancing research and development (R&D) efforts, and expanding exports. For auto components companies, this translates into opportunities for growth through increased demand for locally manufactured parts and a stronger focus on technological innovation.

AMP 2026 aims to propel the Indian Automotive industry to be the engine of the "Make in India" programme as it is amongst the foremost drivers of the Manufacturing sector. Indian Automotive sector is likely to contribute in excess of 12% of the country's GDP and comprise more than 40% of its manufacturing sector. The Automotive industry has achieved the target of incremental employment creation of 25 million jobs and shall generate an additional 65 million jobs in the future.

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

NATRIP aims to enhance the testing and R&D infrastructure for automotive components and vehicles in India. By providing state-of-the-art facilities for testing and development, this initiative supports innovation and quality assurance for auto components companies. Funded entirely by the Government of India, with a total cost of Rs. 3727.30 Crore, NATRiP is designed to enhance global automotive excellence and support low-cost manufacturing and product development.

**4. Skilling and Training Programs:**

Government initiatives aimed at enhancing the skills of the workforce, such as vocational training and skill development programs, benefit the auto components sector by providing a skilled labour pool. Well-trained professionals contribute to higher productivity and innovation within the industry.

**5. Government Incentives for R&D and Innovation:**

The Indian government offers various incentives for research and development activities, including tax benefits and grants. These incentives are designed to encourage companies to invest in innovative technologies and develop advanced automotive components. By taking advantage of these incentives, companies can drive technological advancements and maintain a competitive edge in the market.

**COMPANY'S OVERVIEW:**

Porwal Auto Components Ltd remains a key player in the auto components sector, with a focus on manufacturing and marketing S.G. (Ductile) Iron, Grey Cast Iron, and Steel Castings and Components for the automotive, engineering, and railway sectors. With over 30 years of experience, the Company is recognized for its commitment to customer-focused strategies, technological excellence, and value addition. Your Company is known for its relentless customer-focussed strategies, consistent value addition bound by excellence and superior technology. The Company delivers best-in-class auto components to its customers. Having a diversified business model, the Company supplies to multiple product categories to its customers.

Your Company is at the forefront of the auto components industry, leveraging advanced technologies to enhance our manufacturing capabilities. We have successfully adopted Lost Foam Casting technology, a cutting-edge method that enables the production of complex and high-precision components. This innovative technology is central to our operations, allowing us to deliver high-quality parts for a range of applications. In addition to our expertise in Lost Foam Casting, we are a leading manufacturer of core casting components for the railway sector. Your products are designed to meet the rigorous standards required for railway applications, ensuring reliability and durability in critical infrastructure. Furthermore, we produce specialized components for the defence industry, adhering to the highest standards of performance and safety. These defence components are integral to military operations and contribute to national security.

The Company is dedicated to driving growth through customer-centric solutions, technology upgrades, and global expansion efforts. By emphasizing innovation and enhancing stakeholder capabilities, Porwal Auto Components aims to capture new market opportunities and deliver exceptional value to its clients.

**OPPORTUNITIES AND THREATS:****OPPORTUNITIES:**

The goal is clear: to promote India's 'Atmanirbharta' by establishing a globally competitive manufacturing industry. The Government launched the Production Linked Incentive (PLI) Scheme for the Automobile and Auto Components Industry and approved the sector directly with PLI for advanced technology, auto components, green vehicles, and advanced chemistry cells, and indirectly with PLI for semiconductors and electronics. The Indian automotive OEM industry is already in a strong position. Globally, it is at the forefront of many segments. The industry aspires to nearly triple vehicle sales by 2026, across segments. These could be definitive tailwinds for the Indian automotive components industry, which has ambitions of its own by 2026 i.e. to double the contribution to manufacturing GDP with a four-fold growth in size and a six-fold growth in exports. The company is poised to capitalize on several promising opportunities as it moves forward. Expanding into global markets is a significant opportunity, with potential to diversify our customer base and increase international sales through our testing castings for export. The ongoing investment in advanced technologies, such as Lost Foam Casting, will enhance our production efficiency and product quality, keeping us ahead of competitors. The railway sector's modernization and expansion present a chance to secure new

contracts and engage in major infrastructure projects, while the defense sector's growth, driven by increased defense budgets and modernization programs, aligns well with our capability to produce high-performance components for military applications.

### 1. Technological Advancements:

- **Advanced Manufacturing Technologies:** Implementing automation, robotics, and AI-driven manufacturing processes can improve efficiency, reduce costs, and enhance product quality.
- **Smart Components:** Developing and supplying smart auto components with integrated sensors and IoT capabilities can address the growing demand for connected and autonomous vehicles.

### 2. Expansion into Global Markets:

- **Export Opportunities:** Leveraging India's position as a global hub for auto component sourcing, companies can explore new markets and increase exports to regions such as ASEAN, Europe, Japan, and Korea.
- **Strategic Partnerships:** Forming alliances or joint ventures with international automotive companies can facilitate entry into global markets and expand the customer base.

### 3. Focus on Sustainability:

- **Green Technologies:** Investing in eco-friendly technologies and materials, such as recyclable components and energy-efficient production processes, aligns with global trends towards sustainability and can attract environmentally-conscious clients.
- **Regulatory Compliance:** Adhering to stringent environmental regulations and standards can enhance the company's reputation and competitiveness in the global market.

### 4. New Customer Acquisition:

- Developing relationships with new customers across various sectors—such as automotive, railway, and defense—can drive growth. Identifying and engaging potential clients, particularly those looking for high-quality, reliable components, will be crucial to expanding our market reach and increasing our revenue streams.

### 5. Investment in R&D:

- Expanding our research and development efforts allows us to explore new materials, casting techniques, and product applications. Investing in R&D will enable us to develop advanced components that meet emerging industry needs and maintain our competitive edge.

In summary, the company is poised to capitalize on diverse opportunities, from expanding into global markets and enhancing technological capabilities to engaging in new customer acquisition and strategic partnerships. By focusing on these areas and leveraging our strengths,

we can drive growth, enhance our competitive position, and achieve long-term success.

**THREATS:**

In the financial year 2023-24, the automotive components manufacturing industry is experiencing a significant period of disruption and transformation. The convergence between technology companies and traditional auto manufacturers is increasingly blurring industry boundaries, thereby expanding the scope of what defines a conventional automotive company. This integration of advanced technologies into automotive systems is not only reshaping product offerings but also redefining industry dynamics, creating both challenges and opportunities for companies navigating this evolving landscape.

The auto components industry faces several key challenges that impact its operations, profitability, and growth prospects. Your Company faces several critical threats that could impact its operations and growth.

**1. Dependence on the automotive industry:** The auto components industry is highly dependent on the health and growth of the automotive industry. Any downturn or slowdown in the automotive sector can have a significant impact on the demand for auto components, leading to reduced sales and profitability.

**2. Global competition:** The auto components industry is highly competitive, with numerous players operating at both domestic and international levels. Global competition can lead to pricing pressures, reduced profit margins, and the need for continuous innovation and cost optimization.

**3. Technological Advancements:** Rapid advancements in technology, such as electric vehicles, autonomous driving, and connectivity, are transforming the automotive industry. Auto components manufacturers need to invest in research and development to keep up with these technological changes. Failure to adapt to new technologies can result in obsolescence and loss of market share.

**4. Supply Chain Disruptions:** The auto components industry relies on a complex global supply chain. Any disruptions, such as natural disasters, political instability, or trade disputes, can lead to supply shortages, increased costs, and production delays.

**5. Regulatory Compliance:** Auto components manufacturers need to comply with various regulations and standards related to safety, emissions, and quality. Non-compliance can result in penalties, recalls, damage to reputation, and legal liabilities.

**6. Shift towards electric vehicles:** The increasing adoption of electric vehicles poses a risk to traditional auto component manufacturers who primarily produce parts for internal combustion engines. They need to adapt their product offerings and manufacturing processes to cater to the growing demand for electric vehicle components.

**7. Environmental Concerns:** The auto components industry is under scrutiny for its environmental impact, particularly regarding emissions and waste generation. Companies need to invest in sustainable practices, such as recycling and reducing carbon footprint, to mitigate environmental risks and meet consumer expectations.

**8. Intellectual Property Theft:** Auto components manufacturers invest significant resources in research and development to create innovative products. However, there is a risk of intellectual

property theft by competitors or unauthorized entities, which can lead to lost competitive advantage and revenue.

**9. Volatile Raw Material Prices:** Fluctuations in raw material prices, such as steel, aluminium, and rubber, can significantly impact the profitability of auto components manufacturers. Companies need to manage their procurement strategies, including hedging and supplier relationships, to mitigate price volatility risks.

**10. Changing Consumer Preferences:** Consumer preferences and buying patterns are constantly evolving, driven by factors such as changing demographics, economic conditions, and technological advancements. Auto components manufacturers need to anticipate and adapt to these changing preferences to stay relevant and competitive in the market.

In summary, the Company faces several threats today and in the future, ranging from raw material volatility and supply chain disruptions to competitive pressures and technological advancements. Addressing these threats requires proactive strategies, including diversification, technological investment, and robust risk management practices, to ensure long-term stability and success.

### **OUTLOOK:**

India's auto components industry's market share has significantly expanded, led by increasing demand for automobiles by the growing middle class and exports globally. India's automotive industry is a major contributor to the country's production economy. Supporting this dynamic industry is the auto component manufacturing (ACM) segment. In recent years, the number of Indian OEM suppliers in the ACM segment has grown, making India a noteworthy player in the global automotive supply chain. India has become the fastest-growing economy in the world in recent years. This fast growth, coupled with rising incomes, a boost in infrastructure spending and increased manufacturing incentives, has accelerated the automobile industry. Significant demand for automobiles also led to the emergence of more original equipment and auto components manufacturers. As a result, India developed expertise in automobiles and auto components, which helped boost international demand for Indian automobiles and auto components. Hence, the Indian automobile industry has a considerable impact on the auto component industry.

To navigate these evolving dynamics and capitalize on opportunities, Your Company is implementing several strategic initiatives. These include strengthening our product portfolio, updating existing products, and enhancing our research and development (R&D) and technological capabilities. We are committed to investing in new product development, technology upgrades, and expanding our channel reach to remain competitive and sustain leadership. We are developing and offering customized auto component parts that meet the unique specifications of railway and defence applications. This includes high durability, reliability, and adherence to safety standards.

By 2026, the automobile component sector will contribute 5-7% of India's GDP. The Automotive Mission Plan (2016-26) projects to provide direct incremental employment to 3.2 million by 2026. The industry is a leader in exports and provides jobs to over 3.7 crore people. From FY16-FY22, the industry registered a CAGR of 6.35% and was valued at US\$ 56.50 billion in FY22. In 2023-24 (April-September), the export value of auto components/parts was estimated at US\$ 10.4 billion. North America, which accounts for 33% of total exports, increased by 2%, while Europe and Asia, which account for 33% and 24% of total exports, increased by 12% and declined by 4%, respectively. The key export items included drive transmission and steering, engine components, body/chassis, suspension and braking etc. Due to the high development prospects in all vehicle industry segments, the auto component sector is expected to see double-digit growth in FY22. The industry is expected to stand at US\$ 200 billion by FY26.



As per the Automobile Component Manufacturers Association (ACMA) forecast, auto component exports from India are expected to reach US\$ 30 billion by 2026. The auto component industry is projected to record US\$ 200 billion in revenue by 2026. Strong international demand and resurgence in the local original equipment and aftermarket segments are predicted to help the auto component industry grow 20-23% in FY22. The Government of India's Automotive Mission Plan (AMP) 2006-26 has been instrumental in ensuring growth for the sector. The Indian automobile industry is expected to achieve a turnover of US\$ 300 billion by 2026 by expanding at a CAGR of 15% from its current revenue of US\$ 74 billion.

To strengthen our position in the railway and defence sectors, we will focus on building direct relationships with key decision-makers by engaging them through regular meetings, tailored presentations, and consultative interactions. By understanding their specific needs and challenges, we can offer customized solutions that address their unique requirements. Our approach includes attending industry events, joining professional associations, and actively seeking feedback to refine our offerings. This strategic engagement will enable us to position ourselves as a trusted partner, driving long-term collaboration and ensuring that our solutions effectively support their operational goals and project success.

Your company is focused on expanding its global footprint by developing specialized casting products specifically designed for export markets. By investing in the production of test castings, we aim to meet the diverse and rigorous standards of international clients, enhancing our competitive edge and opening new revenue streams. This strategic focus not only supports our goal of global expansion but also reinforces our commitment to high-quality standards and market adaptability. Your Company has also introduced new machinery for the smooth functioning. We also have a long standing relationship with all our customers, our built on the years of remarkable responsiveness, to their ever changing needs. The Company offer the best-in-class products to our existing and potential customers and partners for sustained performance.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

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

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

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

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

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

**DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**

During the year under review the Company has reported a turnover of Rs. 14,638.52 Lacs against the turnover of Rs. 14,060.54 in the previous year, registering increment of Rs. 577.98 Lacs (approx). The overall expenses of the Company have also increased from Rs. 13489.15 Lacs to Rs. 13617.26 Lacs. The Company has incurred a net profit of Rs. 385.43 Lacs as compared to loss of Rs. 103.16 Lacs in the previous year. Your Company is trying their best to uplift the profit in the coming period.

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

The human resource plays a vital role in the growth and success of an organization. The Company has maintained cordial and harmonious relations with employees across various locations. The Company has built a competent team to handle challenging assignments. As on 31<sup>st</sup> March, 2024, there were 423 permanent employees on the roll of the Company. Our Company shares good industrial relations which improves the morale of the employees. Employees work with great zeal with the feeling in mind that the interest of employer and employees is one and the same i.e. to increase production. Every worker feels that he is a co-owner of the gains of industry. Complete unity of thought and action is placed in organization. Keeping employee wellbeing foremost, we have embraced the post-pandemic way of life and work. It has increased the place of workers in the society. During the year, the Company has taken several initiatives to further strengthen its human resource base to meet its current & future growth plans. The Company strives to enhance the technical, work related and general skills of employees on a continuous basis. There was unity of purpose among the employees to continuously strive for all round improvements in work practices & productivity Industrial relations were cordial throughout the year at all locations.

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

Ratio	Ratio in Year 2023	Ratio in Year 2024	% of Change (Compare 2023 & 2024)	Reason for Change (2024)
Debtors Turnover	22.32	13.83	-38.03%	The trade receivable turnover ratio in 2024 is 13.83 against 22.32 in 2023, indicating poor collection from debtors during the year.
Debt Equity Ratio	0.004	0.002	-61.13%	As the company has paid off majority of its debt, there has been decline in Debt equity ratio.
Net Profit Margin	-0.007	0.026	-458.92%	The company has generated more profit per unit of revenue resulting in increase in Net Profit Margin ratio.
Return on networth and Compared to immediately previous financial year	-0.018	0.061	-450.74%	The return on networth is 0.061 in 2024 as opposed to -0.018 in 2023, indicating significant improvement in the ratio.

Inventory Turnover Ratio	10.28	9.29	-9.57%	The Inventory turnover ratio of 2024 is 9.29 against 10.28 of 2023, which suggests inadequate inventory control.
Interest Coverage Ratio	-0.290	10.453	-3701.35%	There has been improvement in Interest coverage ratio as there are more profits available to meet the interest expenses of the company.
Current Ratio	1.18	1.15	-2.16%	There has been decline in current ratio as there has been significant increase in the amount of trade receivables as well as decline in the value of trade paybles leading to lower current ratio.
Operating Profit Margin Ratio	-0.002	0.033	-2096.88%	As the overall performance of the company has improved, there has been rise in Operating profit margin of the company as compared with previous year.

### **DISCLOSURE OF ACCOUNTING TREATMENT**

Your Company's financial statements for the year ended 31<sup>st</sup> March, 2024 are the financial statements prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as applicable. During the Financial Year, there was no change in the Accounting Treatment in preparation of Financial Statements.

**Date:** 21<sup>st</sup> August, 2024

**Place:** Pithampur

For and on behalf of the Board of Directors

**Porwal Auto Components Limited**

**Registered office**

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

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

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

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

**[Pursuant to Regulation 34(3) and Schedule V Para C Clause (10) (i) of Securities Exchange and Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

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

I have examined the relevant registers, records, forms, returns and disclosures provided by the Directors (as enlisted in Table A); to **PORWAL AUTO COMPONENTS LIMITED** bearing CIN: **L34300MP1992PLC006912**; having registered office at Plot No. 209, Sector 1, Industrial Area, Pithampur, M.P. – 454775 (hereinafter referred to as '**the Company**') for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my knowledge and based on the following:

- i. Documents available on the website of the Ministry of Corporate Affairs;
- ii. Verification of Directors Identification Number (DIN) status at the website of the Ministry of Corporate Affairs; and
- iii. Disclosures provided by the Directors (as enlisted in Table A) to the Company.

I hereby certify that none of the Directors on the Board of the Company (as enlisted in Table A) have been debarred or disqualified from being appointed or continuing as directors of the companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authority as on March 31, 2024.

**TABLE A**

<b>S.No.</b>	<b>Name of the Directors</b>	<b>DIN</b>	<b>Date of Appointment</b>
1	Mr. Surajmal Birdichand Kucheria	00027661	23/04/2007
2	Mr. Devendra Jain	00232920	01/08/2011
3	Mr. Mukesh Utsavlal Jain	00245111	01/08/2011
4	Mr. Surendra Utsavlal Jain	00245154	01/08/2011
5	Mr. Nitin Kumar Dafria	01560804	30/09/2002
6	Mr. Ramesh C Kashyap	06593723	28/05/2013
7	Mrs. Rajni Jain	07140288	30/03/2015
8	Mr. Gautam Chand Kothari	00115063	11/08/2023
9	Mr. Naveen Dhiman	10273058	11/08/2023
10	Mr. Mohit Handoo	10274798	11/08/2023
11	Mrs. Shalu Anand	10738711	21/08/2024

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

**Place:** Indore

**Date:** 21<sup>st</sup> August, 2024

**SHRADDHA JAIN**  
 PRACTISING COMPANY SECRETARY  
 ACS No: 39488  
 C P No: 14717  
 PR No.: 1765/2022  
 UDIN: A039488F001017014

## **INDEPENDENT AUDITORS' REPORT**

### **To the Members of PORWAL AUTO COMPONENTS LIMITED**

Report on the Audit of the Financial Statements

### **Opinion**

We have audited the accompanying financial statements of Porwal Auto Components Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the Profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### **Basis For Opinion**

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

### **Key Audit matter**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

<b>S. no.</b>	<b>Key Audit Matter</b>	<b>How our audit addressed the key audit matter</b>
<b>1</b>	<b>Capitalisation of Property Plant and Equipment(PPE):</b> The company has invested in PPE during the year ended 31st March 2024. The significant level of capital expenditure requires considerations to ensure that the capitalisation of PPE meets the specific recognition criteria in Indian Accounting Standards (Ind AS) 16 Property, Plant and Equipment.	Our audit included assessing the nature of PPE capitalised by the Company to test the validity of the amounts classified with source documentation and evaluating whether assets capitalised meet the recognition criteria in Ind AS 16.  We have tested the design, implementation and operating effectiveness of controls in respect of capital work in progress and capitalisation of PPE.

**Information Other than the Financial Statements and Auditor's Report Thereon**

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

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

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

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

**Management's Responsibility for the Financial Statements**

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

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

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences

of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules 2015, as amended.
- e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note 30 (Contingent Liabilities) to the financial statements.
  - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kinds of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or



on behalf of the company(Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(v) The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

2. As required by the Companies (Auditor’s report) Order, 2020(“the Order”) issued by the Central Government in terms of section 143(11) of the Act, we give in “Annexure B” a statement of the matters specified in paragraph 3 and 4 of the order.

**For H.N. Jhavar & Co.**  
Chartered Accountants  
Firm Reg. No.000544C

**(CA Ashish Saboo)**  
Partner  
M.No.079657  
UDIN: 24079657BKFKEA5269

Place: Indore  
Date: 28/05/2024

## **Annexure – A to the Auditors’ Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of PORWAL AUTO COMPONENTS LIMITED (“the Company”) as of 31 March 2024 in conjunction with our audit of the Ind-AS financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors’ Responsibility**

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

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

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

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

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

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

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

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For H.N. Jhavar & Co.**  
Chartered Accountants  
Firm Reg. No.000544C

**(CA Ashish Saboo)**  
Partner  
M.No.079657  
UDIN: 24079657BKFKEA5269

Place: Indore  
Date: 28/05/2024

**ANNEXURE “B” TO THE INDEPENDENT AUDITOR'S REPORT**

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

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

- (i)
  - (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and Intangible Assets.
  - (b) The Property, Plant and Equipment have been physically verified by the management at reasonable intervals; No material discrepancies were noticed on such verification.
  - (c) The title deeds of all the immovable properties disclosed in the financial statements are held in the name of the company.
  - (d) The company has not revalued its Property, Plant and Equipment or intangible assets or both during the year.
  - (e) No proceedings have been initiated during the year or are pending against the Company as at 31st March 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii)
  - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company the Management has conducted physical verification of the inventories at reasonable intervals. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed during such verifications.
  - (b) The Company has been sanctioned working capital limits in excess of Rs Five crores in aggregate from a bank on the basis of security of the current assets. Quarterly returns or statements filed by the company with such bank are in agreement with the books of accounts of the Company.
- (iii) The Company has made investments in shares of various companies and units of mutual funds and granted unsecured loans to employees during the year, in respect of which:
  - (a) The company has not provided any loans and advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.
  - (b) In our opinion and according to the information and explanations given to us, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the interest of the Company.
  - (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments regular as per the stipulation.

- (d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence reporting under clause 3(iii)(f) is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not advanced any loans to the parties covered under section 185 of the Act. The company has not given any loans and guarantees but has made investments in the securities of other body corporate in respect of which provisions of section 186 of the Act have been complied with.
- (v) According to the information and explanations given to us, 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) According to the information and explanations given to us, The Company has made and maintained the cost records as the Central Government has prescribed 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) According to the information and explanations given to us and based on the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Excise Duty, Custom Duty, Goods and Service Tax, Cess and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and based on the records of the Company examined by us, in our opinion, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Excise Duty, Custom Duty, Goods and Service Tax, Cess and other material statutory dues, as applicable were in arrears as at 31st March 2024 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us and based on the records of the Company examined by us, the particulars of dues of Income Tax, Service Tax, Sales Tax, Excise Duty, Custom Duty, Value Added Tax, Goods and Service Tax, Cess and other statutory dues as at 31st March 2024 which have not been deposited on accounts of any disputes are as follows:

<b>Name of the statute</b>	<b>Nature of dues</b>	<b>Disputed Amount</b>	<b>Period to which the amount relates</b>	<b>Forum where dispute is pending</b>
MP VAT Tax	Vat Tax	Rs. 2.48 Lakh	F.Y. 2013-14	MP Commercial Tax Appellate Board, Bhopal
Income Tax Act	Income Tax Demand	Rs. 477.92 Lakh	A.Y. 2018-19	Appeal filed before Commissioner of Income Tax Appeals
Income Tax Act	Income Tax Demand	Rs. 202.77 Lakh	A.Y. 2017-18	Appeal filed before Commissioner of Income Tax Appeals
Income Tax Act	Income Tax Demand	Rs. 89.02 Lakh	A.Y. 2016-17	Appeal filed before Commissioner of Income Tax Appeals
Income Tax Act	Income Tax Demand	Rs. 6.17 Lakh	A.Y. 2015-16	Appeal filed before Commissioner of Income Tax Appeals

- (viii) As per our opinion, there were no transactions that are not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to the bank. The company does not have dues to financial institution, government or debenture holders as at the balance sheet date.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or other lender
- (c) The term loans obtained during the year by the Company have been applied for the purposes for which they were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The Company does not have subsidiaries, associates or joint ventures. Hence the reporting requirements of paragraph 3(ix)(e) of the Order are not applicable.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and hence the reporting requirements of paragraph 3(ix)(f) of the Order are not applicable.
- (x) (a) In our opinion, and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

- (xi) (a) No material fraud on or by the Company has been noticed or reported during the year nor have we been informed of any such case by the Management.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report
- (c) As represented by the management, there are no whistle blower complaints received by the company during the year
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, reporting as per paragraph 3(xii) of the Order is not required.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- (xiv) (a) In our opinion the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports for the year under audit, issued to the Company, in determining nature, timing and extent of our audit procedure.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) (a) In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934, hence reporting requirement of paragraph 3(xvi) (a), (b) and (c) of the Order are not applicable to the Company.
- (b) The Company does not have any Core Investment Companies which are part of the group.
- (xvii) The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any

assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) requiring a transfer to a Fund specified company in Schedule VII to the Companies Act in compliance with the provisions of Section 135 of the said Act. Further the company has not undertaken any ongoing project as a part of CSR Accordingly, reporting under clause 3(xx)(a) and (b) of the Order are not applicable for the year.
- (xxi) In our Opinion, there have not been any qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the company included in the consolidated financial statements. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

**For H.N. Jhavar & Co.**  
Chartered Accountants  
Firm Reg. No.000544C

**(CA Ashish Saboo)**  
Partner  
M.No.079657  
UDIN: 24079657BKFKEA5269

Place: Indore  
Date: 28/05/2024



**AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of  
**PORWAL AUTO COMPONENTS LIMITED**

We have examined the compliance of conditions of Corporate Governance by Porwal Auto Components Limited, for the year ended on 31 March, 2024, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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

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

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

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

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

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31 March, 2024.

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

**For H.N. Jhavar & Co.**  
Chartered Accountants  
Firm Reg. No.000544C

**(CA Ashish Saboo)**  
Partner  
M.No.079657  
UDIN: 24079657BKFKEA5269

Place: Indore  
Date: 28/05/2024

**Independent Auditor's Report on the Quarterly and Year to Date Audited Financial Results of the Company Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.**

**To  
The Board of Directors of  
Porwal Auto Components Limited**

Report on the audit of the Financial Results

Opinion

We have audited the accompanying statement of quarterly and year to date financial results of Porwal Auto Components Limited (the "Company") for the quarter and year ended March 31, 2024 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

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

- i. is presented in accordance with the requirements of the Listing Regulations in this regard.
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Company for the quarter and year ended March 31, 2024.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

**Management's Responsibilities for the Financial Results**

The Statement has been prepared on the basis of the annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 and 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Financial Results**

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

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

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

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

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

**For H.N. Jhavar & Co.**  
Chartered Accountants  
Firm Reg. No.000544C

**(CA Ashish Saboo)**  
Partner  
M.No.079657  
UDIN: 24079657BKFKEA5269

Place: Indore  
Date: 28/05/2024

**Porwal Auto Components Limited**  
CIN: L34300MP1992PLC006912  
**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2024**

**Amount in Lacs**

<b>Particulars</b>	<b>Note No.</b>	<b>As at 31<sup>st</sup> March 2024</b>	<b>As at 31<sup>st</sup> March 2023</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	4044.10	4339.85
Capital work-in-progress	3	-	-
Intangible assets	4	8.84	10.56
<b>Financial assets</b>			
Investments	5	1478.29	960.29
Loans	6	97.28	175.68
Other Financial Assets (Security Deposits)	7	319.29	129.21
		<b>5,947.79</b>	<b>5,615.59</b>
<b>Current assets</b>			
Inventories	8	1413.15	1,266.51
<b>Financial assets</b>			
Trade receivables	9	1058.54	630.03
Cash and cash equivalents	10	1.89	1.89
Bank balance other than cash and cash equivalents	11	10.43	9.00
Loans	12	9.09	25.80
Other receivables	13	8.39	3.32
Other current assets	14	31.82	38.89
		<b>2,533.31</b>	<b>1,975.45</b>
<b>Total Assets</b>		<b>8,481.10</b>	<b>7,591.04</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	15	1,510.00	1,510.00
Other equity	16	4,766.47	4,381.12
<b>Total Equity</b>		<b>6,276.47</b>	<b>5,891.12</b>
<b>Non-current liabilities:</b>			
<b>Financial liabilities</b>			
Long Term Borrowings	17	10.88	26.24
Deferred tax liabilities (net)	18	-	-
		<b>10.88</b>	<b>26.24</b>
<b>Current liabilities:</b>			
<b>Financial liabilities</b>			
Borrowings	17	561.88	491.28
Trade payables	19	329.98	680.64
Other current financial liabilities	20	901.20	122.44
Other current liabilities	21	400.70	379.32
Current tax liabilities (net)		<b>2,193.75</b>	<b>1,673.68</b>
<b>Total equity and liabilities</b>		<b>8,481.10</b>	<b>7,591.04</b>
<b>Significant Accounting Policies</b>		<b>For and on behalf of board</b>	
As per report of even date			
<b>For H N Jhavar &amp; Co</b>		<b>Devendra Jain</b>	<b>Mukesh Jain</b>
Chartered Accountants		Managing Director	Whole Time Director
Firm Reg No. 000544C		DIN: 00232920	DIN: 00245111
<b>(CA Ashish Saboo)</b>			
Partner			
M. N. 079657			
UDIN : 24079657BKFKEA5269			
Place : Indore		<b>Hansika Mittal</b>	<b>Shailesh Jain</b>
Date : 28/05/2024		Company Secretary	Chief Financial Officer

**Porwal Auto Components Limited**  
CIN L34300MP1992PLC006912

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2024**
**Amount in lacs**

Particulars	Note No.	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Revenue from operations	22	14638.52	14060.54
Other income	23	42.89	4.10
<b>TOTAL INCOME</b>		<b>14681.40</b>	<b>14064.64</b>
<b>EXPENSES</b>			
Cost of materials consumed	24	8203.37	8536.79
Purchases of stock-in-trade	25	0.00	0.00
Changes in inventories of finished goods (including stock-in-trade) and work-in-progress	26	-132.96	-13.33
Employee benefits expenses	27	1277.93	1107.94
Finance costs	28	236.43	277.42
Depreciation and amortisation expenses		578.74	595.61
Other expenses	29	4081.64	3663.36
<b>TOTAL EXPENSES</b>		<b>14245.15</b>	<b>14167.79</b>
<b>Profit before exceptional items and tax</b>		<b>436.25</b>	<b>-103.15</b>
<b>Exceptional items</b>		<b>-26.42</b>	<b>0.00</b>
<b>Profit before tax</b>		<b>462.66</b>	<b>-103.15</b>
<b>Tax expenses</b>			
Current tax		77.23	0.00
Deferred tax credit/(charge)		0.00	0.00
<b>PROFIT FOR THE YEAR</b>		<b>385.43</b>	<b>-103.15</b>
<b>Other Comprehensive Income</b>		<b>0.00</b>	<b>0.00</b>
<b>Total Comprehensive Income for the period</b>		<b>385.43</b>	<b>-103.15</b>
<b>Earnings per equity share</b>			
Basic (Face value of Rs. 10 each)		<b>2.55</b>	<b>-0.68</b>
Diluted (Face value of Rs. 10 each)		<b>2.55</b>	<b>-0.68</b>

**The accompanying notes are an integral part of these financial statements**
**Significant Accounting Policies**
**For H N Jhavar & Co.**

Chartered Accountants

Firm Reg No. 000544C

**(CA Ashish Saboo)**

Partner

M. N. 079657

UDIN : 24079657BKFKEA5269

Place : Indore

Date : 28/05/2024

**For and on behalf of board**
**Devendra Jain**

Managing Director

DIN: 00232920

**Mukesh Jain**

Whole Time Director

DIN: 00245111

**Hansika Mittal**

Company Secretary

**Shailesh Jain**

Chief Financial Officer

**PORWAL AUTO COMPONENTS LIMITED**  
**CIN: L34300MP1992PLC006912**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2024**

PATICULARS	As at 31 <sup>st</sup> March 2024	Amount in lacs As at 31 <sup>st</sup> March 2023
Operating Activities		
Profit before tax	436.25	-103.15
Add: Extraordinary Item	26.42	0.00
Add: Depreciation	578.74	595.61
Add: Interest/ Finance Cost	236.43	277.42
Less: Non Operating Income	-42.89	-4.10
<b>Cash Flow from operating activities</b>	<b>1234.95</b>	<b>765.78</b>
Less: Decrease CL (including bank borrowings)	520.08	-514.93
Add: Decrease in current assets	-556.43	516.43
Less: Tax paid	-77.23	0.00
Less: Interest Paid	-236.43	-277.42
<b>Net Cash from Operating Activities</b>	<b>884.94</b>	<b>489.87</b>
<b>Investing Activities</b>		
Inflow:		
Increase in Deferred Tax Liability	0.00	0.00
Short Provision W/o	-0.09	0.00
Sale of Fixed Assets/ Invesments	27.25	14.13
Outflow:		
Increase in Fixed Assets	-306.65	-267.44
Decrease in Capital WIP	0.00	0.00
Increase in Non current Assets	-629.68	-31.79
<b>Net Cash from Investing Activities</b>	<b>-909.17</b>	<b>-285.10</b>
<b>Financial Activities</b>		
Inflow:		
Net Change in Long term Borrowing	-15.35	-207.45
Net Non Operating Income	41.02	1.39
<b>Net Cash from Financial Activities</b>	<b>25.67</b>	<b>-206.06</b>
Opening Cash	10.89	12.18
Cash Surplus/Deficit	1.44	-1.30
<b>Closing Cash</b>	<b>12.32</b>	<b>10.89</b>

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

As per report of even date

**For H N Jhavar & Co**  
Chartered Accountants  
Firm Reg No. 000544C

**(CA Ashish Saboo)**  
Partner  
M. N. 079657  
UDIN : 24079657BKFKEA5269  
Place : Indore  
Date : 28/05/2024

**Devendra Jain**  
Managing Director  
DIN 00232920

**Hansika Mittal**  
Company Secretary

**For and on behalf of board**

**Mukesh Jain**  
Whole Time Director  
DIN 00245111

**Shailesh Jain**  
Chief Financial Officer

<b>STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024</b>		
<b>Note 15 &amp; 16</b>		
<b>EQUITY SHARE CAPITAL</b>		
<b>For the year ended 31<sup>st</sup> March 2024</b>		
Balance as of 1st April 2023	Changes in Equity shares capital during the year	Balance as of 31st March 2024
1510	0	1510

<b>For the year ended 31<sup>st</sup> March 2023</b>		
Balance as of 1st April 2022	Changes in Equity shares capital during the year	Balance as of 31st March 2023
1510	0	1510

<b>OTHER EQUITY</b>	<b>Securities Premium Reserve</b>	<b>General Reserve</b>	<b>Retained Earning</b>	<b>Total</b>
<b>Balance as at 31st march 2022</b>	3260.00	32.00	1192.26	4484.27
Profit for the year ended 31st March 2023	0.00	0.00	-103.15	-103.15
Other comprehensive income	0.00	0.00	0.00	0.00
<b>Total comprehensive income</b>	0.00	0.00	0.00	0.00
Dividends	0.00	0.00	0.00	0.00
Dividend distribution tax on dividend	0.00	0.00	0.00	0.00
Income Tax for earlier years	0.00	0.00	0.00	0.00
Transfer from retained earnings	0.00	0.00	0.00	0.00
Transfer to General Reserve	0.00	0.00	0.00	0.00
<b>Balance As at 31 March 2023</b>	<b>3260.00</b>	<b>32.00</b>	<b>1089.12</b>	<b>4381.12</b>
Profit for the year ended 31st March 2024	0.00	0.00	385.43	385.43
Other comprehensive income	0.00	0.00	0.00	0.00
<b>Total comprehensive income</b>	0.00	0.00	0.00	0.00
Dividends	0.00	0.00	0.00	0.00
Dividend distribution tax on dividend	0.00	0.00	0.00	0.00
Income Tax for earlier years	0.00	0.00	-0.09	-0.09
Transfer from retained earnings	0.00	0.00	0.00	0.00
Transfer to General Reserve	0.00	0.00	0.00	0.00
<b>Balance As at 31 March 2024</b>	<b>3260.00</b>	<b>32.00</b>	<b>1474.46</b>	<b>4766.47</b>

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

As per report of even date

**For H N Jhavar & Co**

Chartered Accountants

Firm Reg No. 000544C

**(CA Ashish Saboo)**

Partner

M. N. 079657

UDIN : 24079657BKFKEA5269

Place : Indore

Date : 28/05/2024

**For and on behalf of board**

**Devendra Jain**

Managing Director

DIN 00232920

**Mukesh Jain**

Whole Time Director

DIN 00245111

**Hansika Mittal**

Company Secretary

**Shailesh Jain**

Chief Financial Officer



**Note 3: Property, Plant and Equipment**

Particulars	Manufacturing Division														Solar Plant - Division 1			Solar Plant - Division 2				Total			
	Freehold land	Leasehold land	Building at Plot No 209	Building at Plot No 215	Plant & machinery	Material handling equipments	Tools and Patterns	Electrical Installations	Festing Equipments	Auxiliary Equipments	Furnitures and Fixtures	Office equipments	Computer	Vehicles	Air Pollution Equipment	Plant and Machinery	Land (Freehold)	Factory Building	Solar Plant	Land (Freehold)	Factory Building		Office Equipments	Solar Plant	Computer
<b>Cost</b>																									
<b>At 31<sup>st</sup> March 2023</b>	183.45	24.62	1346.82	259.78	417.85	605.79	467.13	242.02	47.86	1951.35	14.81	75.20	69.07	227.79	55.18	1355.96	24.05	38.32	1148.75	63.32	14.78	1.42	1283.31	9.52	9919.14
Additions	3.94		11.61			40.54	26.15	19.69	2.17	52.78	0.55	7.22	3.79	71.43		69.02		11.88					14.40		335.17
Disposals					-28.52			-22.31				-0.85		-61.43											-113.11
<b>At 31<sup>st</sup> March 2024</b>	187.38	24.62	1358.43	259.78	389.33	646.34	493.29	239.40	50.03	2004.13	15.36	81.57	72.86	237.78	55.18	1424.98	24.05	38.32	1160.63	63.32	14.78	1.42	1297.71	0.52	10141.21
<b>Depreciation and Impairment</b>																									
<b>At 31<sup>st</sup> March 2023</b>	0.00	0.00	556.29	42.98	309.34	280.30	221.05	97.21	33.46	1288.66	11.38	64.79	62.46	91.40	52.04	1291.55	0.00	9.08	710.58	0.00	2.92	1.36	429.63	0.50	5556.99
Depreciation charge for the year			43.95	3.23	25.32	54.14	33.12	23.97	1.80	190.09	0.42	4.17	3.92	27.73	0.20	0.73		0.95	75.96		0.58			31.73	577.02
Disposals												0.40		36.49											36.90
<b>At 31<sup>st</sup> March 2024</b>	0.00	0.00	600.24	51.20	334.66	334.44	254.18	121.18	35.26	1478.75	11.80	68.56	66.38	82.64	52.24	1292.28	0.00	10.04	786.54	0.00	3.50	1.36	511.36	0.50	6097.11
<b>Net Book Value</b>																									
<b>At 31<sup>st</sup> March 2024</b>	187.38	24.62	758.20	208.58	54.66	311.89	239.11	118.21	14.77	525.38	3.56	13.01	6.48	155.15	2.93	132.70	24.05	28.28	374.09	63.32	11.28	0.06	786.34	0.03	4044.10
<b>At 31<sup>st</sup> March 2023</b>	183.45	24.62	790.54	216.81	108.50	325.49	246.08	122.50	14.40	662.70	3.43	10.40	6.61	136.38	3.14	64.41	24.05	29.24	438.16	63.32	11.86	0.06	353.68	0.03	4339.85

**Net Book Value**
**Details of Capital Work in Progress**

Particulars	At 31 <sup>st</sup> March 2024	At 31 <sup>st</sup> March 2023
Building	0	0
Plant, property and equipment	0	0
Pre-operative Expenses	0	0
	0	0

**Note 4: Intangible assets**

Particulars	Softwares and licenses
<b>Cost</b>	
<b>At 31<sup>st</sup> March 2023</b>	19.87
Additions	-
Disposals	-
<b>At 31<sup>st</sup> March 2024</b>	19.87
<b>Amortization and impairment</b>	
<b>At 31<sup>st</sup> March 2023</b>	9.30
Additions	1.72
Disposals	
<b>At 31<sup>st</sup> March 2024</b>	11.03
<b>Net Book Value</b>	
<b>At 31<sup>st</sup> March 2024</b>	8.84
<b>At 31<sup>st</sup> March 2023</b>	10.56

**Note 5: Investments**

	<b>31<sup>st</sup> March 2024</b>	<b>31<sup>st</sup> March 2023</b>
<b>Investments in unquoted equity Instruments</b>	1.25	1.25
<b>Investments at fair value through OCI (fully paid)</b>		
<b>Unquoted equity shares</b>		
<b>Quoted equity shares</b>		
<b>Mutual Funds (Quoted) units of Rs. 10/- each unless otherwise specified</b>		
493038.126(493038.126) units of Aditya Birla Sunlife Silver ETF FoF Reg-G	50.00	50.00
508545.728(508545.728) units of Axis Special Situations Fund Reg (G)	55.00	55.00
458254.33(458254.33) units of DSP Global Innovation FoF Reg(g)	42.00	42.00
489269.223(489269.223) units of HDFC Banking & Financial Fund Reg(G)	50.00	50.00
77899.094(77899.094) units of ICICI Prudential Equity and Debt (G)	95.29	95.29
7864.511(7864.511) units of ICICI Prudential Technology-G	12.00	12.00
19844.630 (19844.630) units ICICI Prudential Value Discovery (G)	24.00	24.00
86503.690 (86503.690) units IDFC Core Equity Reg (G)	38.25	38.25
563027.839 (563027.839) units IDFC Balanced Advantage Reg (G)	0.00	72.00
68949.676 (68949.676) units of Invesco India Financial Services (G)	50.00	50.00
93519.237(93519.237) units of Invesco India Midcap Fund (G)	70.00	70.00
43109.499(43109.499) units Kotak Equity Opportunity Reg (G)	62.00	62.00
226626.969(226626.969) units of L & T India Value Fund (G)	81.00	81.00
351629.126 (351629.126) units of Mirae Asset Banking & Financial Services Fund Reg (G)	40.00	40.00
337253.488(337253.488) units of PGIM India Flexi Cap Reg (G)	75.00	75.00
36242.467(36242.467) units of SBI Focused Equity Fund (G)	75.00	75.00
49910.323 (49910.323) units TATA Equity PE (G)	67.50	67.50
842844.652( 0 )Unit of Mirae Asset Multicap Fund Reg-G	90.00	0.00
9160.572 ( 0 )Unit of SBI Magnum Ultra short Duration Reg-G	500.00	0.00
(Mutual Fund Units of 39.11 Lacs (39.11 Lacs) units NAV as on 31.03.2023 Rs. 2260.72 Lacs (P.Y. 1292.89 Lacs)		
	<b>1478.29</b>	<b>960.29</b>

**Note 6: Loans**

	<b>31<sup>st</sup> March 2024</b>	<b>31<sup>st</sup> March 2023</b>
Loans (secured good unless otherwise stated)		
Capital advances	53.13	54.29
Supplier advances paid	25.03	25.00
<b>Deposits and balances with government authorities</b>		
Income Tax Deposit	19.12	0.00
VAT Tax demand	0.00	0.67
VAT Claim Receivable	0.00	95.73
	<b>97.28</b>	<b>175.68</b>

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

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

	<b>31<sup>st</sup> March 2024</b>	<b>31<sup>st</sup> March 2023</b>
<b>OTHER FINANCIAL ASSETS</b>		
Deposit	294.28	111.88
Others	25.01	14.33
Petition Fees	0.00	3.00
	<b>319.29</b>	<b>129.21</b>

**Note 8: Inventories**

	<b>31<sup>st</sup> March 2024</b>	<b>31<sup>st</sup> March 2023</b>
Raw materials (at cost)	342.38	290.89
Work in progress (at cost)	239.65	207.45
Finished goods (at lower of cost and net realisable value)	711.66	635.45
Stores and spares	119.46	132.72
	<b>1,413.15</b>	<b>1,266.51</b>

**Note 9: Trade and other receivables**

	<b>31<sup>st</sup> March 2024</b>	<b>31<sup>st</sup> March 2023</b>
Trade receivables	1,058.54	630.03
	<b>1,058.54</b>	<b>630.03</b>

**Trade receivables**
**Undisputed Trade Receivables - Considered Good**

	<b>31<sup>st</sup> March 2024</b>	<b>31<sup>st</sup> March 2023</b>
Not Due		
Less Than 6 Months	1,038.08	630.03
6 Months - 1 year	20.47	0.00
1 Year- 2 year	-	-
2 Year - 3 year	-	-
More Than 3 Years	-	-
<b>Total trade receivables</b>	<b>1,058.54</b>	<b>630.03</b>

**Note 10: Cash and cash equivalents**

	<b>31<sup>st</sup> March 2024</b>	<b>31<sup>st</sup> March 2023</b>
Balances with banks		
In current accounts	0.51	1.36
In deposit accounts	-	-
Cheques on hand	-	-
Cash on hand	1.38	0.52
	<b>1.89</b>	<b>1.89</b>

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

<b>Note 11: Bank balance other than cash and cash equivalents</b>	<b>31<sup>st</sup> March 2024</b>	<b>31<sup>st</sup> March 2023</b>
Margin money with banks	10.43	9.00
Earmarked bank balance towards dividend	-	-
	<b>10.43</b>	<b>9.00</b>

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

<b>Note 12: Loans</b>	<b>31<sup>st</sup> March 2024</b>	<b>31<sup>st</sup> March 2023</b>
Loans to employees	9.09	25.8
	<b>9.09</b>	<b>25.8</b>

<b>Note 13: Other receivables</b>	<b>31<sup>st</sup> March 2024</b>	<b>31<sup>st</sup> March 2023</b>
<b>Other loans and advances</b>		
Advance for trade	0.00	3.32
Advance for capital goods	8.39	-
	<b>8.39</b>	<b>3.32</b>

<b>Note 14: Other current assets</b>	<b>31<sup>st</sup> March 2024</b>	<b>31<sup>st</sup> March 2023</b>
GST Refund Receivable (Cess)	0.06	0.06
Input Tax Credit	1.84	9.35
Prepaid expenses	17.68	18.3
Advance tax and TDS and TCS	12.24	11.19
	<b>31.82</b>	<b>38.89</b>

## 15. Statement of changes in equity for the year ended 31<sup>st</sup> March 2024

<b>Note 15: Share Capital</b>	<b>31<sup>st</sup> March 2024</b>	<b>31<sup>st</sup> March 2023</b>
Authorised		
20,000,000 Equity Shares of Rs. 10/- Each (20,000,000 Equity Shares of Rs. 10/- Each)	2,000.00	2,000.00
Issued and Subscribed and Paid up capital 15,100,000 Equity shares of Rs. 10/- Each (15,100,000 Equity shares of Rs. 10/- Each)	1,510.00	1,510.00

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

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

**a) Reconciliation of Equity Shares**

Equity Shares	As at 31 <sup>st</sup> March 2024		As at 31 <sup>st</sup> March 2023	
	No. of Shares	Amount	No. of Shares	Amount
Balance as at the beginning of the year	15100000	15,10,00,000	15100000	15,10,00,000
Balance as at the end of the year	15100000	15,10,00,000	15100000	15,10,00,000

**b) Shareholders holding more than 5% shares in the company**

Shares held by	As at 31 <sup>st</sup> March 2024		As at 31 <sup>st</sup> March 2023	
	No. of Shares	Amount	No. of Shares	Amount
Flag Vittawas Limited	2750000	2,75,00,000	2750000	2,75,00,000
Porwal Finsec Private Limited	3288300	3,28,83,000	3288300	3,28,83,000

**c) Shareholding of promoters at the end of the year**

Promoter Name	As at 31 <sup>st</sup> March 2024			As at 31 <sup>st</sup> March 2023		
	No. of Shares	% of Total Shares	% change during the year	No. of Shares	% of Total Shares	% change during the year
Flag Vittawas Limited	2750000	18.21%	-	2750000	18.21%	-
Surendra Jain	389280	2.58%	-	389280	2.58%	-
Devendra Jain	352299	2.33%	-	352299	2.33%	-
Mukesh Jain	281105	1.86%	-	281105	1.87%	-
Gajendra Utsavlalji Jain	275989	1.83%	-	275989	1.83%	-
Shailesh Jain	221263	1.46%	-	221263	1.46%	-
Chandanbai Utsavlal Jain	164000	1.09%	-	164000	1.08%	-
Sunita Jain	114600	0.76%	-	114600	0.76%	-
Pramila Jain	110000	0.73%	-	110000	0.73%	-
Manju Jain	109266	0.72%	-	109266	0.72%	-
Pushpa Jain	95000	0.63%	-	95000	0.63%	-
Premlata Jain	92000	0.61%	-	92000	0.61%	-
Atin Jain	78500	0.52%	-	78500	0.52%	-
Santosh Aidasani	75000	0.50%	-	75000	0.50%	-
Arshui Jain	72500	0.48%	-	72500	0.48%	-
Devendra Jain HUF	69000	0.46%	-	69000	0.46%	-
Gajendra Jain HUF	66000	0.44%	-	66000	0.44%	-
Mukesh Jain HUF	59000	0.39%	-	59000	0.39%	-
Sejal Jain	34500	0.23%	-	34500	0.23%	-
Sonali Parekh	30800	0.20%	-	30800	0.20%	-
Parul Atin Jain	26500	0.18%	-	26500	0.18%	-
Richa Devendra Jain	24000	0.16%	-	24000	0.16%	-

Reema Devendra Jain	23000	0.15%	-	23000	0.15%	-
Shailesh Jain HUF	20500	0.14%	-	20500	0.14%	-
Surendra Jain HUF	19500	0.13%	-	19500	0.13%	-
Cherry Sanman Kapale	17500	0.12%	-	17500	0.12%	-
Rohan Mukesh Jain	17500	0.12%	-	17500	0.12%	-
Anish Jain	14060	0.09%	-	14060	0.09%	-
Riti Dawra	9000	0.06%	-	9000	0.06%	-
Shikha Gawade	669	0.00%	-	669	0.00%	-
<b>Total</b>	<b>5612331</b>	<b>37.16%</b>	<b>0</b>	<b>5612331</b>	<b>37.16%</b>	<b>0</b>

## 16. Other equity

### Securities premium account

<b>At 31<sup>st</sup> March 2023</b>	3260.00
Add: Premium on issue of shares allotted pursuant to exercise of ESOP	-
Add: Premium on QIP and preferential allotment of equity shares	-
<b>At 31<sup>st</sup> March 2024</b>	<u>3260.00</u>
General reserve	
<b>At 31<sup>st</sup> March 2023</b>	32.00
<b>At 31<sup>st</sup> March 2024</b>	<u>32.00</u>
Retained earnings	
<b>At 31<sup>st</sup> March 2023</b>	1089.12
Add: Profit during the year	385.43
Add: Other Comprehensive Income	0.00
Less: Income tax/Wealth tax of earlier years	-0.09
Less: Transfer to debenture redemption reserve	-
<b>At 31<sup>st</sup> March 2024</b>	<u>1474.46</u>
Total other equity	
<b>At 31<sup>st</sup> March 2024</b>	<b>4766.47</b>
<b>At 31<sup>st</sup> March 2023</b>	<b>4381.12</b>

**Note 17: Long Term Borrowings**

	<b>Effective interest rate</b>	<b>Maturity</b>	<b>31<sup>st</sup> March 2024</b>	<b>31<sup>st</sup> March 2023</b>
<b>Term loans</b>				
ICICI Bank	8.10%	Repayable in 72 monthly installments ending on Dec 2024	-	-
SBI SSI INDORE GECL	7.50%	Repayable in 48 monthly installments ending on June 2025	-	-
State Bank of India (LFC)	7.65%	Repayable in 54 monthly installments ending on March 2025	-	-
SBI SSI INDORE NEW GECL	7.40%	The State Bank of India CCEL Loan was availed in the year 2021-22 to be repaid by 2021-22.	-	-

Term Loan from State Bank of India is secured by way of charge over the fixed assets of the Solar Plant and is repayable in 89 monthly installments ending on May 2021 and carries interest @ 9.55% p.a, remaining 15 monthly installment . The loan is further secured by way of personal guarantee of three directors.

Term loan from ICICI Bank is secured by way of first charge over the fixed assets situated at Plot No. 215, Sector I Pithampur. The said loan is repayable in 60 monthly installments from September 2015 and ending on September 2020 and carries interest @ 8.55% p.a. The loan is further secured by way of personal guarantee of three directors.

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

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

**Vehicle loan from banks**

HDFC Bank Car Loan (Innova)	8.86%	To be repaid by June 2025 in 27 monthly installments of Rs. 56066/- each.	2.28	7.73
HDFC Bank Car Loan (Jeep)	8.75%	To be repaid by July 2026 in 33 monthly installments of Rs. 71880/- each.	8.60	18.50

(All loans secured by hypothecation of specific vehicles)

**Total unsecured loans**

-	-	<b>10.88</b>	<b>26.24</b>
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**Total non-current interest bearing loans and borrowings**

<b>10.88</b>	<b>26.24</b>
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**Current borrowings**
**Loan repayable on demand (from bank)**
**Secured loans**

Working capital loan from banks

From SBI SSI Branch Indore	142.18	20.29
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From SBI Pithampur Branch	0.00	-2.85
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Secured by way of hypothecation of present and future stock of raw material, stock in process, finished goods, stores and spares, and book debts and first charge over the fixed assets of the company situated at Plot No. 209 Sector I, Pithampur. The loans is further secured by way of personal guarantee of three directors. The loan is repayable on demand and carries interest @ 8.00% p.a.

<b>142.18</b>	<b>17.44</b>
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**Loan from other Body Corporates**

Porwal Diesels Pvt. Ltd.	419.70	473.84
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**Current maturity of long term loans**

From ICICI Bank	0.00	103.13
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SBI SSI CCEL	0.00	0.00
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HDFC Bank Car Loan (Innova)	6.73	5.80
-----------------------------	------	------

HDFC Bank Car Loan (Jeep)	8.63	7.08
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STATE BANK OF INDIA TERM LOAN(LFC)	0.00	0.00
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From Axis Bank Ltd (Ford)	0.00	0.00
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From Axis Bank Ltd (Skoda)	0.00	0.00
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<b>Total current borrowings</b>	<b>577.23</b>	<b>607.28</b>
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Less: Amount clubbed under "other current liabilities"	15.35	116.00
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<b>Net current borrowings</b>	<b>561.88</b>	<b>491.28</b>
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Ind AS 107 only requires disclosure of information that enables users of the financial statements to evaluate the significance of financial instruments for its financial position and performance. Ind AS compliant Schedule III requires that a company to disclose terms of repayment of term loan and other loan. Accordingly, to comply with the requirement of Ind AS compliant Schedule III the group has disclosed effective interest rate and maturity date for all the borrowings.

**Note 18: Deferred Tax**

Deferred tax relates to the following:

	<u>31<sup>st</sup> March 2024</u>	<u>31<sup>st</sup> March 2023</u>
Accelerated depreciation for tax purposes	-	-
MAT credit entitlement		
Disallowances and Losses available for offsetting against future taxable income	-	-
<b>Deferred tax expense/(income)</b>		
<b>Net deferred tax assets/(liabilities)</b>		

Reflected in the balance sheet as follows:

	<u>31<sup>st</sup> March 2024</u>	<u>31<sup>st</sup> March 2023</u>
Deferred tax assets	-	-
Deferred tax liabilities	-	-
<b>Deferred tax liabilities, net</b>	-	-

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

**Note 19: Trade payables**

	<u>31<sup>st</sup> March 2024</u>	<u>31<sup>st</sup> March 2023</u>
<b>Trade payables</b>	<b>329.98</b>	<b>680.64</b>
<b>MSME</b>		
Not Due	-	-
Less Than 1 Year	208.49	372.23
1 Year - 2 Year	-	-
2 year - 3 year	-	-
More than 3 year	-	-
<b>Others</b>		
Not Due		
Less Than 1 Year	121.49	308.41
1 Year - 2 Year	-	-
2 year - 3 year	-	-
More than 3 year	-	-
	<b>329.98</b>	<b>680.64</b>

<b>Note 20: Other current financial liabilities</b>	<b>31<sup>st</sup> March 2024</b>	<b>31<sup>st</sup> March 2023</b>
Current maturities of long term debt	15.35	116.00
Payables for capital expenditure	44.26	6.44
Advance against sale of land	775.00	-
Others (Tooling advance)	66.59	-
	<b>901.20</b>	<b>122.44</b>

<b>Note 21: Other current liabilities</b>	<b>31<sup>st</sup> March 2024</b>	<b>31<sup>st</sup> March 2023</b>
<b>(a) Provision for employee benefits</b>		
Bonus Payable	37.57	34.77
Leave Encashment (unfunded)	64.95	64.98
E.S.I.C. Payable	1.94	1.90
Good Work Reward	9.89	14.61
Canteen Expenses Payable	1.72	0.00
Professional Tax Payable	0.23	0.19
Professional Tax Payable (Company)	0.00	0.03
Provident Fund Payable	4.74	4.12
Salary and Wages Payable	75.45	65.06
<b>(b) Others (Specify nature)</b>		
Provision for Income Tax	77.23	0.00
TDS Payable	9.63	8.86
Power & Fuel Payable	60.80	75.03
Freight Payable	0.40	0.15
Telephone Expenses Payable	0.05	0.14
Lease Rent payable	1.66	0.00
Audit Fees Payable	0.75	0.75
Professional Charges Payable	0.80	0.53
Water Charges Payable	1.24	1.15
GST Payable	51.66	107.04
	<b>400.70</b>	<b>379.32</b>

**Note 22. Revenue from operations**

	<b>31<sup>st</sup> March 2024</b>	<b>31<sup>st</sup> March 2023</b>
<b>Sale of products</b>		
CI & SG Iron Automobile Components	14,223.67	13,741.75
Solar Power	414.84	318.79
	<b>14,638.52</b>	<b>14,060.54</b>

**Note 23. Other income**

	<b>31<sup>st</sup> March 2024</b>	<b>31<sup>st</sup> March 2023</b>
Interest income	1.73	1.39
Income from Sale of Mutual Funds	39.29	-
Profit on Sale of Fixed Assets	1.86	2.71
	<b>42.89</b>	<b>4.10</b>

**Note 24. Cost of materials consumed**

Raw Material Consumed		
Inventory at the beginning of the year		
<b>Add:</b> Purchases		
<b>Less:</b> Inventory at the end of the year		
<b>Cost of raw material and components consumed</b>		

	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
	227.19	293.17
	7718.16	8,004.55
	-254.14	-227.19
	<b>7,691.22</b>	<b>8,070.52</b>

**Details of stores and consumables consumed**

Inventory at the beginning of the year		
<b>Add:</b> Purchases		
<b>Less:</b> inventory at the end of the year		
Cost of raw material and components consumed		

	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
	132.72	137.18
	498.89	461.81
	-119.46	-132.72
	<b>512.15</b>	<b>466.27</b>
<b>Total Consumption</b>	<b>8,203.37</b>	<b>8,536.79</b>

**Note 25. Purchases of stock-in-trade**

Inventory at the beginning of the year		
<b>Add:</b> Purchases		
<b>Less:</b> inventory at the end of the year		
Cost of raw material and components consumed		

	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
	-	-
	-	-
	-	-
	-	-

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

Opening Stock		
Work-in-Process		
Finished Goods		
Stock-in-Trade		
<b>Less:</b> Closing Stock		
Work-in-Process		
Finished Goods		
Stock-in-Trade		

	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
	207.45	162.98
	635.45	637.17
	63.70	93.12
	239.65	207.45
	711.66	635.45
	88.24	63.70
	<b>(132.96)</b>	<b>(13.33)</b>

**Note 27. Employee benefits expenses**

Salaries, wages and bonus		
Contribution to provident and other funds		
Gratuity expense		
Staff welfare expense		

	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
	1,142.83	1,004.11
	75.01	67.87
	10.00	4.00
	50.09	31.95
	<b>1,277.93</b>	<b>1,107.94</b>

**Note 28. Finance costs**

	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Interest		
- On fixed period loan	46.15	79.94
<b>Finance charges</b>		
Interest and bank charges	3.01	3.08
Bank charges and bill discounting charges	187.27	194.39
<b>Total interest expense</b>	<b>236.43</b>	<b>277.42</b>
<b>Total finance cost</b>	<b>236.43</b>	<b>277.42</b>

**Note 29. Depreciation and amortization expense**

	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Depreciation of tangible assets	578.74	595.61
	<b>578.74</b>	<b>595.61</b>

**Note 30. Other expenses**
**Manufacturing Expenses**

	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Commission	58.13	59.23
Contract Wages	794.35	703.20
Freight Inward	188.12	170.87
Insurance Expenses	8.52	10.08
Job work Charges	1,323.88	1,146.05
Miscellaneous Factory Overhead	26.53	19.15
Power & fuel	1,287.80	1,182.68
Provident Fund Contractor	0.43	0.26
Repairs & Maintenance	87.32	91.79
Telemetry Expenses	2.41	2.41
Solar Power Line Charges	1.00	0.92

**Selling & Distribution Expenses**

Advertisement Expenses	1.54	1.29
Business Promotion & Exhibition Expense	35.62	12.85
Computer software Development expense	2.25	1.81
Customer Entertainment Expenses	3.79	2.50
Freight Outward	105.52	91.93
GST Expense Audit Objection	0.00	0.00
Inspection and Testing	0.72	0.96
Petition Filing Fees	3.70	0.00
Selling Expenses	0.39	0.26
Turnover Discount	7.00	0.00
Tax Expenses (CST)	9.67	1.02
Website Design Expense	0.96	0.66

**Establishment Expenses**

Auditor's Remuneration	0.75	0.75
Books & Periodicals	0.30	0.08
Consultancy Fees	26.34	26.89
Conveyance Expenses	1.02	1.09
Donation	0.21	0.00

Late Delivery Charges (L.D.)	-13.61	43.20
Lease Rent	2.48	2.45
Legal Expenses	17.33	13.25
Membership & Subscription	2.04	2.14
Motor Car Running Expenses	0.12	0.19
Office Expenses	6.72	4.87
Postage & Courier Charges	0.91	0.66
Professional fees	16.55	8.29
Property Tax	2.12	2.12
Rebate & Discount	0.01	0.01
Registration for filing fees	0.10	0.39
Stamp Paper Expenses	2.77	0.00
Stationary & printing	11.06	8.68
Sundry Balances written off	0.12	1.11
Telephone Expenses	4.37	4.29
Tender Fees	0.02	0.07
Training & seminar	0.26	0.75
Travelling Expenses	32.45	25.23
Vehicle Running & Maintenance	17.52	16.93
	<b>4,081.64</b>	<b>3,663.36</b>

**Payments to the auditor:**
**As auditor**

Audit fee	0.60	0.60
Tax audit fee	0.15	0.15
	<b>0.75</b>	<b>0.75</b>

**Details of CSR expenditure:**

Gross amount required to be spent by the group during the year

**Amount spent during the year ending on 31<sup>st</sup> March 2024**

 Construction/acquisition of any asset  
 On purposes other than above

**Amount spent during the year ending on 31<sup>st</sup> March 2023**

 Construction/acquisition of any asset  
 On purposes other than above

	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023	
	Nil	Nil	
	<b>Nil</b>	<b>Nil</b>	<b>Total</b>
	-	-	-
	-	-	-
	<b>Nil</b>	<b>Nil</b>	<b>Total</b>
	-	-	-
	-	-	-

**PORWAL AUTO COMPONENTS LIMITED****Notes to the Ind AS financial statements for the year ended 31<sup>st</sup> March, 2024****NOTE 1****1.1 COMPANY OVERVIEW**

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

**1.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

These financial statements have been prepared in accordance with the Indian Accounting Standards (herein referred to as ‘IND AS’) as notified by Ministry of Corporate Affairs pursuant to Section 133 of Companies Act 2013, read with Companies (Indian Accounting Standards) Rules 2015 (as amended).

The financial statements have been prepared and presented under historical cost convention, on accrual and going concern basis of accounting. The Accounting policies are applied consistently in presenting these financial statements.

The classification of assets and liabilities of the Company into current or non-current is based on the criterion specified in the Schedule III to the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

**(a) Functional and Presentation currency:**

The financial statements are prepared in Indian Rupees, which is the Functional and Presentation currency for the Company.

**(b) Use of Estimates:**

The preparation of Financial Statement in accordance with IND AS requires use of estimates and assumptions for some items, which might have effect on their recognition and measurement in the Balance Sheet and Statement of Profit and Loss. The actual amounts realized may differ from these estimates. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as Management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognized in the period in which the results are known / materialized, and if material, their effects are disclosed in the notes to financial statements.

**(c) Basis of measurement**

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

**SIGNIFICANT ACCOUNTING POLICIES**

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

**a) Revenue Recognition**

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

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

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

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

**b) Property, Plant and Equipment****(i) Property, plant and equipment**

The Company has applied Ind AS 16 for all of its property, plant and equipment. The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, attributable borrowing cost and any other directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the present value of the expected cost for the decommissioning and removing of an asset and restoring the site after its use, if the recognition criteria for a provision are met.

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

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

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

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

**(ii) Capital work in progress**

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

**(iii) Depreciation**

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

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

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

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

**c) Intangible assets**

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

The useful lives of intangible assets are assessed as either finite or indefinite. The Company currently does not have any intangible assets with indefinite useful life. Intangible assets are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset are



reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

#### **d) Cash and cash equivalents**

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

#### **e) Borrowing Costs**

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

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

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators. The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss.

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

**g) Government Grants**

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

**h) Inventories**

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

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

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

**i) Taxation****Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity).

Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except when it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable

profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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

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

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

## **j) Employee benefit schemes**

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

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

#### **Compensated absences:**

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

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

#### **Gratuity**

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

#### **Provident Fund**

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

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

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with the applicable Ind AS. Provisions represent liabilities to the Company for which the amount or timing is uncertain. Provisions are recognized when the Company has a present obligation (legal or

constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in the statement of profit and loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

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

#### **l) Foreign currency transactions**

In the financial statements of the Company, transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into the functional currency at exchange rates prevailing on the reporting date. Non-monetary assets and liabilities denominated in other currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined.

All exchange differences are included in the statement of profit and loss except any exchange differences on monetary items designated as an effective hedging instrument of the currency risk of designated forecasted sales or purchases, which are recognized in the other comprehensive income.

#### **m) Earnings per share**

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

#### **n) Cash Flow Statement**

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

#### **o) Research and development**

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

**30. CONTINGENT LIABILITIES**

a.	Guarantee issued by Bank on behalf of the company (including LC)	Rs. 8,17,546/- (Rs. 7,27,389/-)
b.	Provident Fund demand for the financial year 2005-06 (Disputed by the company, deposited Rs. 4.02 lacs for appeal)	Nil (Nil)
c.	Estimated amount of contracts remaining unexecuted on capital account and not provided for	Rs. 10,15,335/- (Rs. 1,85,725/-)
d.	VAT Input Disallowed for financial year 2013-14	Rs. 2,48,526/- (Rs.2,48,526/-)
e.	VAT Input Demand for financial year 2016-17	Rs. 2,67,697/- ( Rs. 2,67,697/-)
f.	Income Tax Demand for Assessment Year 2018-19	Rs. 4,77,91,740/- (Rs. 4,77,91,740/-)
g.	Income Tax Demand for Assessment Year 2017-18	Rs. 2,02,77,340/- (Nil)
h.	Income Tax Demand for Assessment Year 2016-17	Rs. 89,01,600/- (Nil)
i.	Income Tax Demand for Assessment Year 2015-16	Rs.6,17,010/- (Nil)

**31. EARNING PER SHARE-**

PARTICULARS	2023-24	2022-23
Profit after tax as per Profit & Loss Account (Rs.)	3,85,43,425	-1,03,14,619
Weighted Average number of Equity Shares outstanding (Nos.)	1,51,00,000	1,51,00,000
Basic and Diluted Earnings Per Share (Face value Rs. 10 per share)(Rs.)	2.55	-0.68

**32. RELATED PARTY TRANSACTIONS**

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

## 1. Relationship

- a. Key Managerial Personnel and Relatives  
 Mr. Devendra Jain, Managing Director  
 Mr. Surendra Jain, Whole Time Director  
 Mr. Mukesh Jain, Whole Time Director  
 Mr. Shailesh Jain, Chief Financial officer  
 Ms. Hansika Mittal, Company Secretary

Porwal Diesels Pvt. Ltd, Enterprise  
Mr. Anish Jain, Relative of KMP  
Mrs. Palak Jain, Relative of KMP

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

Particulars	With Management Personnel	Key Management Personnel	Entities owned or significantly influenced by Key Management Personnel	Relative of Key Management Personnel/Director and their enterprises	Associate and subsidiary companies
Remuneration	Rs. 1,35,00,000/- (Rs. 1,35,00,000/-)	Nil (Nil)	Nil (Nil)	Rs. 28,45,200/- (Rs. 24,85,200/-)	Nil (Nil)
Purchase of Goods	Nil (Nil)	Nil (Nil)	Nil (Nil)	Rs. 1,82,09,940/- (Rs. 1,85,65,949/-)	Nil (Nil)
Sale of Goods	Nil (Nil)	Nil (Nil)	Nil (Nil)	Rs. 13,10,338/- (Rs. 6,22,155/-)	Nil (Nil)
Job work paid	Nil (Nil)	Nil (Nil)	Nil (Nil)	Rs. 8,38,70,287/- (Rs. 7,76,96,111/-)	Nil (Nil)
Interest received	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Interest Given	Nil (Nil)	Nil (Nil)	Nil (Nil)	Rs. 50,77,859/- (Rs. 40,37,398/-)	Nil (Nil)

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

**Remuneration**

Related Party	Current Year	Previous Year
Mr. Devendra Jain	Rs. 36,00,000/-	Rs. 36,00,000/-
Mr. Mukesh Jain	Rs. 36,00,000/-	Rs. 36,00,000/-
Mr. Surendra Jain	Rs. 36,00,000/-	Rs. 36,00,000/-
Mr. Shailesh Jain	Rs. 27,00,000/-	Rs. 27,00,000/-

**Purchase of Goods**

Related Party	Current Year	Previous Year
Porwal Diesels Pvt. Ltd.	Rs. 1,82,09,940/-	Rs. 1,85,65,949/-

**Job Work Paid**

Related Party	Current Year	Previous Year
Porwal Diesels Pvt. Ltd.	Rs. 8,38,70,287/-	Rs. 7,76,96,111/-

**Interest Received**

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

**Interest Given**

Related Party	Current Year	Previous Year
Porwal Diesels Pvt. Ltd.	Rs. 50,77,859/-	Rs. 40,37,398/-

**Loans and Advances (Dr)**

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

**Loans and Advances (Cr)**

Related Party	Current Year	Previous Year
Porwal Diesels Pvt. Ltd.	Rs. 4,19,70,073/-	Rs. 4,73,84,260/-

**Sundry Creditors (Cr)**

Related Party	Current Year	Previous Year
Porwal Diesels Pvt. Ltd.	Rs. 24,20,950/-	Rs. 2,49,08,980/-

**Sundry Debtors (Dr)**

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

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

	2023-24		2022-23	
	Amount in Rs	% of Consumption	Amount in Rs	% of Consumption
Imported	0	0	0	0
Indigenous	5,12,15,212/-	100	4,66,26,993/-	100
<b>TOTAL</b>	<b>5,12,15,212/-</b>	<b>100</b>	<b>4,66,26,993/-</b>	<b>100</b>

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

	2023-24	2022-23
Raw Material and Stock in trade	Rs. 79,410/-	Rs. 7,82,234/-
Stores, Spares and Packing Material	Nil	Nil
<b>Capital Goods</b>	<b>Rs. 51,41,485/-</b>	<b>Rs. 4,12,883/-</b>

**35. EXPENDITURE IN FOREIGN CURRENCY**

	2023-24	2022-23
Repairing	Nil	Nil
Travelling	Rs. 22,96,202/-	Nil
<b>Capital Goods</b>	<b>Nil</b>	<b>Rs. 3,37,883/-</b>

**36. Fair Value Measurement (IND AS 113)**

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

37. Previous year figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

**38. UTILISATION OF BORROWED FUNDS, SHARE PREMIUM OF ANY OTHER SOURCE OF FUNDS**

i. No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries").

ii. No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties").

**39. RELATIONSHIP WITH STRUCK OFF COMPANIES**

The Company does not have any transactions or balances with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 during the year and previous year.

40. The Company does not have any transactions not recorded in books of accounts that has been surrendered or disclosed as income during the year and previous year in the tax assessments under the Income Tax Act, 1961.

41. The Company has not traded or invested in any crypto currency or virtual currency during the year and previous year.

42. There has been no fraud by the Company or on the Company during the year and previous year.

43. Previous year's figures have been have been regrouped / restated wherever necessary to confirm to current year's presentation.

**44. Solvency Ratios**

S. No.	Particulars	Year 2023-24	Year 2022-23	Variance	Ratio Formula
1	Current Ratio	1.15	1.18	-2.16%	Current Assets/Current Liabilities
2	Debt Equity Ratio	0.002	0.004	-60.96%	Long Term Debt/Equity Shareholders Fund
3	Debt Service Coverage ratio	1.55	0.72	115.84%	(Profit after Tax+Non Cash Items)/(Interest+Inst allment)
4	Return on Equity ratio	0.061	-0.018	-450.74%	Profit after Tax/Equity Shareholders Fund
5	Inventory Turnover Ratio	9.29	10.28	-9.57%	Cost of goods sold/Inventory
6	Trade Receivable Turnover Ratio	13.83	22.32	-38.03%	Credit Sales/ Accounts Receivables



<b>7</b>	Trade Payables Turnover Ratio	24.90	12.44	100.19%	Credit Purchase/Accounts payable
<b>8</b>	Net Capital Turnover Ratio	2.33	2.39	-2.28%	Revenue from Operations/Equity Shareholders Fund
<b>9</b>	Net Profit Ratio	0.026	-0.007	-458.92%	Profit after Tax/Revenue from Operations
<b>10</b>	Return on Capital Employed	0.1072	0.0296	262.29%	Earnings before Interest & Tax/Capital Employed
<b>11</b>	Return on Investment	0.045	-0.014	-434.46%	Profit after Tax/Total Assets
<b>12</b>	Return on Net Worth	0.061	-0.018	-450.74%	Net Profit/ Total Equity
<b>13</b>	Interest coverage Ratio	25.456	9.2728	174.52%	EBIT DA/ Interest Charges

**As per our report of even date**  
**For H.N. Jhavar & Co.**  
 Firm Reg. No. 000544C  
 Chartered Accountants

For and on behalf of the Board

**CA Ashish Saboo**  
 Partner  
 M.N. 079657  
 UDIN: 24079657BKFKEA5269  
 Date: 28/05/2024  
 Place: Indore

**Devendra Jain**  
 Managing Director  
 DIN 00232920

**Mukesh Jain**  
 Whole Time Director  
 DIN 00245111

**Hansika Mittal**  
 Company Secretary

**Shailesh Jain**  
 Chief Financial Officer