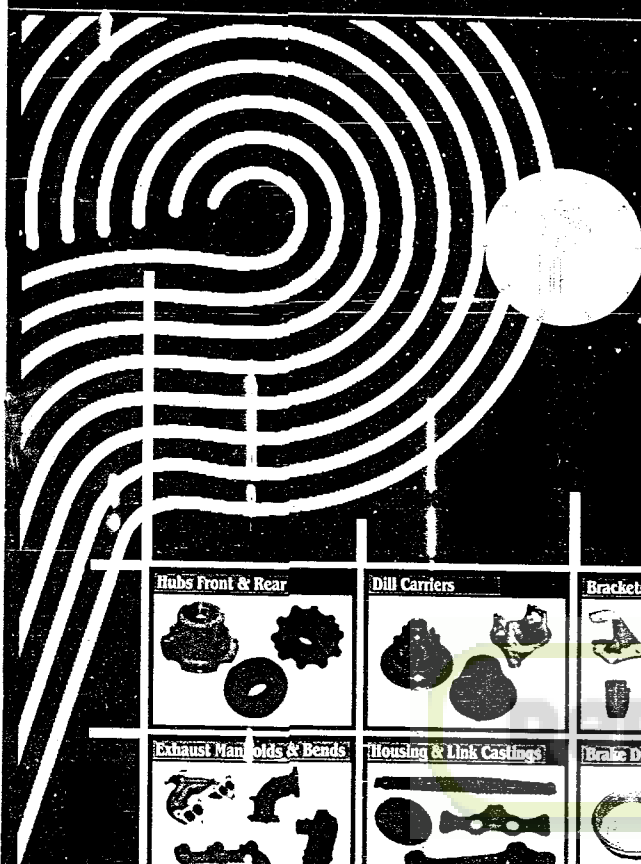


ANNUAL REPORT 2007 - 2008



PORWAL AUTO COMPONENTS LIMITED

SIXTEENTH ANNUAL REPORT 2007 - 2008



Hubs Front & Rear 	Diff Carriers 	Brackets 	Diff. Cases & Assemblies
Exhaust Manifolds & Bends 	Housing & Link Castings 	Brake Drums 	Housings
Transmission Cases 	Cover Castings 	Gear Box Housing 	Pullys

PORWAL AUTO COMPONENTS LIMITED

Regd. Office : Kanti Mansion, 6, Murai Mohalla, Indore (M.P.) - 452001

Radiant 0761 2538485

PORWAL AUTO COMPONENTS LTD.**Annual Report****ANNUAL REPORT 2007 - 2008****BOARD OF DIRECTORS**

SHRI SURENDRA JAIN	: EXECUTIVE CHAIRMAN
SHRI DEVENDRA JAIN	: MANAGING DIRECTOR
SHRI MUKESH JAIN	: WHOLE TIME DIRECTOR
SHRI NITIN DAFRIA	: NON - EXECUTIVE INDEPENDENT DIRECTOR
SHRI SURAJMAL KUCHERIA	: NON - EXECUTIVE INDEPENDENT DIRECTOR
SHRI ASHISH SABOO	: NON - EXECUTIVE INDEPENDENT DIRECTOR
MS RAINA AJMERA	: COMPANY SECRETARY

AUDITORS	: ASSG & ASSOCIATES Chartered Accountants "Kanti Mansion" 6, Murai Mohalla, INDORE - (M. P.)
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BANKERS	: 1. STATE BANK OF INDIA SME Branch, INDORE - (M. P.)
	: 2. STATE BANK OF INDORE Palsikar Colony Branch, INDORE (M. P.)

REGISTERED OFFICE	: KANTI MANSION 6, Murai Mohalla, INDORE - (M. P.)
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WORKS	: Plot No. 209, Sector No. 1, Industrial Area, Pithampur, Distt. DHAR - 454775 (M.P.)
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REGISTRAR AND SHARE TRANSFER AGENTS:	Intime Spectrum Registry Limited C-13, Pannalala Silk Mills Compound, LBS Marg, Bhandup, Mumbai - 400 078
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PORWAL AUTO COMPONENTS LTD.**Annual Report****NOTICE**

NOTICE is hereby given that 16th Annual General Meeting of the Members of the PORWAL AUTO COMPONENTS LIMITED will be held on Wednesday, the 24th September of 2008 at 11.00 a.m. at Hotel President, RNT Marg, Indore to transact the following business :-

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2008 and Profit and Loss Accounts for the year ended on that day together with the reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Shri Nitin Dafria, who retires by rotation and being eligible offers himself for re-appointment.
3. To consider re-appointment of the Auditors and fixing up of their remuneration.

by order of the board of
Porwal Auto Components Limited

PLACE: INDORE
DATE : 31.07.2008

Surendra Jain
Chairman

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.
2. The Members are requested to:
 - a. Intimate changes, if any, in their registered addresses immediately.
 - b. Quote their ledger folio number / DPID/ Client ID in all their correspondence.
 - c. Hand over the enclosed attendance slip, duly signed in accordance with their specimen signatures registered with the company for admission to the meeting place.
 - d. Bring their Annual Report and Attendance Slips with them at the AGM venue.
3. The Register of Members and Share Transfer Books of the company shall remain closed from 22/09/2008 to 24/09/2008 (all the days inclusive).
4. The report on the Corporate Governance and Management Discussion and Analysis also form part to the report of the Directors.
5. Members seeking any information are requested to write to the company at least 10 days before the date of the AGM to enable the management to reply appropriately at the AGM.
6. Members, who are holding physical shares in more than one folio, are requested to intimate to the Company/Registrar and Share Transfer Agent the details of all their folio numbers for consolidation into single folio.
7. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting are advised to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Meeting.

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

Name of Directors	Mr. Nitin Dafria
Date of Birth	26.12.1964
Date of Appointment	30.09.2002
Expertise / Experience in specific functional areas	Practicing Chartered Accountant since last 17 years.
Qualification	FCA, MBA
No. of Equity Shares held	NIL
List of outside Company directorship held	NIL
Chairman / Member of the Committees of the Board of Directors of the Company	Chairman : 1. Audit Committee Member 1. Investor Grievance Committee 2. Remuneration Committee
Chairman / Member of the Committees of the Board Directors of other Companies in which he is director	NIL

DIRECTORS' REPORT

To

The Members of

Porwal Auto Components Ltd., Indore

Your directors have pleasure in presenting 16th Annual Report of your company together with the audited accounts for the year ended on 31st March 2008.

1. State of Company's Affairs :

Financial Results	(Rs. in lakhs)	
	As on 31.03.2008	As on 31.03.2007
Sales & Other Income	4262.96	3397.02
Interest & Depreciation	323.46	128.92
Profit before Tax	158.22	148.94
Provisions for Tax	21.65	17.13
Profit after Tax	136.57	131.81
Profit (Loss) brought forward	253.40	121.59
Balance carried to Balance Sheet	386.64	253.40

Dividend :

Your directors do not recommend any dividend for the year in order to plough back the funds to cover the cost of ensuing expansion and capital expenditure.

2. Operating Results and Outlook :

During the year under review, the overall performance of your company has been very much on desired track and to the overall satisfaction of all concerned. The sales has gone up by over 20% and even on the enhanced capacity the operating profits have also increased.

The company is under expansion phase and high pressure molding line has been installed and has started functioning, though desired results is yet to achieve. After the complete expansion which is expected by Dec 2008 the company will have enough capacity to cater to other clients also. Automobile industry is doing well and it is expected to continue the growth in the financial year 2008-09. The company expects a good growth during the year. The company is also in process to tape the foreign market. The future prospectus of the industry seems to be bright.

3. Initial Public Offering of Securities And Listing On Stock Exchanges

The Company achieved the milestone of Initial Public Offering of its securities and having its securities listed on the Bombay Stock Exchange Limited. The Company successfully completed its public issue of 50,00,000 Equity Shares of Rs.10/- each fully paid up for cash at a premium of Rs. 65/- per Equity Share. Your Directors are thankful for the overwhelming response of the public and shares have been listed on Bombay Stock Exchange and OTCEI. The Board of Directors takes this opportunity to thank all the investors for the confidence reposed in the Company and its management. Your Directors are happy to report that the listing has enhanced our visibility and brand value.

4. Directorate :

In terms of the provisions of the Companies Act, 1956 Shri Nitin Dafria would retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible offers himself for re-appointment. There is no other change in the Composition of the Board of Directors.

5. Directors Responsibility Statement :

As required under the provisions of Section 217 (2AA) of the Companies Act, 1956, we confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed;
2. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that have been reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the year under review;
3. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities ;
4. the directors had prepared the annual accounts for the financial year ended 31st March, 2008 on a "going concern" basis; and
5. the properties of the company are adequately insured.

6. Corporate Governance :

A report on corporate governance in terms of clause 49 of listing agreement is attached forming part of this report.

7. Auditors :

M/s ASSG & Associates, Chartered Accountants, Indore, statutory auditors of the Company, retire at the end of ensuing Annual General Meeting and are eligible for re-appointment as statutory auditors of the Company. The Auditors' Report read with notes to accounts are self-explanatory and in particular note no. 9 & 10 of the notes to accounts read with para 4 of the Auditors Report.

8. Public Deposits :

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

9. Particulars of Employees etc.

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

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

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

Your directors place on record their sincere appreciation for the co-operation extended to the company by the lending institution and banks and for the devoted performance by company's entire staff & associates.

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

PLACE: INDORE
DATE : 31/07/2008

Surendra Jain
Chairman

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of board of Directors) Rules, 1988 forming part of the Directors' Report for the year ended 31st March 2008.

I. CONSERVATION OF ENERGY

Power and Fuel Consumption

1. Electricity

Particulars	For the year ended 31.03.2008	For the year ended 31.03.2007
a. Purchased		
Total Units	955346	84,77,584
Total Amount (Rs.)	442551.55	3,75,09,907
Cost/Unit (Rs.)	4.52	4.42
b. Own Generation (Diesel Generator)		
Total Units	NIL	NIL
Total Amount (Rs.)	NIL	NIL
Cost/Unit (Rs.)	NIL	NIL
c. Consumption per unit of production (in units)	1257.4	1257/MT

Note : Quantity of Diesel and LDO consumed during the year is 33,450 litres (62,160 litres), was consumed in Sand Dryers, Laddle Heating and Heat Treatment furnace

2. COAL	NIL	NIL
3. FURNACE OIL	NIL	NIL
4. DIESEL		
Quantity (Ltrs)	33,450	62,060
Value (Rs.)	1166940	22,98,969
5. RLNG GAS (MMBTU)		
Quantity (Ltrs)	6,827.153	NIL
Value (Rs.)	1881640	NIL

II TECHNOLOGY ABSORPTION

The company is using manufacturing technology which is entirely indigenous

III FOREIGN EXCHANGE EARNINGS & OUTGO

The company did not have any foreign exchange earnings during the year under review. However the company did incur a foreign currency expenditure of Rs. 5.78 lakhs

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

Name of Directors	Mr. Nitin Dafia
Date of Birth	26.12.1964
Date of Appointment	30.09.2002
Expertise / Experience in specific functional areas	Practicing Chartered Accountant since last 17 years.
Qualification	FCA, MBA
No. of Equity Shares held	NIL
List of outside Company directorship held	NIL
Chairman / Member of the Committees of the Board of Directors of the Company	Chairman : 1. Audit Committee Member 1. Investor Grievance Committee 2. Remuneration Committee
Chairman / Member of the Committees of the Board Directors of other Companies in which he is director	NIL

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4. Directorate :

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