



Porwal

Auto Components Ltd.

31ST

**ANNUAL REPORT
2022-2023**

ANNUAL REPORT 2022 – 2023

THIRTY FIRST ANNUAL REPORT 2022 - 2023

ANNUAL REPORT 2022-23

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

**Note: Above three Additional Directors are appointed in the Board Meeting dated 11th August, 2023 and proposed to be appointed as Independent Director subject to the approval of members in the 31st AGM.*

**CHIEF FINANCIAL OFFICER &
CHIEF OPERATING OFFICER**

MR. SHAILESH JAIN – CFO

COMPANY SECRETARY

MS. HANSIKA MITTAL

MR. ATIN JAIN- COO

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.)
STATE BANK OF INDIA
Pithampur, Indore (M.P.)
ICICI BANK LTD
Malav Parisar Indore (M.P.)

REGISTERED OFFICE & WORKS

CIN: L34300MP1992PLC006912
Plot No. 209, Sector No. 1,
Industrial Area, Pithampur,
(M.P.) 454775
Tel: 07292-421300
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 First Annual General Meeting of the Members of the Porwal Auto Components Limited will be held on **Friday, 29th September, 2023** 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 31st March, 2023:**

To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2023, together with the Reports of the Board of Directors and the Auditors thereon.

2. Appointment of Mr. Mukesh Utsavlal Jain (DIN: 00245111), as Whole Time Director, liable to retire by rotation.

To appoint a Director in place of Mr. Mukesh Utsavlal Jain (DIN: 00245111), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:**3. Ratification of the remuneration payable to M/s. A. K. Jain & Associates, Cost Accountants, Indore (FRN: 101472) for the financial year ending March 31, 2024**

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. A. K. Jain & Associates, Cost Accountants, Indore (FRN: 101472), 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 ending on 31st March, 2024, amounting to Rs. 35,000/- (Rupees Thirty Five Thousand Only) plus applicable taxes and re-imbursement 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 Mr. Mohit Handoo (DIN - 10274798) 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, Mr. Mohit Handoo (DIN - 10274798) 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. 11th August, 2023, 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 10th August, 2028 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."

5. Appointment of Mr. Naveen Kumar Dhiman (DIN: 10273058) 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, Mr. Naveen Kumar Dhiman (DIN: 10273058) 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. 11th August, 2023, 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 10th August, 2028 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."

6. Appointment of Mr. Gautam Chand Kothari (DIN: 00115063) 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,

Mr. Gautam Chand Kothari (DIN: 00115063) 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. 11th August, 2023, 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 10th August, 2028 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.”

7. To approve Material Related Party Transaction(s) to be entered into during the Financial Year 2024-25, 2025-26 and 2026-27

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

“**RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 (“the Act”) read with the applicable rules issued under the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Regulation 23 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI - LODR Regulations”), the Company’s Policy on “Related Party Transactions” and all other applicable laws and regulations, as amended, supplemented or re-enacted from time to time, and pursuant to the consent of the Audit Committee and the Board of Directors, the approval of the Members of the Company be and is hereby accorded to the Company for entering into and /or continuing with Material Related Party Transactions/contract(s)/ arrangement(s)/ agreement(s)/ transaction(s) (including any modifications, alterations or amendments thereto), in the ordinary course of business and on arm’s length basis with ‘PORWAL DIESELS PRIVATE LIMITED’ (herein after referred to as related party) of the Company within the meaning of the Act and the SEBI - LODR Regulations, as more particularly enumerated in the explanatory statement to the Notice, on and for an amount not exceeding in the aggregate of Rs. 50,00,00,000/- (Rupees Fifty crores only) for each of the financial years, i.e., 2024-2025, 2025-2026 and 2026-2027 and on such terms and conditions as may be agreed between the Company and related party;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to decide upon the nature and value of transactions of the products, goods, materials, services or other transactions etc. for transactions with the aforesaid related party, within the aforesaid limits;

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all necessary acts, deeds, things and execute all such documents, undertakings as may be necessary in this regard from time to time to give effect to the above Resolution.”

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

Place: Pithampur

Date: 11th August, 2023

Hansika Mittal
Company Secretary

Notes:

1. The Ministry of Corporate Affairs (MCA) by Circular No.14/2020 dated 8th April 2020, Circular No. 17/2020 dated 13th April 2020, Circular No. 20/2020 dated 5th May 2020, Circular No. 02/2021 dated 13th January 2021, Circular No. 19/2021 dated 08th December 2021, 21/2021 dated 14th December 2021 and Circular No. 2/2022 dated 5th May 2022 and General Circular No. 10/2022 and 11/2022 dated 28th December 2022 and read with Securities and Exchange Board of India (SEBI) Circular No. SEBI/HO/CFD/ CMD1/CIR/P/2020/79 dated 12th May 2020, SEBI Circular No. SEBI/HO/CFD/CMD2/ CIR/P/2021/11 dated 15th January 2021 and SEBI Circular No. SEBI/HO/CFD/CMD2/ CIR/P/2022/62 dated 13th May 2022 and SEBI Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 05.01.2023 ('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. 29 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 to 7 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. In view of the massive outbreak of the COVID-19 pandemic, social distancing has to be a pre-requisite. Pursuant to the above mentioned MCA Circulars, **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 csshraddhajain@gmail.com with a copy marked to www.evotingindia.com and 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, 22nd September, 2023**, 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 30th Annual General Meeting held on 28th 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 7th 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. 29th September, 2023. Members seeking to inspect such documents can send an email to 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. SEBI vide its Circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16th March 2023 which is issued in suppression of circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 3rd 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.

14. 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 3rd 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 16th 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.

15. **BOOK CLOSURE:** The Register of Members and Transfer Books of the Company will be closed from **Friday, 22nd September, 2023 to Friday, 29th September, 2023 (both days inclusive)** for the purpose of AGM.
16. Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 31st March, 2022 (28th September, 2022, 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 2015-2016, 2016-2017, 2017-18 & 2018-19 and thereafter.

Financial Year Ended	Date of declaration of dividend	Last date for claiming unpaid/unclaimed dividend
31 st March 2016	28 th September 2016	27 th October 2023
31 st March 2017	28 th September 2017	26 th October 2024
31 st March 2018	29 th September 2018	28 th October 2025
31 st March 2019	28 th September 2019	28 th October 2026 (tentative)

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 7th 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 2015-16, are requested to make their claims to the Company's RTA on or before 27th October, 2023, failing which the unpaid/unclaimed dividend and the equity shares relating thereto for FY 2015-16 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.

17. 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.
18. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number