

**BOARD OF DIRECTORS**
**CHAIRMAN**

Sunil Kant Munjal

**MANAGING DIRECTOR**

Neeraj Munjal

**DIRECTORS**

Satyanand Munjal

Brijmohan Lall Munjal

Om Prakash Munjal

Charu Munjal, Executive Director

Bhagwan Dass Narang

Surrinder Lal Kapur

Vinayshil Gautam

Anil Kumar Gupta, Director Technical

**FINANCE TEAM**

 Davendra Ujlayan AVP-Finance &  
 Company Secretary

**AUDITORS**

S.S. Kothari Mehta &amp; Co.

Chartered Accountants

146-149, Tribhvan Complex,

Ishwar Nagar, Mathura Road,

New Delhi-110065

**BANKERS**

IDBI Limited

Punjab National Bank

AXIS Bank Ltd.

ING Vysya Bank

**REGISTERED OFFICE**

303, 3rd Floor, Square One,

C-2, District Centre, Saket,

New Delhi-110 017

**GURGAON PLANT**

58th Km. Stone

Delhi-Jaipur Highway

Village: Binola-122 413

Dist. : Gurgaon (Haryana)

**HARIDWAR PLANT**

Plot No. 3, Industrial Park-II, Phase-1,

Village Salempur Mehdoon,

Distt. Haridwar (Uttarakhand)-249402

**SHARE TRANSFER AGENTS**

MCS Limited

F-65, First Floor,

Okhla Industrial Area, Phase I,

New Delhi-110 020

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## NOTICE

Notice is hereby given that the **8<sup>th</sup> Annual General Meeting** of the Members of **SHIVAM AUTOTECH LIMITED** will be held on Tuesday, the 24<sup>th</sup> day of September, 2013 at 11:00 A.M. at Tivoli Garden Resort, Near Chattarpur Mandir, Chattarpur Road, New Delhi-110030, to transact the following business:

### [A] ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2013 and Profit & Loss Account for the year ended on that date along with the Report of the Directors and the Auditors thereon.
2. To declare dividend to the equity shareholders for the year ended March 31, 2013.
3. To appoint a Director in place of Mr. Sunil Kant Munjal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Brijmohan Lal Munjal, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s S.S. Kothari Mehta & Co., Chartered Accountants, New Delhi, the retiring auditors to hold office as Statutory Auditors for Financial Year 2013-14 from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorize the Audit Committee to fix their remuneration.

### [B] SPECIAL BUSINESS

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION.

**“RESOLVED THAT** Mrs. Charu Munjal who was appointed as an Additional Director of the Company, pursuant to Section 260 of the Companies Act, 1956, by the Board of Directors w.e.f. May 28, 2013 and who holds office upto the date of this Annual General Meeting, and is eligible for appointment under the relevant provisions of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing from a member signifying his intention to propose her as a candidate for the office of the Director, be and is hereby appointed as a Director of the Company.”

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

**“RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309, 310 and 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or re-enactment thereof for the time being in force) and subject to the approval of the Central Government, if required, consent of the members be and is hereby accorded to the appointment of **Mrs. Charu Munjal** as Whole Time Director designated as “Executive Director” for a period of 5 (Five) years with effect from June 01, 2013 on such terms and conditions including remuneration as set out in explanatory statement annexed to this Notice.

**FURTHER RESOLVED THAT** the Board of the Directors of the Company be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings, as may be required to give effect to the aforesaid resolutions.

**FURTHER RESOLVED THAT** in the event of loss, absence or inadequacy of profits of the Company in any financial year during the term of the office of the appointee, the remuneration as mentioned in the explanatory statement shall be paid to her as minimum remuneration.”

8. 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 provision of Section 198, 269, 309, 310, 311 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, (including any statutory modifications or re-enactment thereof for the time being in force), subject to such approvals as may be necessary, the Company hereby approves the revision in the remuneration of Mr. Neeraj Munjal, Managing Director with effect from April 01, 2013 for the remainder of his tenure in the manner as set out in the explanatory statement annexed to the Notice convening this meeting.

**RESOLVED THAT** except as stated in the explanatory statement annexed below, other

terms and conditions of re-appointment as approved by the shareholders at the Annual General Meeting held on September 30, 2011 shall remain unchanged.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as are incidental thereto or as may be deemed necessary or desirable or to settle any question or difficulty that may arise, in such manner as it may deem fit without further reference to the Company in General Meeting.”

9. 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 provision of Section 198, 269, 309, 310, 311 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, (including any statutory modifications or re-enactment thereof for the time being in force), subject to such approvals as may be necessary, the Company hereby approves the revision in the remuneration of Dr. Anil Kumar Gupta, Whole Time Director of the Company designated as “Director (Technical)” with effect from December 20, 2012 for the remainder of his tenure in the manner as set out in the explanatory statement annexed to the Notice convening this meeting.

**RESOLVED THAT** except as stated in the explanatory statement annexed below, other terms and conditions of re-appointment as approved by the shareholders at the Annual General Meeting held on September 25, 2012 shall remain unchanged.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as are incidental thereto or as may be deemed necessary or desirable or to settle any question or difficulty that may arise, in such manner as it may deem fit without further reference to the Company in General Meeting.”

10. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

“**RESOLVED THAT** pursuant to Section 309 and other applicable provisions of the Companies Act, 1956, (including any statutory modifications or re-enactment thereof for the time being in force) and

subject to such approvals as may be necessary, consent and approval of the Company be and is hereby accorded for payment of commission not exceeding in the aggregate, 0.30% per annum of the company’s net profit or Rs. 8.00 Lacs, whichever is minimum computed in the manner laid down by Section 198, 349, 350 and other applicable provisions, if any, of the Act, to the non-executive directors of the Company as may be decided by the Board of Directors from time to time, for a period of 5 years commencing from April 01, 2013

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to take such steps as may be necessary to give effect to this Resolution.

By Order of the Board of Directors  
For **Shivam Autotech Limited**  
**Sd/-**  
Davendra Ujlayan  
**AVP - Finance &**  
**Company Secretary**

Place: New Delhi  
Date: August 14, 2013

**Registered Office:**  
303, 3rd Floor, Square One, C-2,  
District Centre, Saket, New Delhi – 110 017

## 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. A PROXY NEED NOT BE A MEMBER.**

2. In order to be valid, proxies duly stamped, should be lodged with Company at its Registered Office not later than forty eight hours before the commencement of the Annual General Meeting.

3. For the convenience of the Members, attendance slip is enclosed herewith in the Annual Report. Members / proxies should bring duly filled Attendance Slips sent herewith to attend the meeting along with their copies of the Annual Report.

4. Corporate Members are requested to send a duly certified copy of the Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorising their representatives to attend and vote at the Annual General Meeting.

5. As required under the provisions of Clause 49(IV) of the Listing Agreement, particulars relating to Mr. Sunil Kant Munjal and Mr. Brijmohan Lal Munjal, Directors retiring by rotation and whose re-appointments are being proposed at the forthcoming Annual General Meeting, are enclosed in the Appendix to this Notice.

6. Explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956, which sets out details relating to Special Business to be transacted at the meeting, is annexed hereto.

7. Pursuant to Section 154 of the Companies Act, 1956, the Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, September 17, 2013 to Tuesday, September 24, 2013 (both days inclusive)

8. In accordance with SEBI's directions vide their Circular No. DCC/FITT/Cir-3/2001 dated October 15, 2001, arrangements have been made to credit your dividend amount directly to bank account of members through the Electronic Clearing Service (ECS).

In case of holding in physical form, please furnish your bank details in the ECS Mandate Form enclosed separately and return to our Registrars, MCS Limited on or before September 16, 2013. The said details in respect of the shares held in electronic form should be sent to your respective Depository Participant and not to the Registrar as the Registrar is obliged to use only the data provided by the Depository while making payment of dividend.

9. The dividend as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid at par after September 24, 2013 to (i) those shareholders whose names

appear on the Company's Register of Members after giving effect to all valid share transfers in physical form lodged with the Company on or before September 16, 2013; (ii) in respect of shares held in electronic form to those beneficiaries whose names appear in the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL) as at the end of business hours on September 16, 2013.

10. As per Section 53 of the Companies Act, 1956, which provides for service of documents under "certificate of posting" as one of the accepted mode of service, whereas the Department of Posts has recently discontinued the postal facility under "certificate of posting" vide their letter dated February 23, 2011. The Information Technology Act, 2000 also permits service of documents, etc., in electronic mode. Keeping this in view the Ministry of Corporate Affairs vide their circular no. 17/2011 dated April 21, 2011 clarified that a Company would have complied with Section 53 of the Companies Act, 1956, if the service of documents has been made through electronic mode provided the Company has obtained email addresses of its members for sending the notice/documents through email by giving an advance opportunity to every shareholders to register their email address and changes therein from time to time with the Company.

In view of the above, the Company requests all its shareholders to kindly provide their email addresses along with client ID/Folio no. and number of shares as reference to the following email addresses with subject as "Shivam Autotech Limited – Member Email ID" at:

admin@mcsdel.com

11. Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956, dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid dividend account is required to be transferred by the Company to Investor Education and Protection Fund (IEPF), established by the Central Government under the provisions of Section 205C of the Companies Act, 1956.

Recently, Ministry of Corporate Affairs has introduced "Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012" vide notification no. G.S.R. 352(E) dated May 10, 2012. The details of unpaid amounts as per Section 205C(2) of the Companies Act, 1956 have to

be identified and uploaded on the website of the Company as per Rule 3 of the said Rules.

The first dividend declared by the Company for the financial year 2005-06 was paid on 25- Sep-2006. The seven years period for the above dividend shall end on October 26, 2013 and the unclaimed/ unpaid dividend amount of Rs. 3,76,137.50 (Rupees Three Lacs Seventy Six Thousand One Hundred Thirty Seven and Fifty Paise only) shall be transferred to IEPF by November 25, 2013.

Accordingly, members who have not encashed their Dividend Warrant(s) are requested to approach the RTA/ Company for issuance of demand draft(s) upon completion of necessary formalities for the same in lieu of such warrant(s). Unclaimed/unpaid final dividend for the financial year 2005-06, which is due for transfer to IEPF, should be claimed by the members before October 26, 2013. After that date, no claim shall lie against the IEPF/ Company, in respect of the said amount.

The details of the shareholders who have not claimed/ encashed their dividend warrants till the last Annual General Meeting and subsequent due dates of transfer of unclaimed/ unpaid dividend to IEPF for the respective financial years shall be uploaded on the Company's website at [www.shivamautotech.com](http://www.shivamautotech.com).

12. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Company Secretary at least seven days before the date of the Meeting, so that the information required may be made available at the meeting.

## ANNEXURE TO NOTICE

### Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.

#### ITEM NO. 6

The Board of Directors of the Company in its meeting held on May 28, 2013 has appointed Mrs. Charu Munjal as an Additional Director of the Company w.e.f. May 28, 2013. A notice under Section 257 of the Companies Act, 1956 has been received from a member proposing the candidature of Mrs. Charu Munjal as a Director of the Company.

None of the directors, except Mrs. Charu Munjal, Mr. Neeraj Munjal and Mr. Satyanand Munjal, being relative of Mr. Charu Munjal, may deemed to be concerned / interested in this Resolution.

The resolution is accordingly recommended for the approval of the Members as an Ordinary resolution.

#### ITEM NO. 7

The present proposal is to seek the Members' approval for appointment of Mrs. Charu Munjal as Whole Time Director designated as "Executive Director", in terms of the applicable provisions of the Companies Act, 1956.

Mrs. Charu Munjal has been appointed as the Whole Time Director of the Company for a period of five years w.e.f. June 01, 2013. She holds a Diploma in Textile Designing from Banaras Hindu University and has considerable exposure in creative designing and marketing field.

Shareholding in the Company: Nil

The Board of Directors, on the recommendations of Remuneration Committee, in their meeting held on May 28, 2013 has approved the proposal for appointment of Mrs. Charu Munjal as Whole Time Director designated as "Executive Director", subject to the approval of the members.

The terms & conditions of her appointment and remuneration are set out as under:

- A) Basic Salary:** Rs. 167,000/- (Rupees One Lakh Sixty Seven Thousand only) per month.
- B) Commission:** She will also be entitled to commission in addition to Basic Salary, Perquisites and any other Allowances, benefits or amenities, subject to the condition that the amount of commission shall not exceed 1.00% (one percent) of the Net Profit of the Company in a particular financial year as computed in the manner referred to in Section 198 of the Companies Act, 1956.
- C) Perquisites and Allowances:** In addition to the above Basic Salary and Commission, She shall be entitled to the following monthly perquisites and allowances:
  - I. Allowances**

a. House Rent Allowance	60%
b. Electricity Allowance	10%
c. Professional Development Allowance	10%
d. Child Education Allowance	5%
e. Furnishing Allowance	5%
  - II. Perquisites:** The Executive Director shall also be entitled to the following perquisites:
    - a. Club Fees:** Reimbursement of Actual Fees of Clubs.
    - b. Personal Accident Insurance:** Actual premium to be paid by the Company.
    - c. Medical Reimbursement:** Reimbursement of actual medical insurance premium and medical expenses incurred by her and her family.

**d. Insurance of Household goods:** Actual premium to be paid by the Company.

**e. Car:** Facility of cars with drivers to be used for the business of the Company shall not be included in the computation of the ceiling of perquisites.

**f. Telephone:** Free telephone facility at residence including Mobile Phone to be used for the business of the Company shall not be included in the computation of the ceiling of perquisites.

**g. Leave:** One month's leave with full salary for every 11 months of service subject to the condition that leave accumulated but not availed will be encashed.

**h. Reimbursement of expenses:** Reimbursement of entertainment, travelling, hotel and other expenses actually and properly incurred by her in India and abroad for the business of the Company.

**i. Contribution to Provident Fund, Super Annuation or Annuity Fund etc.:** Company's Contribution to Provident Fund, Super Annuation or Annuity Fund etc. will be as per policy/rules of the Company to the extent these either singly or put together are not taxable under the Income Tax Act.

**j. Gratuity:** Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

**k. Leave Travel Concession:** For the Executive Director and her family once in a year incurred in accordance with the policy/rules of the Company.

**l. Other allowances:** As may be applicable from time to time as per policy/rules of the Company.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such rules, perquisites shall be evaluated at actual cost.

For the aforesaid purpose "Family" means the dependent children and dependent parents of the Executive Director.

**D. Minimum Remuneration:** In any financial year during the currency of tenure of the Executive Director, the Company has no profits or its profits are inadequate, the minimum remuneration payable to the Executive Director shall be substantive salary and perquisites as above mentioned, subject to the ceiling set out under Section II of Part II of Schedule XIII to the Companies Act, 1956.

Provided further that the following perquisites which are also allowed to the Executive Director shall not be included in the computation of ceiling as specified in (D) above:

a. Contribution to Provident Fund, Super Annuation Fund or Annuity Fund to the extent

these either singly or put together are not taxable under Income Tax Act, 1961; and

b. Gratuity payable at a rate not exceeding half month' salary for each completed year of service.

None of the directors, except Mrs. Charu Munjal, Mr. Neeraj Munjal and Mr. Satyanand Munjal, being relative of Mr. Charu Munjal, may deemed to be concerned / interested in this Resolution.

The resolution is accordingly recommended for the approval of the Members as an Ordinary resolution.

#### ITEM NO. 8

The present proposal is to seek the Members' approval for revision in the remuneration of Mr. Neeraj Munjal, Managing Director, in terms of the applicable provisions of the Companies Act, 1956.

Mr. Neeraj Munjal was re-appointed as the Managing Director of the Company for a period of five years w.e.f. April 01, 2011. He has completed his Bachelor's degree in Commerce and holds Diploma in Business management from Bradford & Likhly community college, England. He has more than 25 years of experience in the Auto Components sector.

Shareholding in the Company: Nil

The Board of Directors, on the recommendations of Remuneration Committee, has approved the proposal of increase in the remuneration in their meeting held on May 28, 2013, subject to the approval of the members. All other terms & conditions of his appointment will remain unchanged. The increased remuneration of Mr. Neeraj Munjal is set out as under:

**A) Basic Salary:** Rs. 510,000/- (Rupees Five Lakhs Ten Thousand only) per month.

**B) Commission:** He will also be entitled to commission in addition to Basic Salary, Perquisites and any other Allowances, benefits or amenities subject to the condition that the amount of commission shall not exceed 2.00% (two percent) of the Net Profit of the Company in a particular financial year as computed in the manner referred to in Section 198 of the Companies Act, 1956.

**C) Perquisites and Allowances:** In addition to the above Basic Salary and Commission, he shall be entitled to the following monthly perquisites and allowances:

a) Allowances

• House Rent Allowance	70%
• Electricity Allowance	10%
• Professional Development Allowance	10%
• Child Education Allowance	5%
• Furnishing Allowance	5%

b) Perquisites: The Managing Director shall also be entitled to the following perquisites:

- i. **Club Fees:** Reimbursement of Actual Fees of Clubs.
- ii. **Personal Accident Insurance:** Actual premium to be paid by the Company.
- iii. **Medical Reimbursement:** Reimbursement of actual medical insurance premium and medical expenses incurred by him and his family.
- iv. **Insurance of Household goods:** Actual premium to be paid by the Company.
- v. **Car:** Facility of cars with drivers to be used for the business of the Company shall not be included in the computation of the ceiling of perquisites.
- vi. **Telephone:** Free telephone facility at residence including Mobile Phone to be used for the business of the Company shall not be included in the computation of the ceiling of perquisites.
- vii. **Leave:** One month's leave with full salary for every 11 months of service subject to the condition that leave accumulated but not availed will be encashed.
- viii. **Reimbursement of expenses:** Reimbursement of entertainment, travelling, hotel and other expenses actually and properly incurred by him in India and abroad for the business of the Company.
- ix. **Contribution to Provident Fund, Super Annuation or Annuity Fund etc.:** Company's Contribution to Provident Fund, Super Annuation or Annuity Fund etc. will be as per policy/rules of the Company to the extent these either singly or put together are not taxable under the Income Tax Act.
- x. **Gratuity:** Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- xi. **Leave Travel Concession:** For the Managing Director and his family once in a year incurred in accordance with the policy/rules of the Company.
- xii. **Spouse Traveling Expenses:** Such traveling expenses of the spouse as may be required in connection with the business of the Company.
- xiii. **Other allowances:** As may be applicable from time to time as per policy/rules of the Company.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such rules, perquisites shall be evaluated at actual cost.

For the aforesaid purpose "Family" means the dependent children and dependent parents of the Managing Director.

- D. **Minimum Remuneration:** In any financial year during the currency of tenure of the Managing Director, the Company has no profits or its profits are inadequate, the minimum remuneration payable to the Managing Director shall be substantive salary and perquisites as above mentioned, subject to the ceiling set out under Section II of Part II of Schedule XIII to the

Companies Act, 1956.

Provided further that the following perquisites which are also allowed to the Managing Director shall not be included in the computation of ceiling as specified in (D) above:

- (I) Contribution to Provident Fund, Super Annuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under Income Tax Act, 1961; and
- (ii) Gratuity payable at a rate not exceeding half month' salary for each completed year of service.

None of the directors, except Mr. Neeraj Munjal, Mrs. Charu Munjal and Mr. Satyanand Munjal, being relative of Mr. Neeraj Munjal, may deemed to be concerned / interested in this Resolution.

The resolution is accordingly recommended for the approval of the Members as an Ordinary resolution.

#### ITEM NO. 9

The present proposal is to seek the Members' approval for revision in the remuneration of Whole Time Director designated as "Director (Technical)", in terms of the applicable provisions of the Companies Act, 1956.

Dr. Anil Kumar Gupta was appointed as Whole Time Director designated as "Director (Technical)" of the Company w.e.f. December 20, 2011 for a period of 3 years. He has done doctorate in Engineering from Delhi University. He has a vast Experience in the field of mechanical / metallurgy engineering.

Shareholding of the Company: Nil

The Board of Directors, on the recommendations of Remuneration Committee, has approved the proposal of increase in the remuneration in their meeting held on February 09, 2013, subject to the approval of the members. All other terms & conditions of his appointment will remain unchanged. The increased remuneration of Dr. Anil Kumar Gupta is set out as under:

- A) Basic Salary: Rs.130,000/- (Rupees One Lac and Thirty Thousand) per month.
- B) Perquisites and Allowances: In addition to the above Basic Salary, he shall be entitled to the following monthly perquisites and allowances:

- a) Allowances

S.No	Particulars	% of Basic Salary
i.	House Rent Allowance	60%
ii.	Dearness Allowance	10%
iii.	Professional Development Allowance	10%
iv.	Special Allowance	21%
v.	Medical Reimbursement Allowance	3%

- b) Perquisites: The Director (Technical) shall also be entitled to the following perquisites:

- i. **Car:** Facility of car with driver to be used for the business of the Company shall not be included in the computation of the ceiling of perquisites.
- ii. **Telephone:** Free telephone facility at residence including Mobile Phone to be used for the business of the Company shall not be included in the computation of the ceiling of perquisites.
- iii. **Leave:** As per rules of the Company.
- iv. **Reimbursement of expenses:** Reimbursement of entertainment, travelling, hotel and other expenses actually and properly incurred by him in India and abroad for the business of the Company.
- v. **Contribution to Provident Fund:** Company's Contribution to Provident Fund as per rules of the Company.
- vi. **Leave Travel Concession:** For the Director (Technical) and his family once in a year incurred in accordance with the policy/rules of the Company, restricted to one months' basic salary.
- vii. **Variable Performance Bonus:** Director (Technical) shall be entitled for Variable Performance Bonus upto a maximum of Rs. 5 Lakhs (Rupees Five Lakhs Only) in a Financial Year depending upon the levels of measurement as may be decided by the Board of Directors.
- viii. **Other allowances:** As may be applicable from time to time as per policy/rules of the Company.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such rules, perquisites shall be evaluated at actual cost.

For the aforesaid purpose "Family" means the dependent children and dependent parents of the Director (Technical).

**C) Minimum Remuneration:** In any financial year during the currency of tenure of the Director (Technical), the Company has no profits or its profits are inadequate, the minimum remuneration payable to the Director (Technical) shall be substantive salary and perquisites as above mentioned, subject to the ceiling set out under Section II of Part II of Schedule XIII to the Companies Act, 1956.

Provided further that the following perquisites which are also allowed to the Director (Technical) shall not be included in the computation of ceiling as specified in C above:

- (I) Contribution to Provident Fund to the extent these either singly or put together are not taxable under Income Tax Act, 1961

None of the directors, except Dr. Anil Kumar Gupta, may be deemed to be concerned / interested in this Resolution.

The resolution is accordingly recommended for the approval of the Members as an Ordinary Resolution.

#### ITEM NO. 10

The Company has been greatly benefiting from the invaluable inputs provided by the non-executive directors, who have vast experience, expertise and wisdom in various fields of business. The non-executive directors are members of various Committees constituted by the Board and offer expert advice and guidance.

The Board had approved the payment of commission to non-executive & independent directors, not exceeding 0.30% per annum of the net profit of the Company or Rs. 6.00 lacs (Rupees Six Lacs Only) whichever is less, for a period of 4 (four) years commencing from April 01, 2009, which was approved by the members at the Annual General Meeting held on September 30, 2009.

The aforesaid approval was up to March 31, 2013 and it is necessary to seek fresh approval. In appreciation of the valuable support and guidance rendered by the Non-Executive & Independent Directors, the Board, at its meeting held on May 28, 2013, fixed the limit for payment of commission not exceeding in the aggregate, 0.30% per annum of the Company's net profit or Rs.8.00 Lacs, whichever is minimum, computed in the manner laid down by Sections 198, 349 and 350 and other applicable provisions, if any, of the Companies Act, 1956, for a period of 5 (five) years commencing from April 1, 2013.

Your approval is accordingly sought, authorising the payment of commission to non-executive directors as per the Special Resolution which would also constitute your approval pursuant to the Clause 49 of the Listing Agreement.

All non-executive directors are interested in the said Resolution. The resolution is accordingly recommended for the approval of the Members as Special Resolution.

**THE ABOVE MAY ALSO BE TREATED AS AN ABSTRACT OF VARIATION IN TERMS OF APPOINTMENT AND MEMORANDUM OF INTEREST UNDER SECTION 302 OF THE COMPANIES ACT, 1956.**



**INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING**
**(PURSUANT TO CLAUSE 49 (IV) OF THE LISTING AGREEMENT)**

Name of Director	Sunil Kant Munjal	Brijmohan Lal Munjal
Date of Birth	14-Dec-1957	01-Jul-1923
Date of Appointment	14-Feb-2006	29-Jul-2005
Qualifications	B. Com Training in Mechanical Engineering	Privately educated & trained in management
Experience in specific	Information, technology, insurance, customer relationship, finance and corporate planning	Padma Bhusan Awardee in recognition of his overall contribution to the Indian Industry and Society. Expertise in overall management skills.
List of Companies in which outside Directorship held	1. Hero Management Service Limited 2. Hero Corporate Services Limited 3. Hero MotoCorp Limited 4. DCM Shriram Consolidated Limited 5. Hero InvestCorp Limited 6. Hero Realty Limited 7. Hero Realty and Infra Limited 8. Hero Mindmine Institute Limited 9. Rockman Industries Limited 10. Satyam Auto Components Limited 11. Easy Bills Limited 12. Hero Life Insurance Company Limited	1. Easy Bill Limited 2. Hero FinCorp Limited 3. Hero InvestCorp Limited 4. Hero MotoCorp Limited 5. Munjal Showa Limited 6. Rockman Industries Limited 7. Survam Infrastructure Limited
Chairman / Member of Committees of Board of directors of other companies in which he is a director	Nil	Hero FinCorp Limited – Audit Committee
No of Shares held	Nil	Nil

\* Excluding private limited companies

\*\* Only Audit Committee & Shareholders Grievance Committee considered

By Order of the Board of Directors  
 For **Shivam Autotech Limited**

Place : New Delhi  
 Date: 14<sup>th</sup> August, 2013

**Registered Office:**  
 303, 3<sup>rd</sup> Floor, Square One  
 C-2, District Centre, Saket,  
 New Delhi – 110 017

Davendra Ujlayan  
**AVP - Finance &  
 Company Secretary**

## DIRECTORS' REPORT

### To The Members,

The Directors have pleasure in presenting the 8th Annual Report of the Company together with its Audited Statement of Profit and Loss Account for the year ended March 31, 2013 and the Balance Sheet as on that date:

### FINANCIAL RESULTS

The summarized financial results of the Company for the year ended March 31, 2013 are presented below:

(Rs. In Lacs)

Particulars	2012-13	2011-12
Gross Sales & Other Income	39,208.79	37,908.70
<b>Profit before Depreciation and Interest</b>	<b>8,734.23</b>	<b>8,497.27</b>
Depreciation	3,077.00	2,941.88
Interest	2,482.30	2,705.01
<b>Profit before Taxation</b>	<b>3174.94</b>	<b>2850.38</b>
Provision for Taxation (Deferred & Current)	353.46	987.76
<b>Profit after Taxation</b>	<b>2821.48</b>	<b>1862.63</b>
Profit available for appropriations	2821.48	1862.63
<b>Appropriations</b>		
Amount transferred to General Reserve	300.00	300.00
Proposed Dividend on Equity Shares	400.00	320.00
Tax on Dividend	67.98	51.91
<b>Profit after Appropriations</b>	<b>2053.50</b>	<b>1190.72</b>

### PERFORMANCE

During the year under review, your Company focused on enhancing operational efficiencies - improving yields, lowering rejections and enhancing capacity utilisation

The total income of the Company increased by 3.43% from Rs. 37,908.70 Lacs in 2011-12 to Rs.39,208.79 Lacs in 2012-13. Operating profit (PBDIT) of the company increased by 2.79% from Rs.8,497.27 Lacs in 2011-12 to Rs. 8,734.23 Lacs in 2012-13.

The overall performance of the company can be termed as satisfactory.

### DIVIDEND

The Board of Directors of the Company recommend, for consideration of shareholders at the 8th Annual General Meeting, payment of dividend of 40% (Rs. 4.00 per share) on equity shares of the face value of Re.10/- each for the year ended March 31, 2013. The dividend paid during the previous year was 32% (Rs. 3.20 per share).

### BUSINESS OVERVIEW

India's automobile industry faced significant challenges in 2012-13, owing to high interest rates, rising fuel prices and spiralling inflation. Despite these challenges, the Indian automobile industry has managed to carve a niche for itself in the global auto sector.

The company's efforts in adding new customers and increased business from its existing customers have started yielding results.

Hero MotoCorp Limited (HMCL), the main customer of the company and the world No. 1 two wheeler manufacturer for 12 consecutive years, continues to maintain its leadership position in the two wheeler industry.

### CORPORATE GOVERNANCE

Your Company is committed to follow the highest standards and principles of Corporate Governance with all integrity and fairness. The Company always places major thrust on managing its affairs with diligence, transparency, responsibility and accountability thereby upholding the important dictum that an organisation's corporate governance philosophy is directly linked to high performance.

Separate detailed chapters on Corporate Governance, Additional Shareholder information and Management Discussion and Analysis are attached herewith and form part of this Report. All the board members and senior managerial personnel have affirmed compliance with the code of conduct for the Financial Year 2012-13.

A certificate from the Practising Company Secretary regarding the compliance of the conditions of Corporate Governance by the Company stipulated under Clause 49 of the Listing Agreement is also attached to this Report.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956, as amended, with respect to the directors' responsibility statement, it is hereby confirmed:

- (i) That in preparation of accounts for the financial year ended March 31, 2013, the applicable accounting standards have been followed along with proper explanation relating to the material departures;
- (ii) That the directors' of the company have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2013 and of the profits of the Company for the year ended March 31, 2013;
- (iii) That the directors' of the company have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) That the directors' of the company have prepared the accounts of the company for the financial year ended March 31, 2013 on a going concern basis.

## **FIXED DEPOSITS**

During the year, the Company has not accepted any deposit under Section 58A and Section 58AA of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975.

## **FINANCE**

By efficient management of working capital, the Company has been able to reduce some interest cost. During the year under review, the financial position of the Company was satisfactory.

## **DIRECTORS**

Pursuant to Section 256 of the Companies Act, 1956 and Articles of Association of the Company, Mr. Sunil Kant Munjal and Mr. Brijmohan Lal Munjal, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. Profiles of these Directors, as required by

the Listing Agreement provisions, are given in the Notice / Corporate Governance Report forming part of this Annual Report.

The Board of Directors of the Company have appointed Mrs. Charu Munjal as an Additional Director of the Company w.e.f. May 28, 2013 and is appointed as "Whole Time Director" designated as Executive – Director w.e.f. June 1, 2013. Mrs. Charu Munjal holds office as an Additional Director till the date of the ensuing Annual General Meeting. A notice proposing appointment of Mrs. Charu Munjal as Director having been received, the matter is included in the Notice for the ensuing Annual General Meeting.

The appointment/re-appointments form part of the Notice of the Eighth Annual General Meeting and the relevant Resolutions are recommended for your approval.

## **HOLDING COMPANY**

The promoters of the Company i.e. Dayanand Munjal Investments Private Limited (DMIPL) hold 74,79,595 equity shares which represents 74.80% of the paid up equity capital of the Company. Your company continues to be a subsidiary company of DMIPL.

## **SUBSIDIARY COMPANIES**

The Company has no subsidiary.

## **INTERNAL CONTROL SYSTEMS**

Your company has adequate internal control for its business processes across departments to ensure efficient operations, compliance with internal policies, applicable laws and regulations. The internal controls are complemented, on an on-going basis, by an extensive program of internal audits being implemented throughout the year. The internal controls are designed to ensure that the financial and other records of the company are reliable for preparing financial statement and other data for maintaining the accountability of assets in conformity with established accounting principles and that the assets of the company are adequately safe-guarded against any significant misuse or loss.

The Company also has an internal audit system which is conducted by an independent firm of Chartered Accountants. A summary of Internal audit report and observations thereon are reviewed by the Audit Committee on regular basis and have been found to be adequate.

## **AUDITORS**

M/s. S. S. Kothari Mehta & Co., Chartered Accountants, existing Statutory Auditors' will retire at the conclusion of

the ensuing Annual General Meeting and seek re-appointment as Statutory Auditors of the Company at the ensuing Annual General Meeting.

The company has received certificate from M/s. S.S. Kothari Mehta. & Co. to the effect that their appointment, if made, would be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956.

The Board of Directors recommends to the shareholders the appointment of M/s. S.S. Kothari Mehta & Co. as Statutory Auditors of the Company.

### **AUDITORS' REPORT**

The comments on statement of accounts referred to in the report of the auditors are self explanatory.

### **COST AUDIT**

The Directors have appointed M/s Gurdeep Singh & Associates, Cost Accountants, as Cost Auditors to audit the Cost Records relating to "Engineering Industries" for the year ending March 31, 2014.

### **TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956, the dividend which remained unclaimed for a period of 7 (seven) years shall be transferred by the Company to the Investor Education and Protection Fund (IEPF).

The Company shall transfer the unclaimed / unpaid dividend, declared for the year 2005-06 to IEPF by November 25, 2013. The amount of Rs. 3,76,137.50 (Rupees Three Lacs Seventy Six Thousand One Hundred Thirty Seven and Fifty Paise only) which was unclaimed / unpaid shall be transferred to IEPF.

### **ENVIRONMENT, HEALTH & SAFETY**

The Company has an effective policy framework of highest standard, on safety, health and environment for protecting the safety health and welfare of its employees and workers. Safe operating procedures, standards and systems have been laid down at all manufacturing locations. Regular training of employees regarding safe working guidelines, audit and review of every accident, mock drills on emergency are some of the steps that are followed to achieve higher safety standards. The Company's policy not only meets all applicable statutory requirements but also focuses on motivation, learning and training of employees in these areas.

The Company is very keen on its responsibilities with respect to the clean environment. To spread the awareness of the subject the company has taken numbers

of plantation drives. The Company regularly conducts counselling and safety review meetings for the employees to appraise and educate them on the adoption of safety measures and avoidance of unsafe practices.

The Company provides prompt medical assistances to its employees. The Company has an internal plant dispensary which operates round the clock and is managed by the qualified doctors supported by staff who are available for addressing health issues of employees. The Company maintains high hygienic and housekeeping standards across the workplace.

Your company also continues to be a constituent of a very important and responsible initiative of Hero MotoCorp Limited toward the commitment to environment, viz. GREEN SUPPLY-CHAIN MANAGEMENT PROGRAMME. Your company has also entered into an arrangement for recycling of waste paper and its substitute use. This initiative of the Company has resulted in to saving of around 130 trees.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information required under Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given as per Annexure – 'D' and forms an integral part of this Report.

### **PARTICULARS OF EMPLOYEES**

The Directors express their appreciation for the contribution made by the employees to the significant improvement in the operations of the Company and for the support received from them.

As required under the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of employees are set out in the Annexure – 'C' included in this report.

### **HUMAN RESOURCE DEVELOPMENT**

Human resources being one of the most important factors of production, the Company is initiating measures towards competence and overall development of people at all levels to be future ready. In doing so, the Company is organising indoor & outdoor training programs for their continued learning.

The skills being taught are not merely for the benefit of the Company, but for overall human development.

The Company continues to maintain its peaceful industrial relations ever since its inception. Performance

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measurement and skill up gradation programs are widely deployed within the Company. This includes skill enhancement, training and soft skills. Coaching/guidance for selected talent is also included. This initiative is aimed at preparing the company for high growth in the coming years.

The Directors are pleased to record their appreciation of the services rendered by the employees and staff at all levels.

#### **ACKNOWLEDGMENTS**

The Directors express their appreciation for the sincere co-operation and assistance of Central and State Government Authorities, Bankers, Customers, Suppliers and Business Associates. Your Directors also wish to place on record their deep sense of appreciation for the committed services by your Company's employees. Your Directors acknowledge with gratitude the encouragement and support extended by our valued shareholders.

**For and on behalf of the Board**

**Sunil Kant Munjal**  
Chairman

**Place: New Delhi**  
**Date: August 14, 2013**

## ANNEXURE 'A' TO DIRECTORS' REPORT MANAGEMENT DISCUSSION & ANALYSIS REPORT

The global automobile industry is highly concentrated, in USA, Europe, Japan, China, Brazil, India and Korea, covering a major share of the pie. Global vehicle production reached a record 84.1 Million in numbers in 2012. China & India witnessed weak automotive demand on back of slackening economic demand. In 2012, Indian automotive market witnessed one of its most challenging periods. For the year 2013, GDP % came in at 5.0 percent as against 6.2 percent in the previous fiscal. The global auto component industry is a highly diversified sector that involves engine and auto component manufacturers; including aftermarket parts manufacturers, suppliers, dealers and retailers. The manufacturing of auto components is gradually shifting toward Asian countries such as China, India, and others because of higher market potential and the low-cost manufacturing options available. In China and India, OEMs are focused on helping the suppliers improve and grow their businesses.

India faced its own share of problems driven by protracted weakness in industrial activity and slowdown in the services sector. The demand for India's industrial segment was impacted by global slowdown across markets. In India, the industrial sales were primarily impacted due to weak investment sentiments and a slowdown in industrial activities.

### INDUSTRY STRUCTURE AND DEVELOPMENT

India's automobile industry faced significant challenges in 2012-13, owing to high interest rates, rising fuel prices and spiralling inflation. Despite these challenges, the Indian automobile industry has managed to carve a niche for itself in the global auto sector. With the economy slowing, the engineering and capital goods industry slowed down. But like the automotive industry, the long term growth potential of these industries remains secure. The country's long-term automobile industry outlook remains optimistic, with favourable demographics, scope for penetration and rising disposable income expected to drive future growth.

The automotive manufacturers have to devise strategies to minimise the impact of rising fuel cost and diesel prices. Higher fuel efficiency and stringent emission norms have to comply by automotive industry. Manufacturers are facing competitive environment to develop new components and spare parts and to sustain the market of their product. The auto component companies are adopting different strategies to increase their product range, get access to improved technology, to acquire proximity with their customers and to expand operations in lucrative markets.

Forging has unique value among manufacturing

processes. Forgings are intermediate products used widely by original equipment manufacturers (OEMs). It is cost effective way to produce net shape or near net shape components.

While the Indian industry has much to look forward to, by way of steady growth in both domestic and export markets, there are some clear challenges accompanying the opportunities in greener vehicles and alternative mobility.

Taking into account the challenges that the industry has been facing since the past one year and the way it has responded to most of the threats that it faced, the future of auto industry remains promising. Going forward, the focus of the government to drive the economic growth through infrastructure development and rural development is likely to be the driving factor for the automobile industry.

### OPPORTUNITIES, CHALLENGES, RISK & CONCERN

The Indian automobile industry has emerged as the 7<sup>th</sup> largest in the world. According to the Society for Indian Automobile Manufacturers (SIAM), the automobile industry has already invested Rs 70,000 crores in the past four years in building new factories, adding fresh capacity and bringing out new products.

The auto components industry too is gearing up to compliment the vehicle industry's growth. About \$6 billion has been invested in the past 4 years according to Automotive Component Manufacturers Association of India (ACMA). It is driven by a sustained increase in vehicle population and an increasing preference towards higher-end vehicles with rising consumer aspirations

Right now, the automotive industry is in a phase of both rapid and broad technological innovation. Given the span of innovation, it's becoming exceedingly difficult and too costly for OEMs to "go deep" across all technologies. Some of the emerging trends and concerns facing the Indian auto component industry are:

1. Internal collaboration and innovations
2. Industry structure is fragmented.
3. Enhancing relationships between OEMs and their suppliers
4. Building strong relationships with dealers
5. Healthy demand prospects prevail in both domestic and export markets
6. Expand footprint to newer export markets
7. Focus on product innovation to create new market segments
8. Raw material costs surging, hence, margins are under pressure.

9. Increase effectiveness of corporate social responsibility programs
10. New Innovations taking place
11. Technological Advancement in every aspect
12. Continue thrust on cost control & productivity improvement measures
13. Increased customer focus by expanding sales and service network
14. Companies are diversifying their businesses.
15. Launch new models & develop new products for the international markets
16. Greater thrust on and expansion of less cyclical businesses.

In the coming decade, the main focus would be on enhancing efficiency and productivity, and on innovation, driven by changing customer demands. Price sensitivity of the Indian consumer, cost optimization needs of manufacturers and increasing focus on environmental concerns will drive critical changes in the market.

Future strategies of the auto companies will have to focus on increased environmental safety concerns, rising fuel prices and cost-effectiveness in the rising market competition. Innovation has to focus on increasing efficiency and reducing emissions.

## OUTLOOK

While the long term fundamentals of the Indian economy remain robust, the sluggish global environment has impacted sentiments in the domestic market in the short term. But we expect this to be only a temporary phenomenon, and prospects look better than this year. Growth in sales would be driven by the expected improvement in macro conditions on the domestic front, moderation in interest rates and revival in consumer confidence.

Forging is basic industry and such industry tends to grow in a country in relation to the rate of growth of its GDP. As far as India is concerned we expect our GDP to continue to grow and therefore the basic industry will grow.

Automobile companies across segments continue to face tremendous pressure on profit margins due to elevated inflation levels. Added to this are the heightened marketing costs incurred and heavy discounts offered by vehicle manufacturers to attract consumers to the showrooms. This partially explains the price hikes initiated by the vehicle OEMs to protect margins, despite the weak demand environment. Going ahead, amidst rising market competition, new product launches, as also product refreshes planned, OEMs are expected to increase spend on marketing & promotional activities. Although commodity prices are not expected to witness steep hikes, overall cost and competitive pressures would keep the profit margins under pressure.

The company's main customer Hero MotoCorp Limited continues to be the market leader and has achieved a growth of 13.82% in its operating performance in the year 2012-13 by selling 60,75,583 two wheelers. This augurs well for our company also going forward. The company is now also concentrating on adding new products and new businesses and is confident of growing further in the coming years.

## CAUTIONARY STATEMENT

Certain Statements in the Management Discussion and Analysis describing the company's objectives, projections, estimates and expectations or predictions may be 'forward looking statements' within the meaning of applicable laws and regulations. It cannot be guaranteed that these assumptions and expectations are accurate or will be realized. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand / supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

## ANNEXURE 'B' TO DIRECTORS' REPORT REPORT ON CORPORATE GOVERNANCE

### A. MANDATORY REQUIREMENTS

#### 1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company's Corporate Governance Philosophy derives from the values of integrity, excellence & responsibility. It emphasizes wealth creation for society, protection & interest enhancement for all stakeholders, without compromising the environment and health of society at large. This helps the company to perform better thus culminating into higher productivity of the corporate resources. Further, the company also applies the Balanced Scorecard methodology across its units, which assesses the steps taken to achieve long term strategic objectives of the company, which articulates the values, ethics and business principles that should be adhered to by employees, as part of its philosophy on Corporate Governance.

The Company has complied with the provisions of Clause 49 of the Listing Agreement of the Stock Exchange, which deals with the compliance of Corporate Governance requirements as detailed below:

#### 2. BOARD OF DIRECTORS

##### (a) Composition of the Board

The present strength of the Board as on March 31, 2013, is nine Directors. The Chairman of the Board is a non-executive Director. The Board comprises of two executive Directors and seven non-executive Directors, of whom six are independent directors.

Two Directors namely Mr. Satyanand Munjal (Non-Executive Director) and Mr. Neeraj Munjal (Managing Director) belong to the promoter family. Dayanand Munjal Investments Private Limited is holding Company under promoter category and owns 74.80% equity in the Company. Dr. Anil Kumar Gupta is Whole Time Director designated as "Director (Technical)". Apart from these, the rest of the Board constitutes of Non-Executive Directors. The directors bring to the Board wide range of experience & skills.

##### (b) Board / Committee Meetings and procedure

##### Board Meetings and Attendance of each Director at the Board Meetings and the last Annual General Meeting

During the Financial Year 2012-13, 4 (four) meeting of the Board of Directors were held on 25-May-2012, 14-Aug-2012, 10-Nov-2012 and 09-Feb-2013. The maximum interval between any two meetings during this period was 102 days and the gap between any two Board Meetings did not exceed four months.

The details of attendance of Directors in the Board meetings are as under:

Name of Directors	No. of Board Meetings held	No. of Board Meetings attended	Attendance at last AGM
Mr. Satyanand Munjal	4	-	No
Mr. Brijmohan Lall Munjal	4	1	No
Mr. Om Prakash Munjal	4	-	No
Mr. Sunil Kant Munjal	4	4	No
Mr. Neeraj Munjal	4	4	Yes
Mr. Bhagwan Dass Narang	4	3	Yes
Mr. Surrinder Lal Kapur	4	4	Yes
Dr. Vinayshil Gautam	4	4	No
Dr. Anil Kumar Gupta	4	3	Yes

The information as required under Annexure I A to Clause 49 of the Listing Agreement is made available to the Board of Directors. Board members are given agenda papers along with necessary documents and information in advance of each meeting of the Board. Adequate information is circulated as part of the Board papers and is also made available at the Board Meeting to enable the Board to take informed decisions.



**(C) Number of other Companies or Committees the Director is a Director / Member / Chairman** None of the Directors holds directorship in more than 10 listed companies. Further none of them holds membership of more than 10 Committees of the Boards nor is any Director a Chairman of more than 5 Committees of Board.

Name	Category	No. of Outside Directorships in Public Ltd. Companies	No. of Committee Memberships (including Chairmanship)	No. of Committee Chairmanship
Mr. Satyanand Munjal	Non-Executive	2	-	-
Mr. Brijmohan Lal Munjal	Non-Executive & Independent	7	1	-
Mr. Om Prakash Munjal	Non-Executive & Independent	5	-	-
Mr. Sunil Kant Munjal <i>Chairman</i>	Non-Executive & Independent	12	-	-
Mr. Neeraj Munjal <i>Managing Director</i>	Executive	-	-	-
Mr. Bhagwan Dass Narang	Non-Executive & Independent	9	-	-
Mr. Surrinder Lal Kapur	Non-Executive & Independent	4	5	2
Dr. Vinayshil Gautam	Non-Executive & Independent	2	-	-
Dr. Anil Kumar Gupta <i>Director - Technical</i>	Executive	-	-	-

None of the Non-Executive Directors hold any shares (as own or on behalf of other person on beneficial basis) in the Company.

Notes:

1. Private Limited Companies, foreign companies and companies u/s 25 of the Companies Act, 1956 are excluded for the above purposes.
2. Only audit committee and shareholder's grievance committee are considered for the purpose of committee positions as per listing agreement.

### RE - APPOINTMENT OF DIRECTORS

In accordance with the Companies Act, 1956 and the Articles of Association of the Company, Mr. Sunil Kant Munjal and Mr. Brijmohan Lal Munjal, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Relevant Information pursuant to Clause 49(IV)(G)(i) regarding Directors proposed to be re-appointed at the Annual General Meeting is given in the Notice of the Annual General Meeting.

### 3. AUDIT COMMITTEE

The constitution, quorum, scope, etc. of the Audit Committee is in line with the Companies Act, 1956 and provisions of Listing Agreement. All the members of Audit Committee are qualified and having insight to interpret and understand financial statements.

**(a) Composition of the Audit Committee and attendance of members**

The Audit Committee comprises mainly of Independent Directors and the composition is compatible with the Listing Agreements. During the Financial Year 2012-13, meetings of the Audit Committee were held on 25-May-2012, 14-Aug-2012, 10-Nov-2012 and 09-Feb-2013.

Name	Designation	Category of Directorship	Attendance out of 4 meetings held
Mr. Surrinder Lal Kapur	Chairman	Non-Executive & Independent	4
Mr. Bhagwan Dass Narang	Member	Non-Executive & Independent	3
Dr. Vinayshil Gautam	Member	Non-Executive & Independent	4
Mr. Sunil Kant Munjal	Member	Non-Executive & Independent	4
Dr. Anil Kumar Gupta	Member	Executive	3

The Company Secretary acts as the Secretary of the Committee.

Quorum of the Audit Committee is three Non-Executive & Independent directors and one Executive director. Mr. Surrinder Lal Kapur is the Chairman of the Audit Committee.

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company.

**(b) Terms of Reference**

The terms of reference of the Audit Committee are wide enough to cover the matters specified for the Audit Committee under Clause 49 of the Listing Agreement as well as Section 292A of the Companies Act, 1956 and are as follows:

- Overseeing of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment, replacement and removal of the statutory auditors and fixation of the audit fees.
- Reviewing with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
  - b) Changes, if any, in accounting policies and practices and reasons for the same.
  - c) Major accounting entries involving estimates based on the exercise of judgement by management.
  - d) Significant adjustments made in the financial statements arising out of audit findings.
  - e) Compliance with listing and other legal requirements relating to financial statements.
  - f) Disclosure of any related party transactions.
  - g) Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly and yearly financial statements before submission to the Board for approval.
- Reviewing the adequacy of the internal control systems, internal audit function and company's financial and risk management policies.
- Review of Foreign Exchange Exposure.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with internal auditors any significant findings and follow up thereon.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

#### 4. SHAREHOLDERS' GRIEVANCE COMMITTEE

During the Financial Year 2012-13, 4 (four) meetings of the Shareholders' Grievance Committee were held on 25-May-2012, 14-Aug-2012, 10-Nov-2012 and 09-Feb-2013. The composition of the Shareholders' Grievance Committee is as follows:

Name of the Member	Designation	Category of Directorship	Attendance out of 4 meetings held
Mr. Bhagwan Dass Narang	Chairman	Non-Executive & Independent	3
Mr. Surrinder Lal Kapur	Member	Non-Executive & Independent	4
Mr. Neeraj Munjal	Member	Executive	4
Dr. Vinayshil Gautam	Member	Non-Executive & Independent	4
Dr. Anil Kumar Gupta	Member	Executive	3

#### Scope of the Committee

Redressing of the Shareholders / Investors complaints like transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividend etc.

#### Compliance Officer

Mr. Davendra Ujlayan - AVP-Finance & Company Secretary

Details of shareholders' complaints received during the FY 2012-13 and their status are as follows:

Nature of Complaint / Query		Total Received	Total Replied / Resolved	Pending
1.	Inquiry pertaining to non receipt of shares after transfer	3	3	–
2.	Request for issue of duplicate share certificates	0	0	–
3.	Non receipt of dividend / Revalidation of dividend warrants	4	3	1
4.	Communication relating to Transfer / Transmission / Name Deletion / Demat of Shares	1	1	–
5.	Miscellaneous i.e. Credit of Shares in Demat A/c's, non receipt of Annual Report, Change of Address, Bank Details, etc.	5	5	–

#### 5. REMUNERATION COMMITTEE

##### (a) Terms of Reference

The Remuneration Committee reviews and recommends the payment of annual salaries, commission and other employment conditions of Executive Directors to the Board for approval. The Committee takes into consideration performance parameters, growth in business as well as profitability and practices prevailing in the similar industry, while fixing appropriate remuneration packages.

##### (b) Composition of the Remuneration Committee and attendance of members

The Remuneration Committee comprises mainly of Independent Directors. During the Financial Year 2012-13, 2 (two) meetings of the Remuneration Committee were held on 25-May-2012 and 09-Feb-2013. The composition of the

Name	Designation	Category of Directorship	Attendance out of 2 meetings held
Dr. Vinayshil Gautam	Chairman	Non-Executive & Independent	2
Mr. Bhagwan Dass Narang	Member	Non-Executive & Independent	2
Mr. Surrinder Lal Kapur	Member	Non-Executive & Independent	2
Mr. Sunil Kant Munjal	Member	Non-Executive & Independent	2

### (c) Remuneration Policy

The remuneration is fixed considering various parameters such as qualification, expertise, experience, prevailing remuneration in the industry and financial position of the Company. The remuneration structure comprises of Basic Salary, Commission, Perquisites & Allowances and Contribution to Provident Fund etc.

The Non-Executive Directors do not draw any remuneration from the Company except sitting fees of Rs. 20,000/- for each meeting of the Board and Rs. 10,000/- for each meeting of the Audit Committee, Shareholders' Grievance Committee and Remuneration Committee attended by them. The Non-Executive Independent Directors are paid sitting fees of Rs. 20,000/- for attending each meeting of Committee of Board of Directors.

However, in addition to the sitting fees, Non-Executive & Independent Directors are entitled to remuneration by way of commission up to 0.30 per cent of profits of the company or Rs.6 Lacs per annum, whichever is less for each year of the period of 4 years commencing on 01-04-2009 as approved by the shareholders in the Annual General Meeting held on 30-09-2009.

The Board has approved payment of commission to Non-Executive & Independent Directors up to 0.30% per annum of the Company's net profit or Rs. 8.00 Lacs (Rupees Eight Lacs Only), whichever is minimum for each year of the period of 5 years commencing from April 01, 2013 subject to the approval of shareholders in the ensuing Annual General Meeting to be held on September 24, 2013.

### Details of Remuneration Paid to Managing Director & Executive Director

(Amount in Rs. Lacs)

Executive Director(s)	Salary	Commission	Perquisites & Allowances	Contribution to PF Fund	Total
Mr. Neeraj Munjal	55.20	49.60	54.37	6.63	165.80
Dr. Anil Kumar Gupta	12.90	-	11.59	1.55	26.04

#### Notes:

- The agreement between the Company and the Managing Director is for a period of five years. Either party is entitled to terminate the Agreement by giving not less than 180 days' notice in writing to the other party.
- \*Commission is payable @2.00% of the net profits of the Company computed in accordance with the provisions of the Companies Act, 1956.
- Presently, the Company does not have Stock Option Scheme.

### Details of Remuneration Paid to Non-Executive Directors

Name of Non-Executive Directors	Sitting fees			Total
	Board Meeting	Committee Meeting	Commission	
Mr. Brijmohan Lal Munjal	20,000	-	-	20,000
Mr. Sunil Kant Munjal	80,000	60,000	-	140,000
Mr. Bhagwan Dass Narang	60,000	160,000	2,00,000	420,000
Mr. Surrinder Lal Kapur	80,000	200,000	2,00,000	480,000
Dr. Vinayshil Gautam	80,000	200,000	2,00,000	480,000

## 6. GENERAL BODY MEETINGS

### Annual General Meeting

Date, time and location where the last three Annual General Meetings were held are as under:

Year	Type	Date	Venue	Time	Whether Special resolution passed in previous AGM
2009-10	AGM	29.09.2010	Tivoli Garden Resort, Near Chattarpur Mandir, Chattarpur Road New Delhi-110030	11.00 A.M.	No
2010-11	AGM	30.09.2011	Tivoli Garden Resort, Near Chattarpur Mandir, Chattarpur Road New Delhi-110030	11.00 A.M.	No
2011-12	AGM	25.09.2012	Tivoli Garden Resort, Near Chattarpur Mandir, Chattarpur Road New Delhi-110030	03.00 P.M	No

## 7. DISCLOSURES

- There are no materially significant related party transactions entered into by the Company with its Promoters, Directors or Management, or relatives etc. that may have potential conflict with the interests of the Company at large. Transactions with related parties are disclosed in Note 26 of Notes to Accounts to the financial statements in the Annual Report.
- The guidelines / accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) have been followed in preparation of the financial statements of the Company.
- There were neither any non-compliance by the Company on any matters relating to capital markets; nor did the Company attract any penalties or strictures by the Stock Exchanges, SEBI or any statutory authority.
- Presently, the Company does not have a Whistle Blower Policy. No personnel of the Company have been denied access to the Audit Committee.
- The Code of Conduct applicable to all Directors and employees of the Company has been posted on the Company's website. For the year under review, all Directors and senior management personnel of the Company have confirmed their adherence to the provisions of the said codes.

## 8. MEANS OF COMMUNICATION

- The quarterly results are published in widely circulating national and local newspapers such as The Economic Times, Business Standard, in English and Navbharat Times, in Hindi.
- The Company's results are displayed on the Company's website i.e. [www.shivamautotech.com](http://www.shivamautotech.com). The website also displays the Distribution Schedule and Shareholding Pattern pursuant to Clause 35 of the Listing Agreement.

## 9. GENERAL SHAREHOLDER INFORMATION

### Annual General Meeting

Date	September 24, 2013
Day	Tuesday
Time	11:00 A.M.
Venue	Tivoli Garden Resort, Near Chattarpur Mandir, Chattarpur Road, New Delhi – 110030.

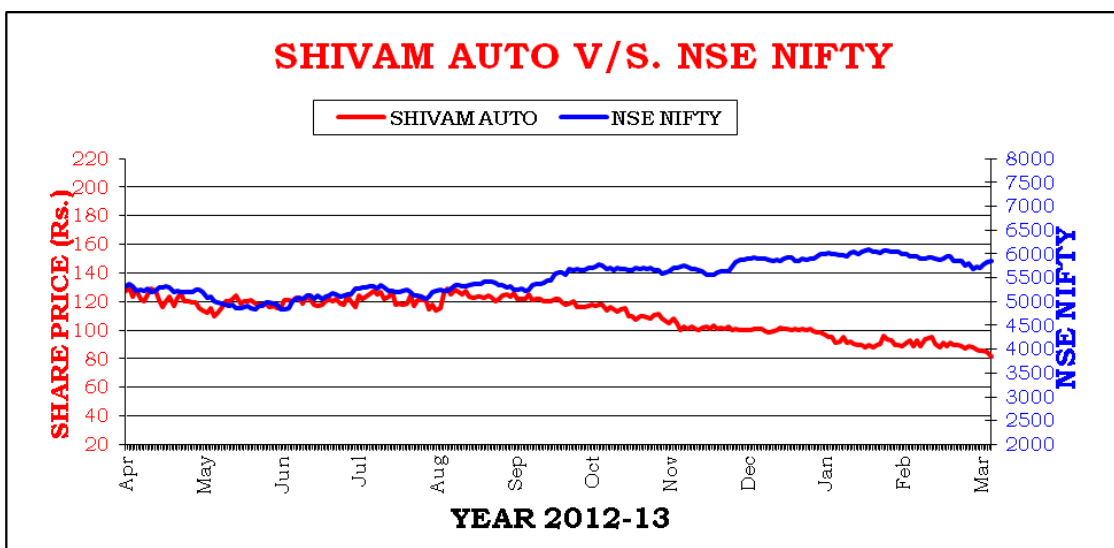
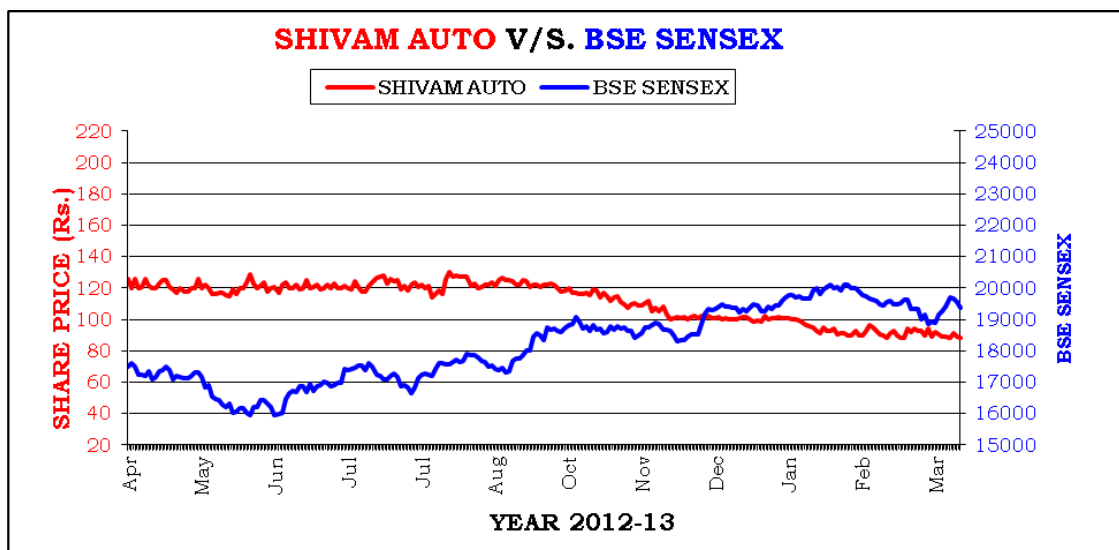
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<b>Financial Year</b>	April 1 to March 31 I) First Quarter Results – third week of August ii) Second Quarter Results – second week of November. iii) Third Quarter Results – second week of February iv) Fourth Quarter Results – last week of May v) Audited Results for the year ended March 31, 2013 – May 2013
<b>Dates of Book Closure</b>	Tuesday, September 17, 2013 to Tuesday, September 24, 2013 (both days inclusive)
<b>Dividend Payment Dates</b>	Within 30 days of AGM
<b>Listing on Stock Exchanges</b>	BSE Limited The National Stock Exchange of India Limited  The Annual Listing Fees for 2013-2014 have been paid to both the Stock Exchanges.
<b>Stock Code</b>	532776 – The Stock Exchange, Mumbai SHIVAMAUTO – The National Stock Exchange
<b>Demat ISIN Number for NSDL and CDSL</b>	INE 637H01016
<b>Unclaimed Dividend</b>	<p>As provided in section 205A and 205C of the Companies Act, 1956, dividend for the financial year ended March 31, 2006 and thereafter, which remain unpaid or unclaimed for a period of 7 years, will be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government, and no payments shall be made in respect of any such claims by the (IEPF).</p> <p>The amount of unclaimed dividend of Rs. 376,137.50 (Rupees Three Lacs Seventy Six Thousand One Hundred Thirty Seven and Fifty Paise only) shall be transferred to IEPF by November 25, 2013.</p>

## MARKET PRICE DATA

The monthly high and low quotations as well as the volume of shares traded on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) are as follows:

Month	BSE LTD					National Stock Exchange (NSE)				
	High (Rs.)	Date	Low (Rs.)	Date	Monthly Volume	High (Rs.)	Date	Low (Rs.)	Date	Monthly Volume
Apr-12	130.00	09-Apr-12	116.60	27-Apr-12	88,195	129.80	18-Apr-12	116.30	24-Apr-12	38,159
May-12	128.95	04-May-12	109.30	18-May-12	15,289	124.95	25-May-12	108.20	18-May-12	10,783
Jun-12	127.70	13-Jun-12	115.60	27-Jun-12	16,576	128.00	25-Jun-12	112.45	11-Jun-12	5,558
Jul-12	132.00	18-Jul-12	116.05	31-Jul-12	28,979	133.25	20-Jul-12	114.65	10-Jul-12	17,194
Aug-12	132.10	27-Aug-12	110.00	10-Aug-12	42,091	133.60	17-Aug-12	108.30	13-Aug-12	58,003
Sep-12	129.75	13-Sep-12	116.35	27-Sep-12	16,582	134.85	12-Sep-12	118.95	25-Sep-12	24,768
Oct-12	128.00	01-Oct-12	108.20	30-Oct-12	39,567	124.80	01-Oct-12	108.00	30-Oct-12	60,656
Nov-12	119.00	13-Nov-12	99.10	21-Nov-12	45,697	113.95	01-Nov-12	100.00	21-Nov-12	26,583
Dec-12	107.95	19-Dec-12	97.15	27-Dec-12	57,776	105.00	24-Dec-12	97.00	27-Dec-12	22,481
Jan-13	102.00	03-Jan-13	90.00	31-Jan-13	29,146	102.50	08-Jan-13	90.00	31-Jan-13	24,356
Feb-13	100.00	11-Feb-13	87.10	18-Feb-13	38,169	102.00	11-Feb-13	86.65	18-Feb-13	19,795
Mar-13	94.95	01-Mar-13	82.00	28-Mar-13	20,255	95.00	01-Mar-13	81.20	28-Mar-13	8,661

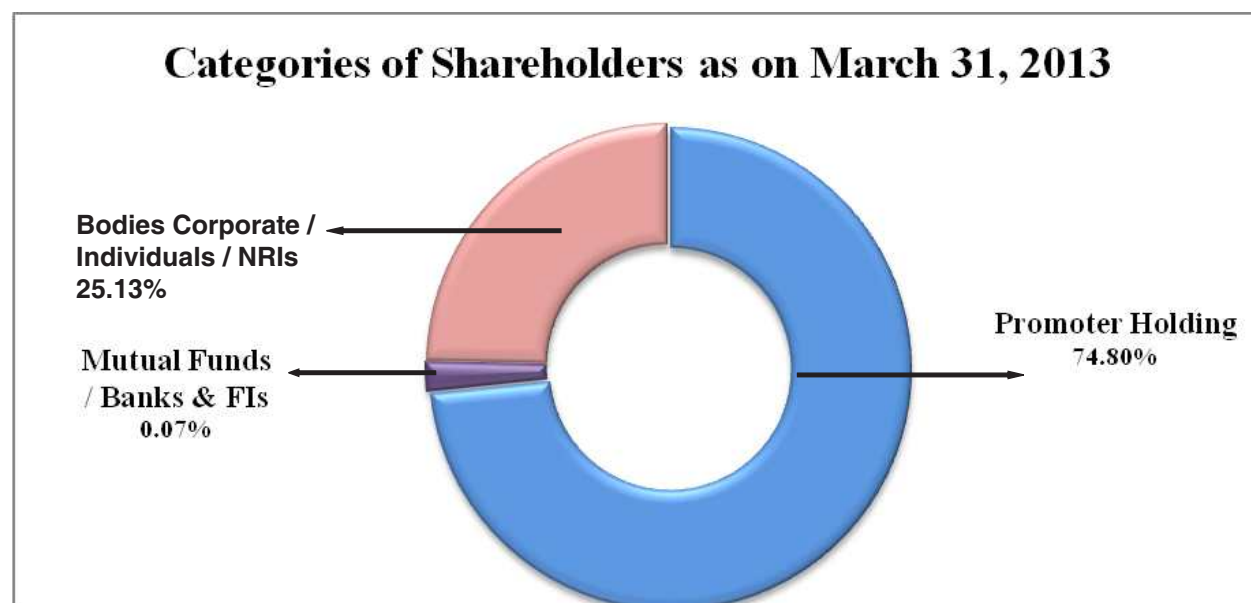


**Distribution of Shareholding as on March 31, 2013**

No. of shares held	No. of shareholders		No. of shares	
	Numbers	%	Numbers	%
Up to 500	6,509	92.80	739,535	7.40
501 – 1000	228	3.25	185,651	1.86
1001 – 2000	126	1.80	193,380	1.93
2001 – 3000	49	0.70	126,790	1.27
3001 – 4000	19	0.27	67,011	0.67
4001 – 5000	24	0.34	113,076	1.13
5001 – 10000	28	0.40	228,418	2.28
10001 – 50000	27	0.38	497,256	4.97
50001 – 100000	1	0.01	86,092	0.86
100001 & above	3	0.04	7,762,791	7.63
<b>Total</b>	<b>7,014</b>	<b>100.00</b>	<b>10,000,000</b>	<b>100.00</b>

**Categories of Shareholders as on March 31, 2013**

Categories	Holders (No.)	No. of shares held	% of shareholding
<b>PROMOTER HOLDING</b>			
Indian Promoters (Bodies Corporate)	1	7,479,595	74.80
<b>Total Promoter Holding</b>	<b>1</b>	<b>7,479,595</b>	<b>74.80</b>
<b>PUBLIC HOLDING</b>			
Institutions			
· Mutual Funds	4	2,100	0.02
· Banks & FI	5	4,891	0.05
Non-Institutions			
· Bodies Corporate	187	289,498	2.90
· Individuals	6,737	2,158,426	21.58
· NRIs	80	65,490	0.65
<b>Total Public Holding</b>	<b>7,013</b>	<b>2,520,405</b>	<b>25.20</b>
<b>Grand Total</b>	<b>7,014</b>	<b>10,000,000</b>	<b>100.00</b>





### Dematerialisation of Shares and Liquidity

The Company has arrangements with National Securities Depository Ltd. (NSDL) as well as the Central Depository Services (India) Ltd. (CDSL) for demat facility. As on March 31, 2013, 96.74% of the total Equity Capital is held in the demat form with NSDL and CDSL.

### Physical and Demat Shares:

	As on 31/03/2013	%
No. of Shares held by NSDL	9,059,815	90.60
No. of Shares held by CDSL	614,213	6.14
Physical Shares	325,972	3.26
<b>TOTAL</b>	<b>10,000,000</b>	<b>100.00</b>

### Registrar and Transfer Agents

#### MCS Limited

F-65, 1st Floor, Phase-I, Okhla Industrial Area  
 New Delhi-110 020  
 Tel: 011-41406149-52 Fax No: 011-41709881  
 E-mail: [admin@mcsdel.com](mailto:admin@mcsdel.com)

### Share Transfer System

All the transfers received are processed by the Registrar and Transfer Agents and are approved by the Share Transfer Committee, which normally meets twice in a month. Share Transfers are registered and returned within the prescribed period if documents are complete in all respects.

### Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity

Not Issued

### Address for correspondence

Mr. Davendra Ujlayan  
 AVP - Finance & Company Secretary  
 58th Km Stone, Delhi – Jaipur Highway  
 Village – Binola, Gurgaon – 122 413  
 Tel. Nos.: 011-49242100  
 E-mail ID: [davendra@shivamautotech.com](mailto:davendra@shivamautotech.com)

## B. NON-MANDATORY REQUIREMENTS

The Company has not adopted the non-mandatory requirements as specified in Annexure – I D of the Listing Agreement to the extent applicable except clause (2) relating to Remuneration Committee.

## CEO & CFO CERTIFICATE

**We hereby certify to the Board that:**

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2013, 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 Company'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, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We are responsible for establishing and maintaining Internal Controls for financial reporting and that we have evaluated the effectiveness of Internal Control Systems of the Company pertaining to financial reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such 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 to the Auditors and the Audit committee:
  - (i) Significant changes in Internal Control over financial reporting during the year;
  - (ii) Significant changes in accounting policies during the year and that the same have 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: New Delhi**  
**Date: May 28, 2013**

sd/-  
**(NEERAJ MUNJAL)**  
**Managing Director**

sd/-  
**(DAVENDRA UJLAYAN)**  
**AVP – Finance &**  
**Company Secretary**

## CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of  
SHIVAM AUTOTECH LIMITED

We have examined all relevant records of SHIVAM AUTOTECH LIMITED (“the Company”) for the purposes of certifying compliances of the conditions of Corporate Governance under the revised Clause 49 of the Listing Agreement entered into with National Stock Exchange of India and BSE Limited (“Stock Exchanges”) for the Financial Year ended March 31, 2013.

The compliances of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliances of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

We further 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.

**Place: New Delhi**  
**Date: August 14, 2013**

For Satyender Kumar & Associates  
**Company Secretaries**

**Sd/-**  
**Satyender Kumar**  
**Proprietor**  
**C.P. No. 5189**

## CERTIFICATE OF COMPLIANCE OF CODE OF CONDUCT

I, **Neeraj Munjal**, Managing Director of the Company hereby certify that the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the Financial Year 2012-13.

**Sd/-**  
**(NEERAJ MUNJAL)**  
**MANAGING DIRECTOR**

**Place: New Delhi**  
**Date: August 14, 2013**

## ANNEXURE 'C' TO DIRECTORS' REPORT

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended March 31, 2013.

S. No	Name and Qualification	Designation	Remuneration (Rs. in Lacs)	Exp. (Yrs)	Age (Yrs)	Date of Commencement of Employment	Previous Employment & Designation
1.	Mr. Neeraj Munjal B.Com, DIBM	Managing Director	165.80	25	46	01.04.2006	Munjal Auto Industries Ltd. Executive Director

### Notes:

1. Remuneration includes Basic Salary, Commission, other allowances and taxable value of perquisites and Company's contribution to provident fund.
2. The abovementioned appointment is on contractual basis.
3. Managing Director Mr. Neeraj Munjal is related to Mr. Satyanand Munjal and Mrs. Charu Munjal, Directors of the Company.

## ANNEXURE 'D' TO DIRECTORS' REPORT

Information as per Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988

### (a) Conservation of Energy

For Company, Energy conservation has remained the major thrust area. The Company is taking measures for saving energy by optimum utilisation of the furnaces, using environment friendly fuels, reducing cycle time for forging units, focusing on hot billet utilisation of Induction heated lines and doing systematic maintenance of furnaces periodically.

The Company has made efforts to achieve unity power factor by managing plant wise load, using energy efficient motors in various equipment and LED lamps in place of conventional lighting systems. The measures have been taken to re-cycle water from effluent treatment plant for garden and reduce solid waste & adopt eco-friendly waste disposal system. We are conscious of our environmental impact across our operations and strive to reduce consumptions.

New ideas are being adopted across the shop floor, factory area and even in office premises to conserve and promote efficiency of operations. The Company sets its own targets for energy conservation, reviews performance and takes appropriate actions, wherever required, at various levels. Energy Audit is being conducted.

Power and Fuel Consumption	Year 2012-13	Year 2011-12
<b>ELECTRICITY (KWH)</b>		
<b>a) PURCHASED</b>		
Units (000)	29,405.81	27,535.14
Total Amount (Rs. '000)	162,234.26	129,768.83
Rate / Unit (Rs.)	5.52	4.71
<b>b) OWN GENERATION</b>		
Through Generator	5,202.05	5,730.46
Units (000) Fuel (HSD) Consumed (KL)	1,712.59	1,691.38
Unit/Ltr of Fuel	3.04	3.39
Cost of Fuel (HSD) (Rs. '000)	66,343.96	65,044.93
Cost/Unit (Rs.)	12.75	11.35

**(b) Technology Absorption, Adaptation and innovation**

Technology leadership is at the core of all R&D activities of the Company. Multidisciplinary teams of technologists, through a synergistic blend of knowledge, experience & hardwork are actively engaged in retaining Company's technological leadership. R&D has made vital contributions in product development, manufacturing, and also improved productivity & efficiency of the Company.

Development and improvement of products has been an inbuilt and ongoing activity within the existing manufacturing facilities. R&D activities of the Company helped in development of novel materials & technologies resulting into enhanced product quality and to improve process capabilities. These activities also enabled the Company to reduce process waste, lower the energy consumption and increase productivity.

Research & Development were carried in product development, process development, energy conservation, environment protection, cost reduction and automation. In this process design and material database are continuously improved and enhanced. Apart from process improvements, the research and development also aims at finding equivalent substitutes of various inputs and materials to have cost savings without compromising quality.

The research and development is an ongoing exercise and suitable efforts will continue to be made in future. The company has derived benefits of cost reduction and better quality as a result of these efforts.

**(c) Foreign Exchange Earnings and outgo**

(Rs. In lacs)

		<b>F.Y. ended on March 31, 2013</b>
(a)	Total Foreign Exchange Earnings	94.66
(b)	Total Foreign Exchange Outgo	1060.61

## Independent Auditors' Report

To The Members of Shivam Autotech Limited

### Report On the Financial Statements

We have audited the accompanying Financial Statements of Shivam Autotech Limited ("the Company") which comprises the Balance Sheet as at 31<sup>st</sup> March, 2013, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and Notes to the Financial Statements comprising of a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2013;
- ii) In the case of Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order;
2. As required by section 227(3) of the Act, we report that:

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- e. On the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

**For S. S. KOTHARI MEHTA & CO.**  
Chartered Accountants  
Firm Registration No.  
000756N

**Kamal Kishore**  
Partner  
Membership No. 078017

Place: New Delhi  
Date: May 28, 2013

## Annexure to Independent Auditor's Report

Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Verification of the fixed assets is being conducted based on a phased programme by the management designed to cover all assets, which, in our opinion, is reasonable having regard to the size of the company and nature of its business. Discrepancies noticed on such verification as compared to book records were not material and have been properly adjusted in the books of account.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- (ii) (a) The inventories of the Company have been physically verified by the management during the year at reasonable intervals. Further stocks in the possession and custody of third parties as at 31<sup>st</sup> March 2013 have been verified by the management with reference to confirmations or statement of account or correspondence of the third parties. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion, the Company is maintaining proper records of inventories. As explained to us, the discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) (a) The company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956. Accordingly clauses 4(iii) (b) to (d) of the order are not applicable.
- (b) The company has not taken any loan, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the companies Act 1956. Accordingly clauses (iii) (a) to (iii) (g) of paragraph 4 of CARO are not applicable.
- (iv) In our opinion and according to the information and explanations given to us during the course of audit, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and sale of goods and services. Further, on the basis of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across nor have been informed of any instance of a continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that there are no particulars of contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956.
- (b) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that, there are no transactions made in pursuance of contracts or arrangements required to be entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of five Lacs rupees in respect of each party during the year.
- (vi) The Company has not accepted any deposits from the public within the meaning of section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 including the Companies (Acceptance of Deposits) Rules, 1975.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size & nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the Company pursuant to "The Companies (Cost Accounting Records) rules, 2011" prescribed by the Central Government under section 209 (1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed records have been made and maintained by the Company. We are, however, not required to make a detailed examination of such records.
- (ix) (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor



Education and Protection Fund, Employees State Insurance, Income-Tax, Sales-Tax, Wealth-Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues have been generally regularly deposited with the appropriate authorities during the year and there are no such undisputed statutory dues outstanding as on the date of Balance Sheet for a period exceeding six months from the date they became payable as on the date of the balance sheet.

(b) According to the information & explanations given to us and as per the books and records examined by us, there are no dues in respect of Excise Duty, Sales Tax, Wealth Tax, Custom Duty, Income Tax and Cess which have not been deposited on account of any dispute except the following dues along with the forum where the dispute is pending :

S. No	Name of the Statute	Nature of Dues	Amount (Rs. Lacs)	Period to which the amount relates	Forum where the dispute is pending
1.	Income Tax Act, 1961	Demand raised on assessment	6.45	A.Y 2008-09	Commissioner of Income Tax (Appeals), New Delhi
2.	Central Excise Act, 1944	Excise Duty	83.94	A.Y 2002-12	Commissioner of Central Excise(Appeals),Gurgaon
3.	Central Excise Act, 1944	Service tax	15.20	A.Y 2005-12	Commissioner of Central Excise (Appeals), Gurgaon

- (x) There are no accumulated losses of the Company as at the end of the financial year. There are no cash losses during the financial year and in the immediately preceding financial year.
- (xi) According to the information and explanations given to us and as per the books and records examined by us, generally the Company has not defaulted in repayment of dues to any financial institutions or banks.
- (xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company does not fall within the category of Chit fund / Nidhi / Mutual Benefit fund / Society and hence the related reporting requirements of the Order are not applicable.
- (xiv) The Company is not dealing in or trading in shares, securities, debentures, and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the company.
- (xv) The company has not given any guarantees for loans taken by others from bank or financial institution.
- (xvi) In our opinion, and according to the information and explanations given to us, the term loans raised during the year by the Company have been applied for the purpose for which the said loans were obtained, where such end-use has been stipulated by the lender.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet, the Cash Flow Statement and other records examined by us, the Company has not used funds raised on short term basis for long term investment during the year.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956, during the year.
- (xix) The Company has not issued any debentures during the year nor has any outstanding debentures.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the year, nor have we been informed of such case by the management.

**For S. S. KOTHARI MEHTA & CO.**  
 Chartered Accountants  
 Firm Registration No. 000756N

Place: New Delhi  
 Date: May 28, 2013

**Kamal Kishore**  
 Partner  
 Membership No. 078017

## Balance Sheet as at 31<sup>st</sup> March, 2013

(Figures in Rs. Lacs)

Particulars	Note No.	As at 31 <sup>st</sup> March 2013	As at 31 <sup>st</sup> March 2012
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
a) Share Capital	2	1,000.00	1,000.00
b) Reserves and Surplus	3	12,793.76	10,412.59
		<u>13,793.76</u>	<u>11,412.59</u>
<b>2 Non-current liabilities</b>	4		
a) Long-term borrowings		4,366.19	6,180.11
b) Deferred tax liabilities (net)		1,106.14	1,263.62
c) Other long term liabilities		-	-
d) Long-term provisions		100.79	96.00
		<u>5,573.12</u>	<u>7,539.73</u>
<b>3 Current liabilities</b>	5		
a) Short-term borrowings		4,985.23	6,369.53
b) Trade payables		4,066.06	3,606.24
c) Short-term provisions		515.41	380.35
d) Other current liabilities		4,626.39	6,904.39
		<u>14,193.09</u>	<u>17,260.51</u>
<b>TOTAL</b>		<u>33,559.97</u>	<u>36,212.83</u>
<b>II ASSETS</b>			
<b>1 Non-current assets</b>			
a) Fixed assets	6		
i) Tangible assets		24,142.76	25,968.99
ii) Intangible assets		23.33	20.69
iii) Capital work-in-process		-	-
		<u>24,166.09</u>	<u>25,989.68</u>
b) Long-term loans and advances	7	45.18	150.57
c) Other non-current assets		822.84	703.36
		<u>25,034.12</u>	<u>26,843.61</u>
<b>2 Current assets</b>	8		
a) Inventories		5,377.25	5,232.08
b) Trade receivables		2,412.14	2,838.46
c) Cash and cash equivalents		63.80	137.69
d) Short-term loans and advances		526.21	977.77
e) Other current assets		146.46	183.22
		<u>8,525.86</u>	<u>9,369.22</u>
<b>TOTAL</b>		<u>33,559.97</u>	<u>36,212.83</u>

### Significant Accounting Policies

1

The notes referred to above form an integral part of financial statements

In terms of our report of even date

for **S.S. Kothari Mehta & Co.,**  
**Chartered Accountants**

For & on behalf of the Board

**KAMAL KISHORE**  
Partner  
Membership No. 078017  
Place: New Delhi  
Date: May 28, 2013

**Neeraj Munjal**  
Managing Director

**Anil Kumar Gupta**  
Director

**Davendra Ujlayan**  
AVP- Finance & CS

## Statement of Profit & Loss for the year ended 31<sup>st</sup> March, 2013

(Figures in Rs. Lacs)

Particulars	Note No.	As at 31 <sup>st</sup> March 2013	As at 31 <sup>st</sup> March 2012
<b>i</b> Revenue from operations	9	38,319.83	37,142.46
<b>ii</b> Less:Excise Duty		2,031.67	1,888.22
Revenue from Operations (net)		<u>36,288.16</u>	<u>35,254.24</u>
<b>iii</b> Other Operating Income Scrap Sale		880.97	759.18
<b>iv</b> Other income	10	7.99	7.06
<b>Total Revenue (i-ii+iii+iv)</b>		<u>37,177.12</u>	<u>36,020.48</u>
<b>v Expenses :</b>			
Cost of Raw material consumed	11	11,766.84	12,062.71
Job Work on Components		3,088.81	3,353.68
Store Consumable		4,728.06	5,451.30
(Increase) / Decrease in finished goods and work in progress	12	(92.12)	(1,029.52)
Employee benefit expenses	13	2,885.66	2,424.23
Financial expenses	14	2,482.30	2,705.01
Depreciation and amortisation	15	3,077.00	2,941.88
Other expenses	16	6,065.63	5,260.81
<b>TOTAL</b>		<u>34,002.18</u>	<u>33,170.10</u>
<b>vi</b> Profit before exceptional and extraordinary items and tax		3,174.94	2,850.38
<b>vii</b> Less : Exceptional items		-	-
<b>viii</b> Profit before extraordinary items and tax		<u>3,174.94</u>	<u>2,850.38</u>
<b>ix</b> Less : Extraordinary items		-	-
<b>x</b> Profit before tax		<u>3,174.94</u>	<u>2,850.38</u>
<b>xi</b> Less: Provisions for:-			
- Income Tax-Current		635.24	570.27
- Less MAT entitlement Credit		(124.30)	(114.44)
- Deferred tax		(157.48)	531.92
- Deferred Tax Adjustment		-	-
- Income tax adjustment for earlier years		-	-
<b>xii Profit for the period from continuing operations</b>		<u>2,821.48</u>	<u>1,862.63</u>
<b>Earning Per Share</b> (Nominal value of equity share Rs. 10/-)			
- Basic		28.21	18.63
- Diluted		28.21	18.63

### Significant Accounting Policies

1

The notes referred to above form an integral part of financial statements  
In terms of our report of even date

for **S.S. Kothari Mehta & Co.,**  
Chartered Accountants

For & on behalf of the Board

**KAMAL KISHORE**  
Partner

**Neeraj Munjal**  
Managing Director

**Anil Kumar Gupta**  
Director

**Davendra Ujlayan**  
AVP- Finance & CS

Membership No. 078017  
Place: New Delhi  
Date: May 28, 2013

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 20 13

	Year ended 31.03.2013 Rs. In Lacs	Year ended 31.03.12 Rs. In Lacs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Income before tax</b>	<b>3,174.94</b>	2,850.38
Adjusted for:		
Depreciation	<b>3,077.00</b>	2,941.88
(Profit)/ Loss on sale of fixed assets	<b>5.48</b>	10.09
Interest on deposits	<b>(2.49)</b>	(1.95)
Interest paid	<b>2,090.73</b>	2,543.28
Liability / provisions no longer required, written back	<b>-</b>	-
<b>Operating profit before working capital changes</b>	<b>8,345.66</b>	8,343.68
Adjusted for:		
Accounts Receivable	<b>426.32</b>	1,299.45
Loans & Advances	<b>567.76</b>	(525.39)
Inventories	<b>(145.17)</b>	(1,712.74)
Current Liabilities & Provisions	<b>(317.15)</b>	1,347.84
<b>Cash generated from operations</b>	<b>8,877.42</b>	8,752.84
Income Tax Paid (Including taxes deducted at source)	<b>(632.08)</b>	(535.63)
<b>NET CASH FROM/(USED IN) OPERATING ACTIVITIES</b>	<b>8,245.34</b>	8,217.21
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	<b>(1,499.38)</b>	(4,085.19)
Proceeds/Adjustments from sale of Fixed Assets	<b>264.16</b>	62.11
Interest on deposits	<b>2.49</b>	1.95
<b>NET CASH FROM/(USED IN) INVESTING ACTIVITIES</b>	<b>(1,232.73)</b>	(4,021.13)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend Paid	<b>(320.00)</b>	(246.41)
Tax on Dividend	<b>(51.91)</b>	(40.56)
Interest paid on Loans	<b>(2,235.49)</b>	(2,531.46)
State Sales Tax Subsidy	<b>27.68</b>	39.47
Working Capital Borrowings from Banks	<b>(1,384.30)</b>	258.61
Proceeds from Long Term Borrowings (Net of repayments)	<b>(3,043.05)</b>	(2,362.43)
<b>NET CASH FROM/(USED IN) FINANCING ACTIVITIES</b>	<b>(7,007.07)</b>	(4,882.78)
<b>Net (Decrease)/Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>5.54</b>	(686.70)
<b>Cash and cash Equivalents at the beginning of the year</b>	<b>33.47</b>	720.17
<b>Cash and Cash Equivalents at the end of the year</b>	<b>39.01</b>	33.47

**Note:**

The figures have been regrouped / rearranged, wherever necessary, for comparison purposes.  
In the terms of our report of even date

For **S S KOTHARI MEHTA & CO.,**  
Chartered Accountants

**KAMAL KISHORE**

Partner  
Membership No.078017

Place: New Delhi

Date: May 28, 2013

For and on behalf of the Board of Directors

Neeraj Munjal  
Managing Director

Anil Kumar Gupta  
Director

Davendra Ujjayan, AVP Finance &  
Company Secretary

## NOTES TO THE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2013

### 1 SIGNIFICANT ACCOUNTING POLICIES

#### OVERVIEW:-

SHIVAM AUTOTECH LIMITED (SAL) was established in the year 1999, and was initially known as Munjal Auto Components till July, 2005. The Company got converted to a separate Public Limited Company w.e.f. 29<sup>th</sup> July, 2005. In pursuant to the scheme of Demerger arrangement, the Gurgaon Unit was transferred to Shivam Autotech Ltd. on 1<sup>st</sup> August, 2005. The Company has been engaged in the manufacturing of Near-Net- Shaped, auto transmission components mainly for Original Equipments Manufacturers (OEMs). The product range includes various types of transmission gears, transmission shafts, spline shafts, plunger, power train components, employing cold/warm/hot forging techniques. The Company has two state-of-the-art manufacturing facilities, located at Gurgaon & Haridwar. The company's new plant in Haridwar was commissioned in April, 2009 and is equipped with modern and state of art facilities. The main advantage of cold/ warm forging technology, which is being used to manufacture near net shaped components, are high production rates, better dimensional accuracies, excellent surface finish, substantial savings in material with minimized machining and having superior mechanical and metallurgical properties. It is listed on the National Stock Exchange of India and Bombay Stock Exchange in India.

#### I Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention, on going concern basis and in terms of the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 in compliance with Section 211(3C) of the Companies Act, 1956. The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis to the extent measurable and where there is certainty of ultimate realisation in respect of incomes. Accounting policies not specifically referred to otherwise are consistent and in consonance with the generally accepted accounting principles in India.

The Company has prepared its financial statements in accordance with Schedule VI as inserted by Notification- S.O. 447(E), dated February 28, 2011 (As amended by Notification No F.NO. 2/6/2008-CL-V, Dated March 30, 2011).

#### II Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual result and estimates are recognized in the period in which the results are known/ materialized.

#### III Fixed Assets

a) Fixed Assets are stated at cost less accumulated depreciation and impairment losses, if any. Costs include costs of acquisitions or constructions, including incidental expenses thereto and other attributable costs of bringing the asset to its working condition for its intended use and are net of available duty/tax credits.

#### b) Intangible Assets

Intangible Assets are recognized on the basis of recognition criteria as set out in Accounting Standard (AS-26) "Intangible Assets".

#### c) Expenditure during construction period

Expenditure related to and incurred during implementation of new/expansion projects is included under Capital Work -in-progress and the same is allocated to the respective Fixed Assets on completion of its construction/ erection. Interest on borrowing costs relating to the qualifying asset is worked out on the basis of actual utilisation of funds out of project specific loan and/ or other borrowings to the extent identifiable with the qualifying asset and are capitalised with the cost of qualifying assets.

#### IV Depreciation/Amortisation

Depreciation is provided on fixed assets over the useful lives of the assets estimated by the management, which are equivalent to the rates prescribed in Schedule XIV to the Companies Act, 1956. The following methods of depreciation are used by the Company for fixed assets:

Plant and machinery	Straight Line Method.
Plant and machinery	Amortised over the period of lease
Plant and machinery	Amortised over a period of four years on a Straight line basis.
Plant and machinery	Straight Line Method.

Fixed Assets costing Rs. 5000/- or less are fully depreciated in the year of acquisition.

#### V Impairment of Assets

The carrying amount of assets is reviewed for impairment at each balance sheet date wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which the asset's carrying amount exceeds its recoverable amount being the higher of the assets net selling price and its value in use. Value in use is based on the present value of the estimated future cash flows relating to the asset. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (i.e. cash generating units).

Previously recognized impairment losses are reversed where the recoverable amount increases because of favorable changes in the estimates used to determine the recoverable amount since the last impairment was recognized. A reversal of an asset's impairment loss is limited to its carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized in prior years.

#### VI Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

#### VII Borrowing Costs

Borrowing cost related to a qualifying asset is worked out on the basis of actual utilization of funds project specific loans and/or other borrowings to the extent identifiable with the qualifying asset and is capitalized with the cost of qualifying asset. Other borrowing costs incurred during the period are charged to Statement of Profit and Loss Account.

#### VIII Segment Reporting

##### Identification of segments

The Company's operating businesses are organized and managed separately according to the nature of products manufactured and services provided, with each segment representing a strategic business unit that offers different products. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

#### IX Employee Benefits

- Employee benefits in the form of the Company's contribution to provident fund, pension fund and ESI are considered as defined contribution plan and charged to the Statement of profit and loss account of the year when the contributions to the respective funds are due. There are no other obligations other than the contributions payable to the respective funds.
- Retirement benefits in the form of gratuity are defined benefit plans. Gratuity is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation at the year end. The actuarial valuation is done as per projected unit credit method.
- Actuarial gains/losses are immediately taken to statement of profit and loss account.

## **X Valuation of Inventories**

- a) Finished goods are valued at lower of cost or net realizable value. Scrap is valued at net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.
- b) Work in progress is valued at lower of cost or net realizable value. Cost is determined on average basis.
- c) Stores, Spares and Raw Materials are valued at lower of cost or net realizable value. However materials & other items held for use in the production of inventories are not written below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of purchases is assessed on first in first out (FIFO) method.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

- d) Excise duty liability on Finished Goods lying in the factory is accounted for and the corresponding amount is considered for the valuation thereof.

## **XI Tools & Dies**

The consumable Tools & Dies are charged to statement of profit & loss account in the year they are put to use.

## **XII Investments**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined for each category separately. Long-term investments are carried at cost on individual investment basis. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments in case of long term investments.

## **XIII Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

### **a) Sale of goods**

Sales is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and sales is inclusive of excise duty but net of returns, rebates and value added tax (VAT). Materials returned/rejected are accounted for in the year of return/rejection. Excise Duty deducted from turnover (gross) is the amount that is included in the amount of turnover (gross) and not the entire amount of liability arising during the year.

### **b) Dividends**

Dividend is recognized when the shareholders' right to receive payment is established by the balance sheet date.

### **c) Insurance Claim**

Claims lodged with the insurance companies are accounted on accrual basis to the extent these are measurable and ultimate collection is reasonably certain.

## **XIV Foreign Currency Transactions**

### **a) Initial Recognition**

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

### **b) Conversion**

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

**c) Exchange Differences**

Exchange differences arising on the settlement of monetary items, or on reporting such monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

**d) Forward Exchange Contracts not intended for trading or speculation purposes**

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

**XV Income Taxes**

Tax expense comprises of current and deferred. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. 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 tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognises unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

**XVI Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split, and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**XVII Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that



an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are shown by way of Notes to Accounts in respect of obligations where based on the evidence available, their existence at the Balance Sheet date is considered not probable. Contingent assets are not recognized in the accounts nor disclosed

## **XVIII Leases**

### **Where the Company is the lessee**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of Profit and Loss account on a straight-line basis over the lease term.

### **Where the Company is the lessor**

Assets subject to operating leases are included in fixed assets. Lease income is recognized in the profit and loss account on a straight-line basis over the lease term. Costs, including depreciation are recognized as an expense in the statement of profit and loss account. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss account.

## **XIX Cash and Cash Equivalents**

Cash and cash equivalents consist of cash, bank balances in current account and short-term highly liquid investments that are readily convertible to cash with original maturities of three months or less at the time of purchase.

## Notes to the Financial Statement

### 2 SHARE CAPITAL

	As at 31 <sup>st</sup> March 2013	As at 31 <sup>st</sup> March 2012
<b>Authorized</b>		
1,26,00,000 (Previous Year 1,26,00,000) Equity Share of Rs. 10 each	<u>1,260.00</u>	<u>1,260.00</u>
	<u>1,260.00</u>	<u>1,260.00</u>
<b>Issued, Subscribed and Fully Paid-up</b>		
1,00,00,000 (Previous Year 1,00,00,000) equity shares of Rs. 10 each	<u>1,000.00</u>	<u>1,000.00</u>
<b>Total Share Capital</b>	<u>1,000.00</u>	<u>1,000.00</u>

#### a) Reconciliation of the number of shares outstanding- at the beginning and at the end of the reporting period:

Equity Shares outstanding as at the beginning of the year	10,000,000	10,000,000
Add: Equity Shares issued under Employees Stock option Scheme	-	-
Equity Shares outstanding as at the close of the year	10,000,000	10,000,000

#### b) Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares 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.

During the year ended 31 March 2013, the amount of per share dividend recognized as distributions to equity shareholders was Rs. 4 (previous year Rs.3.20)

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 the preferential amount, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### c) Shares held by holding company

Out of equity issued by the company, shares held by its holding company are as below:

Dayanand Munjal Investments Pvt Ltd	747.96	747.96
7,479,595 (31 March 2012: 7,479,595) equity shares of Rs. 10 each fully paid up	<u>747.96</u>	<u>747.96</u>

#### d) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	As at 31 <sup>st</sup> March 2013	As at 31 <sup>st</sup> March 2012
Equity shares allotted as fully paid bonus shares by capitalization of securities premium	-	-
Equity shares allotted as fully paid-up pursuant to contracts for consideration other than cash	-	-
Equity shares bought back by the company	-	-
Equity Shares allotted to employees under the employee stock option plan	-	-

#### e) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at 31 <sup>st</sup> March 2013		As at 31 <sup>st</sup> March 2012	
	No of Shares	% holding	No of Shares	% holding
Dayanand Munjal Investments Private Limited	7,479,595	74.80%	7,479,595	74.80%

As per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

### 3 RESERVES AND SURPLUS

#### (i) General Reserve

As per last financial statements	3,868.62	3,568.62
Add: amount transferred from surplus balance	300.00	300.00
-in the statement of profit and loss	-	-
<b>Closing Balance</b>	<b>4,168.62</b>	<b>3,868.62</b>

#### (ii) Capital Redemption Reserve

As per last financial statements	5.00	5.00
Add:- During the year	-	-
<b>Closing Balance</b>	<b>5.00</b>	<b>5.00</b>

#### (iii) Sales Tax Subsidy from the Government of Haryana

As per last financial statements	644.86	605.39
Add:- During the Year	27.68	39.47
<b>Closing Balance</b>	<b>672.54</b>	<b>644.86</b>

Company has availed sales tax incentive amounting to **Rs. 672.54 Lacs** (Previous Year Rs.644.86 lacs) by the end of 31<sup>st</sup> March, 2013 in the form of deferment, in accordance with the scheme of the Govt. of Haryana for development of Industries. Considering the nature of incentive and legal opinion taken by the Company, the amount is treated as Capital Receipt and disclosed as such in the Balance Sheet.

#### (iv) Surplus / (deficit) in the statement of profit and loss

As per last financial statements	5,894.11	4,703.39
Add : During the year	2,821.48	1,862.63
Less: Appropriations	-	-
- Transfer to General Reserve	300.00	300.00
- Proposed dividend on equity shares	400.00	320.00
- Corporate tax on proposed dividend	67.98	51.91
<b>Net surplus in the statement of profit and loss</b>	<b>7,947.60</b>	<b>5,894.11</b>
<b>Total Reserves and Surplus</b>	<b>12,793.76</b>	<b>10,412.59</b>

### 4 NON-CURRENT LIABILITIES

	Non- Current Portion		Current Portion	
	31 <sup>st</sup> March 2013	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2013	31 <sup>st</sup> March 2012
<b>a) Long-term borrowings :</b>				
<b>(i) Secured Long term borrowings</b>				
<b>A: Non-Current Portion</b>				
<b>A. Term Loans from Banks - Gurgaon Plant</b>				
i) IDBI Bank Ltd.	192.19	564.08	371.87	487.49
ii) Axis Bank -Corporate Loan	742.16	1,649.87	822.00	666.67
<b>Sub Total:</b>	<b>934.35</b>	<b>2,213.95</b>	<b>1,193.87</b>	<b>1,154.16</b>
<b>B. Term Loan from Banks- Haridwar Plant</b>				
i) Punjab National Bank	1,986.67	3,966.16	2,012.50	2,012.50
ii) ICICI Bank Ltd	-	-	-	1,011.78
iii) Hong Kong & Shangai Bank Ltd. (HSBC)	-	-	-	507.06
iv) ING Vysya Bank	95.17	-	250.00	-
<b>Sub Total:</b>	<b>2,081.84</b>	<b>3,966.16</b>	<b>2,262.50</b>	<b>3,531.34</b>
<b>Term Loan from Banks (A+B)</b>	<b>3,016.19</b>	<b>6,180.11</b>	<b>3,456.37</b>	<b>4,685.50</b>
<b>Amount Disclosed under the head " Current Liabilities" Note-5 (d)</b>			<b>(3,456.37)</b>	<b>(4,685.50)</b>
<b>Un-Secured Long term borrowings</b>				
Hero FinCorp Limited	1,350.00	-	-	-
<b>Total Secured Long Term Borrowings</b>	<b>4,366.19</b>	<b>6,180.11</b>	<b>-</b>	<b>-</b>

**Details of Securities:**

- A** (i) Term Loan from IDBI Bank Ltd are secured by exclusive charge on the fixed assets created under expansion project.
- (ii) Term Loan from Axis Bank are secured by exclusive charge on specific movable machineries of Binola Plant.
- B** (i), (ii), (iii.) Terms loans availed for Haridwar Plant is having Pari Passu charge over the entire fixed assets of Haridwar Plant both, present and future.
- (iv) Term Loan availed for Haridwar Plant is having Exclusive charge over specific moveable fixed assets purchased out of the term loan, both present and future, of the Company

**Total Long Term Borrowings**

Repayment and interest rates for the above Term Loan are as follows:

Financial Years	2013-14	2014-15	2015-16	2016-17 & Above
Amount	3,456.37	2,449.89	1,620.59	299.12

The Interest rate for the above term loans varies from 11% to 14.50% per annum.

	As at 31 <sup>st</sup> March 2013	As at 31 <sup>st</sup> March 2012
<b>b) Deferred tax liabilities (net)</b> (Refer Note no. 24)		
As per Last Balance sheet	1,263.62	731.70
Add: Adjustment for the year	<u>(157.48)</u>	<u>531.92</u>
<b>Total Deferred Tax Liabilities</b>	<u>1,106.14</u>	<u>1,263.62</u>

**c) Other Long Term Liabilities**

	Non- Current Portion		Current Portion	
	31 <sup>st</sup> March 2013	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2013	31 <sup>st</sup> March 2012
<b>d) Long-term provisions :</b>				
<b>Provision for employee benefits</b>				
<b>A: Non-Current Portion</b>				
- for leave benefits	90.64	86.47	32.46	3.74
- for gratuity	10.15	9.53	14.97	4.70
<b>Total</b>	<u>100.79</u>	<u>96.00</u>	<u>47.43</u>	<u>8.44</u>
Amount disclosed under the head "Short Term Provisions" Refer Notes-5(C)	-	-	<u>(47.43)</u>	<u>(8.44)</u>
<b>Total Long Term Provisions</b>	<u>100.79</u>	<u>96.00</u>	-	-

	As at 31 <sup>st</sup> March 2013	As at 31 <sup>st</sup> March 2012
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**5 CURRENT LIABILITIES**
**a) Short-term borrowings :**
**Cash Credit - Gurgaon Plant**

i) IDBI Bank Ltd.	875.73	2,210.18
ii) Axis Bank	<u>660.83</u>	<u>684.41</u>

**A. Sub Total - Cash Credit Gurgaon Plant**

<b>1,536.56</b>	<b>2,894.59</b>
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**Cash Credit- Haridwar Plant**

i) From Punjab National Bank	2,422.68	2,295.29
ii) From IDBI Bank Ltd.	154.84	1,179.65
iii) From ING Vysya Bank	<u>871.15</u>	-

**B. Sub Total - Cash Credit Haridwar Plant**

<b>3,448.67</b>	<b>3,474.94</b>
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**Total Short Term Provisions**

<b>4,985.23</b>	<b>6,369.53</b>
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- (i), (ii) Cash Credit from IDBI Bank Ltd & Axis Bank at Gurgaon is secured by first pari passu charge on the current assets of Gurgaon Plant
- (i), (ii) Cash Credit from Punjab National Bank, IDBI Bank Ltd & ING Vysya Bank Ltd. at Haridwar is secured by first pari passu charge on the current assets of Haridwar Plant

The Interest rate for the above cash credit varies from 12% to 14% per annum.

**b) Trade payables :**

Trade payables	<b>4,066.06</b>	<b>3,606.24</b>
[includes Rs. 81.29 Lacs (Previous year Rs. 163.00 Lacs) creditors for capital supply]		
<b>Total Trade Payable</b>	<b><u>4,066.06</u></b>	<b><u>3,606.24</u></b>

The Company has so far not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at the year -end together with interest paid /payable under this Act has not been given.

**c) Short-term provisions :**

**i) Provision for Employee benefits**

**- from Long Term Provisions (Note-4(d))**

- for leave benefits	32.46	3.74
- for gratuity	14.97	4.70
<b>Total</b>	<b><u>47.43</u></b>	<b><u>8.44</u></b>

**ii) Other Provisions**

Proposed Dividend	400.00	320.00
Corporate Tax On Dividend	67.98	51.91
	<u>467.98</u>	<u>371.91</u>

<b>Total Short Term Provisions</b>	<b><u>515.41</u></b>	<b><u>380.35</u></b>
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**d) Other current liabilities :**

i) Current Maturities of Long Term debts (Note-4(a))	3,456.37	4,685.50
ii) Interest accrued but not due on borrowings	4.47	149.23
iii) Advance from customer	382.74	1,505.10
Unpaid Dividend*	24.79	19.41
Unpaid Matured Deposits and Interest accrued	-	-
iv) Other Payables	-	-
Statutory Dues	114.20	119.86
Security Deposits	8.65	0.20
Retention Money	35.94	33.94
Outstanding Liabilities	599.23	391.15
<b>Total Other Current Liability</b>	<b><u>4,626.39</u></b>	<b><u>6,904.39</u></b>

\* There is no amount due and outstanding to be credited to Investor Education and Protection Fund

**7 NON-CURRENT ASSETS**

**Long-term loans and advances :**

(unsecured, considered good)

Capital advances	<u>45.18</u>	<u>150.57</u>
<b>Total Non-Current Assets</b>	<b><u>45.18</u></b>	<b><u>150.57</u></b>

**Other Non-current assets**

i) Advance Tax and Tax deducted at source {Net of Provision Rs. 2330.37 lacs (Previous year Rs. 1696.83 Lacs)}	62.87	67.70
ii) MAT credit entitlement	759.97	635.66
<b>Total Other Non-Current Assets</b>	<b><u>822.84</u></b>	<b><u>703.36</u></b>
<b>Total Non-Current Assets</b>	<b><u>868.02</u></b>	<b><u>853.93</u></b>

**8 CURRENT ASSETS**
**a) Inventories**
**Raw Materials**

Inventories-Raw Materials 950.93 1,222.15

**Work-in-process**

Closing Work in process 1,874.47 1,818.99

**Finished Goods**

Inventories-Finished Goods 237.49 222.84

**Stores & Spares**

Goods In Transit-Stores Material 2,285.52 1,961.25

**Others**

Scrap 28.84 6.85

**Total Inventories** **5,377.25** **5,232.08**
**b) Trade Receivables**
**i) Secured**

Total Secured Trade Receivable - -

**ii) Unsecured**

Exceeding Six Months  
Considered Good 17.27 14.71

**Others**

Considered Good 2,394.87 2,823.75

**Total Trade Receivables** **2,412.14** **2,838.46**
**c) Cash and Bank Balances:**
**i) Cash & Cash Equivalents:**

Cash on hands 5.20 5.72

Cheques/drafts In hands etc. - 4.00

Banks balances in Current Accounts 33.81 23.75

**Total Cash & Cash Equivalents:** **39.01** **33.47**
**ii) Other Bank Balances**

Earmarked for Unpaid Dividend 24.79 19.41

Earmarked for Fixed Deposits \* - 84.81

Total Other Bank Balances: 24.79 104.22

**Total Cash and Bank Balances** **63.80** **137.69**

\*(Pledged with banks Rs. Nil (previous year Rs. 84.81 Lacs)

**d) Short-term loans and advances :**

(Unsecured, considered good)

Advance to Suppliers 263.95 488.81

Loans and advances to employees 12.19 0.71

Prepaid expenses 73.53 58.07

Security Deposits 176.54 147.26

Others - 282.92

**Total Short-term loans and advances** **526.21** **977.77**

<b>e) Other current assets :</b>		
- Balances and Deposits with Government Authorities & Others	146.46	183.22
Total Other Current Assets	<u>146.46</u>	<u>183.22</u>
<b>Total Current Assets</b>	<b><u>8,525.86</u></b>	<b><u>9,369.22</u></b>
<b>9 REVENUE FROM OPERATIONS</b>		
a) Sale of products (Finished Goods)	38,319.83	37,142.46
b) Other Operating Revenue		
Scrap Sale	<u>880.97</u>	<u>759.18</u>
<b>Total Revenue from Operations</b>	<b><u>39,200.80</u></b>	<b><u>37,901.64</u></b>
<b>10 OTHER INCOME</b>		
(b) Other Non- Operating Income		
Interest income	2.49	1.95
Forgien Exchange Fluctuation	1.64	4.49
Other non operating income	<u>3.86</u>	<u>0.62</u>
<b>Total Other Income</b>	<b><u>7.99</u></b>	<b><u>7.06</u></b>
<b>11 COST OF RAW MATERIAL AND COMPONENTS CONSUMED</b>		
Inventory at the beginning of the year	1,222.15	936.62
Add : Purchases	<u>11,495.61</u>	<u>12,348.24</u>
	<u>12,717.76</u>	<u>13,284.86</u>
Less: inventory at the end of the year	<u>950.92</u>	<u>1,222.15</u>
<b>Total Cost of Raw Material and Components Consumed</b>	<b><u>11,766.84</u></b>	<b><u>12,062.71</u></b>
<b>12 (INCREASE)/ DECREASE IN FINISHED STOCK AND WORK IN PROGRESS</b>		
Inventories at the beginning of the year		
Work-in-Process	1,818.99	995.88
Finished Goods	222.84	14.52
Process Scrap	<u>6.85</u>	<u>8.76</u>
	<u>2,048.68</u>	<u>1,019.16</u>
Less - Inventories at the end of the year		
Work-in-Process	1,874.47	1,818.99
Finished Goods	237.49	222.84
Process Scrap	<u>28.84</u>	<u>6.85</u>
	<u>2,140.80</u>	<u>2,048.68</u>
<b>(Increase )/Decrease in Finished Stock and Work in Progress</b>	<b><u>(92.12)</u></b>	<b><u>(1,029.52)</u></b>
<b>13 EMPLOYEE BENEFIT EXPENSES</b>		
a) Salaries, wages and other allowances	2,276.60	1,922.70
b) Contribution to Provident and other Funds	173.55	163.30
c) Staff welfare expense	318.72	271.32
d) Retirement Benefit	<u>116.79</u>	<u>66.91</u>
<b>Total Employee Benefit Expenses</b>	<b><u>2,885.66</u></b>	<b><u>2,424.23</u></b>
<b>14 FINANCIAL EXPENSES</b>		
a) Interest on		
- Term Loans	1,095.02	1,564.72
- Cash Credit	855.74	878.14
- Interest others	139.97	100.42
b) Bank & Other charges	<u>391.57</u>	<u>161.73</u>
<b>Total Finance Cost</b>	<b><u>2,482.30</u></b>	<b><u>2,705.01</u></b>

## Notes on Financial Statements for the year ended 31st March, 2013

### Note 6 & 15

#### FIXED ASSETS

Particulars	Tangible Assets										(Figures in Rs. Lacs)	
	Land	Building	Plant & Machinery	Comp uters	Office Equipment	Furniture & Fixtures	Vehicles	Lease Hold Improvements	Total	Intangible Assets Software	Grand Total	
<b>Cost</b>												
As at 1st April, 2011	3,324.62	3,044.98	27,208.30	113.68	161.88	152.56	226.13	30.23	34,262.38	104.05	34,366.43	
Additions	-	603.43	3,508.43	10.60	9.41	14.15	53.31	2.43	4,201.76	10.79	4,212.55	
Disposals/Adjustments	-	-	153.30	-	-	-	34.98	-	188.28	-	188.28	
As at 31st March, 2012	3,324.62	3,648.41	30,563.43	124.28	171.29	166.71	244.46	32.66	38,275.86	114.84	38,390.70	
Additions	-	59.87	1,348.92	5.12	18.95	2.67	72.75	-	1,508.28	14.78	1,523.06	
Disposals/Adjustments	-	-	384.13	-	0.40	-	34.67	-	419.20	-	419.20	
As at 31st March, 2013	3,324.62	3,708.28	31,528.23	129.40	189.84	169.38	282.55	32.66	39,364.95	129.62	39,494.57	
<b>Depreciation</b>												
As at 1st April, 2011	-	299.14	8,930.97	72.98	46.85	44.57	89.32	6.53	9,490.36	84.86	9,575.22	
Charge for the year	-	109.12	2,770.02	10.25	7.51	9.41	22.56	3.73	2,932.60	9.29	2,941.88	
Disposals/Adjustments	-	-	96.66	-	-	-	19.42	-	116.08	-	116.08	
As at 31st March, 2012	-	408.26	11,604.33	83.23	54.36	53.98	92.46	10.26	12,306.88	94.15	12,401.02	
Charge for the year	-	122.68	2,880.05	12.59	8.53	9.95	27.32	3.73	3,064.86	12.14	3,077.00	
Disposals/Adjustments	-	-	130.16	-	0.14	-	19.26	-	149.56	-	149.56	
As at 31st March, 2013	-	530.94	14,354.23	95.82	62.75	63.93	100.52	13.99	15,222.18	106.29	15,328.47	
<b>Net Block</b>												
As at 31st March, 2012	3,324.62	3,240.15	18,959.10	41.05	116.93	112.72	152.00	22.39	25,968.99	20.69	25,989.68	
As at 31st March, 2013	3,324.62	3,177.35	17,174.00	33.58	127.09	105.46	182.02	18.67	24,142.76	23.33	24,166.10	
<b>CWIP</b>												
As at 31st March, 2012	-	-	-	-	-	-	-	-	-	-	-	
As at 31st March, 2013	-	-	-	-	-	-	-	-	-	-	-	

Note:- Lease Hold Improvements have been depreciated according to Lease Term



**16 OTHER EXPENSES**

a) Power and fuel Consumption	2,285.78	1,948.14
b) Packing Material consumption	51.25	48.15
c) Repair and maintenance		
-Machinery Repairs	328.35	246.99
-Building repairs	138.92	121.24
-Vehicle repairs	114.04	94.20
-Other repairs	3.13	14.58
d) Lease Rent	95.80	76.78
e) Wages To contractors	2,207.02	1,962.17
f) Rates and Taxes	9.02	8.83
g) Charity and donation	9.10	3.80
h) Water charges	1.49	0.14
i) Insurance	140.98	108.00
j) Payment to auditor (Refer details below)	7.56	7.12
k) Legal and professional	48.38	54.95
l) Travelling and conveyance	257.87	246.84
m) Printing and Stationery	42.22	30.64
n) Postage, telegram and telephones	35.30	26.58
o) Miscellaneous Expenses	98.78	75.16
p) Selling expenses	35.26	17.85
q) Board & Secretarial Exp.	26.19	23.23
r) Security Expenses	72.11	63.45
s) Freight and forwarding charges	35.97	48.07
t) Excise duty difference on stocks of finished goods (Net)	(0.59)	23.80
u) Loss on sale of fixed assets	5.48	10.09
v) Foreign Exchange Fluctuation	16.22	-
<b>Total Other Expenses</b>	<b>6,065.63</b>	<b>5,260.81</b>

**Payment to auditor**

As auditor:		
- Audit Fee	6.00	5.50
- Limited review	1.00	1.00
Reimbursement of expenses	0.56	0.62
	<b>7.56</b>	<b>7.12</b>

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2013**
**17 CONTINGENT LIABILITIES AND COMMITMENTS:**
**I Contingent Liabilities not provided for in respect of:-**

Description	Current Year	(Rs. In lacs) Previous Year
	2012-13	2011-12
a) Letter of Credit opened by banks	1,038.16	1,454.88
b) Disputed Excise Duty and Other demands	111.91	106.71
c) Income tax demands where the cases are pending at various stages of appeal with the authorities	6.45	6.45

Based on legal opinion taken by the Company, discussions with the solicitors etc, the Company believes that there is a fair chance of decisions in respect of the items listed above and hence no provision is considered necessary against the same.

**II Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	69.34	768.71
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**III Other Commitments**

**18** There are no present obligations requiring provision in accordance with the guiding principles as enunciated in Accounting Standard AS 29-"Provisions, Contingent Liabilities and Contingent Assets " as it is not probable that an outflow of resources embodying economic benefits will be required.

**19** In the opinion of Board, Current Assets, Loans and Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they stated and provision for all known liabilities has been made and considered adequate.

**20** Expenditure on insurance includes **Rs. 6.30 Lacs** (Previous Year Rs. 6.30 lacs) being the premium paid under Keyman Insurance Schemes to cover risks on life of Key Management personnel. Benefits to the Company under the said scheme depend on various factors including resignation/survival of the said personnel or premature surrender of the policy. Such benefits will be accounted in the year in which they become due.

**21 Computation of net profit in accordance with the provisions of Section 349 of the Companies Act, 1956 for calculation of commission payable to Directors:-**
**a) Executive and Non executive directors**

Description	2012-13	(Rs. In lacs) 2011-12
	Current Year	Previous Year
<b>Profit before tax as per Profit &amp; Loss account</b>	<b>3,174.94</b>	<b>2,850.38</b>
Add: Wealth Tax	1.27	0.89
Add: Non- Executive Director's Commission	6.00	6.00
Director's Sitting Fees	10.80	8.70
Director's remuneration	191.83	158.39
(Profit) / Loss on sale/ discard of Fixed Assets (Net)	5.48	10.09
<b>Net Profit for calculating Directors' Commission</b>	<b>3,390.32</b>	<b>3,034.45</b>

**Maximum Commission Payable To:-**

Non-Executive Directors 0.30% on Rs. 3,390.32 Lacs (Rs. 3,034.48 Lacs)	10.17	9.10
Managing Director 2% (Previous year 2%) on Rs.3,390.32 Lacs (Rs.3,034.45 Lacs)	67.81	60.69

Commission Paid to:-		
Non- Executive Directors restricted to:-	6.00	6.00
Managing Director restricted to:-	49.60	45.88

Director's Commission (restricted in terms of the agreement with reference to salaries, allowances and limits prescribed under the Companies Act)

**b) Director Remuneration includes the following:**

	<u>Current Year</u> 2012-13	<u>(Rs. In lacs)</u> <u>Previous Year</u> 2011-12
Remuneration paid to Directors including the Managing Director and Whole time Director		
Salary	68.10	51.39
Share in Profits to Managing Director	49.60	45.88
Contribution to Provident Funds and Other funds	8.17	6.17
Other allowances	<u>65.96</u>	<u>54.95</u>
	<b><u>191.83</u></b>	<b><u>158.39</u></b>

As the liabilities for gratuity and leave encashment are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the director are not included above.

**22 Earning Per Share' in accordance with Accounting Standard (AS-20)**

Description	(Rs. In lacs, except per share data)	
	<u>Current Year</u>	<u>Previous Year</u>
Net Profit After Taxation	2,821.48	1,862.63
Add: Tax adjustment of earlier years	-	-
Profit attributable to ordinary shareholders	2,821.48	1,862.63
Number of Equity Shares (in nos)	10,000,000.00	10,000,000.00
Nominal Value of Equity shares	10.00	10.00
<b>Basic &amp; Diluted Earnings Per Share (Rs.)</b>	<b>28.21</b>	<b>18.63</b>

**23 Employee Benefits', in accordance with Accounting Standard (AS-15)**

**A Gratuity and Leave Encashment Gratuity**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Scheme is funded with an insurance company in the form of a qualifying insurance policy. The following tables summaries the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.

Particulars	(Rs. In lacs)			
	2012-13 Gratuity (Funded)	2012-13 Leave Encashment (Unfunded)	2011-12 Gratuity (Funded)	2011-12 Leave Encashment (Unfunded)
Change in present value of the defined obligation				
- Present value of obligations as at 01.04.2012	156.81	90.21	126.81	76.21
- Interest Cost	12.54	7.22	10.78	6.48
-Past Service Cost	-	-	-	-
- Current Service Cost	36.59	25.88	27.72	21.62
- Benefits Paid	(12.89)	(14.54)	(6.51)	(35.71)
- Actuarial loss on obligations	37.03	14.33	(2.00)	21.61
Present value of obligations as at 31.03.2013	<b>230.08</b>	<b>123.10</b>	156.80	90.21

(Rs. In lacs)

Particulars	2012-13	2012-13	2011-12	2011-12
Changes in fair value of plan assets	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
- Fair value of plan assets at the beginning of the year	142.58	-	137.41	
- Acquisition adjustment	-	-	-	
- Expected return on plan assets	13.19	-	11.68	
- Contributions	58.47	-	-	
- Benefits paid	(12.89)	-	(6.51)	
- Actuarial gain/(loss) on plan assets	3.61	-	-	
Fair value of plan assets at the end of the year	204.96	-	142.58	-

(Rs. In lacs)

Particulars	2012-13	2012-13	2011-12	2011-12
Liability recognized in Balance Sheet	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
- Present value of obligations at the end of the year	230.08	123.10	156.81	90.21
- Fair value of plan assets as at the end of the year	204.96	-	142.58	-
- Funded Status / Difference	(25.12)	(123.10)	(14.22)	(90.21)
- Excess of actual over estimated	3.61	-	-	-
- Unrecognized Actuarial (Gain). Loss	-	-	-	-
- Net Assets/ (Liabilities) recognized in Balance Sheet	(25.12)	(123.10)	(14.22)	(90.21)

(Rs. In lacs)

Particulars	2012-13	2012-13	2011-12	2011-12
Expenses recognized in Statement of Profit and Loss Account	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
- Current Service Cost	36.59	25.88	27.72	21.62
- Past Service Cost	-	-	-	-
- Interest Cost	12.54	7.22	10.78	6.48
- Expected return on Plan assets	(13.18)	-	(11.68)	-
- Net Actuarial (Gain). Loss recognized during the year	33.41	14.33	(2.00)	21.61
Total Expenses	69.36	47.43	24.82	49.71

Amounts for the current and previous five periods in respect of gratuity are as follows:

Gratuity					
Particulars	2012-13	2011-12	2010-11	2009-10	2008-2009
Defined benefit obligation	230.08	156.81	126.81	69.83	52.66
Plan Assets	204.96	142.58	137.41	77.87	48.27
Surplus/ (deficit)	(25.12)	(14.23)	10.60	8.04	(4.39)
Experience adjustment on plan assets	4.68	(0.89)	7.80	(4.71)	(3.33)
Experience adjustment on plan liabilities	(36.60)	1.60	(25.57)	0.17	(2.81)

(Rs. In lacs)

Leave encashment					
Particulars	2012-13	2011-12	2010-11	2009-10	2008-2009
Defined benefit obligation	123.10	90.21	76.21	49.25	37.07
Plan Assets	-	-	-	-	-
Surplus/ (deficit)	(123.10)	(90.21)	(76.21)	(49.25)	(37.07)
Experience adjustment on plan assets	-	-	-	-	-
Experience adjustment on plan liabilities	(14.04)	(21.88)	(19.69)	(0.04)	(2.44)

The principal assumptions used in determining gratuity for the Company's plans are shown below:

Particulars	(Rs. In lacs)	
	2012-13	2011-12
- Discount rate	8.00%	8.50%
- Expected rate of return on assets	9.25%	8.50%
- Expected rate of future salary increase	5.50%	6.00%
- Retirement age	58 years	58 years

**B Provident Fund and Employees State Insurance**

The Company makes contribution to statutory provident fund and Employee State Insurance in accordance with Employees Provident Fund and Miscellaneous Provision Act, 1952 and Employee State Insurance Act, 1948 respectively. This is post employment benefit and is in the nature of defined contribution plan. Contribution made by the Company during the year is Rs.173.55 Lacs. (Previous year Rs. 163.30 lacs)

- 24 a) Provision for current income tax has been considering various benefits and allowances available to the Company under the provisions of the Income Tax Act, 1961.
- b) Movement of deferred tax provision /adjustment in accordance with Accounting Standard (AS-22)'Accounting for Taxes on Income' is as under:

(Rs. In lacs)

2011-12		2012-13		
Balance as on 01.04.2011	Charge (Credit) during the year to P & L	Balance as on 01.04.2012	Charge (Debit) during the Year to P & L	Balance as on 31.03.2013
1,079.61	217.89	1,297.50	(143.27)	1,154.23
-	-	-	-	-
(20.91)	(12.97)	(33.88)	(14.21)	(48.09)
(327.00)	327.00	-	-	-
731.70	531.92	1,263.62	(157.48)	1,106.14

**A. Deferred Tax Liabilities**

Difference between book and tax depreciation

**B. Deferred Tax Assets**

Disallowance u/s 43-B of the Income Tax Act, 1961  
Brought forward Losses

**Net Deferred Tax Liabilities (A-B)**

- 25 As the Company's business activity falls within a single primary business segment viz. Motorcycles Parts, the disclosure requirements of Accounting Standard (AS-17) "Segment Reporting" notified by Companies (Accounting Standards) Rules, 2006, (as amended) are not applicable.

- 26 Disclosures as required by Accounting Standard (AS-18) 'Related Party Disclosures\*\*:-

**a) Key Managerial Personnel**

Mr. Neeraj Munjal, Managing Director

Dr. Anil Kumar Gupta, Director - Technical

**b) Holding Company**

Dayanand Munjal Investments Private Limited

**c) Enterprises over which key management personnel and their relatives are able to exercise significant influence**

Munjal Showa Limited

- d) The following transactions were carried out with the related parties in the ordinary course of business:

(Rs. In lacs)

Nature of Transaction	Key Management Personnel		Enterprises over which key management personnel and their relatives are able to exercise significant influence		Total	
	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>Sale of Goods and Services</b> Munjal Showa Limited	-	-	1,014.52	465.00	1,014.52	465.00
<b>Salary &amp; Perquisites</b> Neeraj Munjal (Managing Director) Anil Kumar Gupta (Director - Technical)	165.79 26.04	151.72 6.67*	- -	- -	165.79 26.04	151.72 6.67

\* Part of the year

Nature of Transaction	Key Management Personnel		Enterprises over which key management personnel and		Total	
	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
Outstanding Balance as at the year end Amount (receivable) Munjal Showa Limited	-	-	148.02	108.89	148.02	108.89

\*\* Identified and certified by the management.

- 27 Future commitments in respect of minimum lease payments payable for non cancellable operating leases (other than land) entered into by the Company:

(Rs. In lacs)

Particulars	2012-13	2011-12
Not later than one year	69.25	66.83
Later than one year and not later than five years	311.39	430.29
Later than five years	98.41	52.31
	479.05	549.43

- 28 Unhedged Foreign Currency Exposures

The amount of foreign currency exposures that are not hedged by a derivative instrument or otherwise are as under:-

(Rs. In lacs)

Particulars	2012-13		2011-12		
	Foreign Currency	Amount in FC	Amount in INR	Amount in FC	Amount in INR
Receivables (Debtors)	EURO	22,134	15.20	55,321.68	37.24

### III ADDITIONAL INFORMATION PURSUANT TO THE PARAGRAPHS V OF PART II OF REVISED SCHEDULE VI OF THE COMPANIES ACT, 1956

- 29 Particulars in respect of licenced and installed capacities:

Class of Goods	Installed Capacity			
	Gurgaon		Haridwar	
	2012-13	2011-12	2012-13	2011-12
<b>Gear Components:</b>				
Forging Components	18,000,000	18,000,000	123,600,000	123,600,000
Gear Blank Machining	19,500,000	19,500,000	33,000,000	33,000,000
Gear Finishing	8,400,000	8,400,000	33,000,000	33,000,000

- (i) The installed capacity is on annualised basis and is as certified by the management and relied upon by the auditors being a technical matter. The installed capacity is calculated on triple shift basis.
- (ii) Actual production of Forging Components and Gear blanks Machining depends on exact specification of the product. The quantities are indicative of production, with specifications, which are considered representative of estimated average product mix.

- 30 Particulars in respect of opening and closing stock of finished goods produced

Opening Stock	2012-13		2011-12	
	Qty.(in Nos.)	Value	Qty.(in Nos.)	Value
Class of Goods				
Gear Components	408,570	222.84	31,841	14.52
Closing Stock	2012-13		2011-12	
	Qty.(in Nos.)	Value	Qty.(in Nos.)	Value
Class of Goods				
Gear Components	351,849	237.49	408,570	222.84

- 31 Details of Production and sales

Production	2012-13	2011-12
Class of Goods	Qty.(in Nos.)	Qty.(in Nos.)
Gear Components	59,635,937	55,160,453

Sales Class of Goods	2012-13		2011-12	
	Qty.(in Nos.)	Value (in Lacs)	Qty.(in Nos.)	Value (in Lacs)
Gear Components	59,692,658	39,200.80	54,783,724	37,901.64

\* includes sales of Scrap of Rs. 880.97 lacs (Previous Year Rs.759.17 lacs) and Export Sales of Rs. 94.66 lacs (Previous Year Rs.99.79 lacs)

**32 Raw Material, processing materials and components consumption: (Amt. In lacs)**

Class of Goods	2012-13		2011-12	
	Qty.	Value	Qty.	Value
Alloy Steel (Qty. in MT)	15,223.14	11,487.84	15,797.69	11,368.67
Bought out parts (Nos.)	1,637,006.00	279.00	2,126,017.00	694.04
		11,766.84		12,062.71

**33 Value of Imported and Indigenous Raw Materials and Stores Class of Goods (Amt. In lacs)**

Raw Material and Components	2012-13		2011-12	
	Value	%age	Value	%age
Imported	-	0%	-	0%
Indigenous:	11,766.84	100%	12,062.71	100%
	11,766.84		12,062.71	

Stores, spares, Tools & Dies consumed	2012-13		2011-12	
	Value	%age	Value	%age
Imported	703.58	15%	710.47	13%
Indigenous	4,024.48	85%	4,740.83	87%
	4,728.06		5,451.30	

**34 Expenditure in foreign Currency (on cash basis) (Amt. In lacs)**

	2012-13	2011-12
Foreign Traveling	53.25	42.85
Consultancy Charges	12.77	10.85
	66.02	53.70

**35 CIF Value of Imports (Amt. In lacs)**

	2012-13	2011-12
Stores and Spares	703.58	1,003.04
Capital Goods	291.01	1,826.86
	994.59	2,829.90

**36 Earning in Foreign Exchange (Amt. In lacs)**

	2012-13	2011-12
FOB value of Exports	94.66	99.79

As per our report of even date  
for S. S. KOTHARI MEHTA & CO.  
Chartered Accountants

For and on behalf of the Board

**KAMAL KISHORE**  
Partner  
Membership No.078017

**Neeraj Munjal**  
Managing Director

**Anil Kumar Gupta**  
Director

**Davendra Ujlayan**  
AVP- Finance & CS

PLACE : New Delhi  
DATE: May 28, 2013

## SHIVAM AUTOTECH LIMITED

Regd. Office: 303, 3<sup>rd</sup> Floor, Square One, Saket, New Delhi – 110 017

### 8<sup>TH</sup> ANNUAL GENERAL MEETING ATTENDANCE SLIP

Folio No. \_\_\_\_\_

No. of Shares(s) Held: \_\_\_\_\_

Client ID.*	
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D.P. ID.*	
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Name(s) in full	Father/Husband's Name	Address as registered with the company
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____

I/We hereby record my/our presence at the 8<sup>th</sup> Annual General Meeting of the Company being held at **The Tivoli Garden Resort, Near Chattarpur Mandir, Chattarpur Road, New Delhi – 110017** on Tuesday, the 24<sup>th</sup> day of September, 2013 at 11.00 A.M.

**Signature of the Member(s)/Proxy**

1. \_\_\_\_\_ 2. \_\_\_\_\_ 3. \_\_\_\_\_

\*Applicable for members holding share(s) in electronic form

**Notes:**

1. A member / proxy attending the meeting must complete this Attendance Slip and hand it over at the entrance of meeting hall.
2. A member intending to appoint a proxy, should complete the Proxy Form printed below and deposit it at the Company's Registered Office not later than 48 hours before the commencement of the meeting.

## SHIVAM AUTOTECH LIMITED

Regd. Office: 303, 3<sup>rd</sup> Floor, Square One, Saket, New Delhi – 110 017

### 8<sup>TH</sup> ANNUAL GENERAL MEETING PROXY FORM

Folio No. \_\_\_\_\_

No. of Shares(s) Held: \_\_\_\_\_

Client ID.*	
-------------	--

D.P. ID.*	
-----------	--

Name(s) in full	Father/Husband's Name	Address as registered with the company
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____

being a member(s) of Shivam Autotech Limited hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or falling him / her \_\_\_\_\_ of \_\_\_\_\_ as my / our proxy to vote for me / us on my / our behalf at the 8<sup>th</sup> Annual General Meeting of the Company at 11.00 A.M. and any adjournment thereof.

Signature of Proxy

**Signature of the Member(s)**

1. \_\_\_\_\_ 2. \_\_\_\_\_ 3. \_\_\_\_\_

Affix 1 rupee Revenue Stamp
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\*Applicable for members holding share(s) in electronic form.

**Note:** The proxy should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.