



**Shivam**  
Autotech Ltd.

12<sup>th</sup> Annual Report &  
Accounts 2016-17

**Manufacturers of Transmission and  
Precision Engineering Components**



# TABLE OF CONTENTS

About us.....	2
Awards and Certificates .....	4
Notice .....	7
Explanatory Statement .....	12
Board's Report .....	17
Management Discussion & Analysis Report .....	24
Annexure 'B' to Board's Report .....	26
Secretarial Audit Report .....	49
Auditors' Report .....	58
Balance Sheet .....	64
Profit & Loss Account .....	65
Cash Flow Statement .....	66
Notes to the Financial Statements .....	67
Location Map .....	93
Proxy Form .....	94
Attendance Slip .....	96

## About us:

Shivam Autotech Limited is one of the largest manufacturers of Transmission Gears and Shafts in India having headquarters in New Delhi. The Company at present employs 3000+ people and proves its capabilities to grow and sustain in the fast changing global auto component business environment.

The Company manufactures and markets components that include Transmission Gears & Shafts, Auto-electrical Components, Steering Components and various Precision Engineering Components. Shivam Autotech Limited has been serving a large number of national and international automobile manufacturers as their principal component partner from its inception.

Recently, we had set-up two additional state-of-the-art plants at Vemgal, Karnataka and Rohtak, Haryana. These two new plants are operating to produce finished products as import substitution under indigenization program, leading to considerable foreign exchange savings. This competence development also gives an opportunity for future exports to different overseas customers. This is a step forward in achieving Make – in – India dream of Government of India.



Haridwar Plant - Plot No. 3, Industrial Park 2, Phase I, Village Salempur, Tehsil Mehdood, Haridwar – 249401, Uttarakhand



Binola Plant - 58 Km Stone, Delhi - Jaipur Highway, Village - Binola, Gurugram – 122413, Haryana



Manesar Plant - Plot No.- 1, Sector-5, IMT Manesar, Gurugram - 122050, Haryana



Bengaluru Plant - Plot No. 98, Vemagal Industrial Area, Kolar – 563101, Karnataka



Rohtak Plant - Plot No. 9, Sector-30A, IMT Rohtak, District: Rohtak -124001, Haryana

## AWARDS AND CERTIFICATES

Over the years, Shivam Autotech Limited has been honored with prestigious industry awards and certifications that bear a clear testimony to the level of quality, continuous innovation, adherence to delivery schedule and its stature with OEMs.



Award for Outstanding performance in Quality  
by Denso India Limited



Award for Supplier of the year by Mando  
Automotive India Pvt. Limited



Supplier Award in Appreciation of Best Support for the year 2016  
by Mitsuba Sical India Pvt. Ltd.



Certificate of Appreciation for superior performance in the field of Two Wheeler Engine Development, by Maruti Suzuki India Limited



Certificate of Appreciation for Outstanding Performance in the category of Quality, by Denso India Limited



Certificate of Quality Assurance Compliance by Hyundai Motor India Limited



Certificate of Appreciation for "Waste Paper Recycling" By Green-O-Tech India

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### CHAIRMAN

Mr. Sunil Kant Munjal

#### MANAGING DIRECTOR

Mr. Neeraj Munjal

#### DIRECTORS

Mr. Bhagwan Dass Narang

Mr. Surrinder Lal Kapur

Dr. Vinayshil Gautam

Dr. Anil Kumar Gupta, Director (Technical)

Mrs. Charu Munjal, Executive Director

#### FINANCE TEAM

Mr. Davendra Ujayan, VP-Finance

Ms. Shivani Kakkar, Company Secretary

#### STATUTORY AUDITORS

S. S. Kothari Mehta & Co.,

Chartered Accountants,

New Delhi

#### INTERNAL AUDITORS

N. Kochhar & Co.,

Chartered Accountants,

New Delhi

#### SECRETARIAL AUDITORS

Satyender Kumar & Associates

Company Secretaries

Gurugram

#### BANKERS

IDBI Bank Ltd.

HDFC Bank Ltd.

IDFC Bank Ltd.

ICICI Bank Ltd.

Kotak Mahindra Bank Ltd.

YES Bank Ltd.

#### REGISTERED OFFICE

303, 3rd Floor, Square One, District Centre,

Saket, New Delhi-110017

#### BINOLA PLANT

58th Km. Stone, Delhi-Jaipur Highway

Village: Binola-122413, District Gurugram (Haryana)

#### HARIDWAR PLANT

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

Village Salempur, Tehsil Mehdood,

District Haridwar (Uttarakhand)-249401

#### MANESAR PLANT

Plot No. 1, Sector 5, IMT Manesar

Gurugram -122050, Haryana

#### BANGALORE PLANT

Plot No. 98, Vemagal Industrial Area

Kolar - 563101, Karnataka

#### ROHTAK PLANT

Plot No. 9, Sector 30A, IMT Manesar

District Rohtak -124001, Haryana

#### REGISTRAR & TRANSFER AGENT

MCS Share Transfer Agent Limited

F-65, First Floor, Okhla Industrial Area,

Phase 1, New Delhi - 110020

## NOTICE

Notice is hereby given that the **12<sup>th</sup> Annual General Meeting** of the Members of **SHIVAM AUTOTECH LIMITED** will be held on Friday, the 29<sup>th</sup> day of September, 2017 at 11:30 A.M. at Tivoli Garden Resort, Near Chattarpur Mandir, Chattarpur Road, New Delhi-110074, to transact the following business:

### **A ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2017, the Statement of Profit & Loss and Cash Flow Statement for the financial year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Dr. Anil Kumar Gupta (DIN 02643623), who retires by rotation and being eligible has offered himself for re-appointment.
3. To appoint a director in place of Mrs. Charu Munjal (DIN 03094545), who retires by rotation and being eligible has offered herself for re-appointment.
4. Appointment of NSBP & Co., Chartered Accountants as the Statutory Auditors of the Company.

To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the recommendations of the Audit Committee, NSBP & Co., Chartered Accountants, New Delhi (Firm Registration No. 001075N), who being eligible for appointment have offered themselves for their appointment, be and is hereby appointed as the Statutory Auditors of the Company, in place of S.S. Kothari Mehta & Co., Chartered Accountants, New Delhi, (Firm Registration No. 000756N), to hold office from the conclusion of this Annual General Meeting until the conclusion of 17<sup>th</sup> Annual General Meeting of the Company, subject to annual ratification by the shareholders at every Annual General Meeting and at such remuneration as may be mutually agreed between the Board of Directors of the Company and Auditors.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all

such necessary acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution”

### **B SPECIAL BUSINESS**

5. Revision in remuneration of Mr. Neeraj Munjal (DIN 00037792) Managing Director.

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** in accordance with the provisions of Section 196, 197, 198 read with Schedule V and other applicable provisions, as amended or re-enacted from time to time, if any, of the Companies Act, 2013 and rules made there under and subject to such approvals as may be necessary, the consent of the Company be and is hereby accorded for the revision in remuneration of Mr. Neeraj Munjal, Managing Director (DIN 00037792) of the Company w.e.f. August 1, 2017 for the remainder of his tenure in the manner as set out in the explanatory statement annexed to the Notice convening this meeting.

**RESOLVED FURTHER THAT** except as stated in the explanatory statement annexed below, other terms and conditions of re-appointment 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.”

6. Revision in the remuneration of Mrs. Charu Munjal (DIN 03094545), Whole Time Director.

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** in accordance with the provision of Section 196, 197, 198 read with Schedule V and other applicable provisions, as amended or re-enacted from time to time, if any, of the Companies Act, 2013 and rules made there under and subject to such approvals as may be necessary, the consent of the Company be and is hereby accorded for revision in the remuneration of Mrs. Charu Munjal, Whole Time

Director (DIN 03094545) designated as “Executive Director” with effect from August 1, 2017 for the remainder of her tenure in the manner as set out in the explanatory statement annexed to the Notice convening this Annual General Meeting.

**RESOLVED FURTHER THAT** except as stated in the explanatory statement annexed below, other terms and conditions of re-appointment 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.”

7. Revision in the remuneration of Dr. Anil Kumar Gupta (DIN 02643623), Whole Time Director.

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** in accordance with the provision of Section 196, 197, 198 read with Schedule V and other

applicable provisions, as amended or re-enacted from time to time, if any, of the Companies Act, 2013 and rules made there under and subject to such approvals as may be necessary, the consent of the Company be and is hereby accorded for the revision in remuneration of Dr. Anil Kumar Gupta (DIN 02643623), Whole Time Director of the Company designated as “Director (Technical)” with effect from December 20, 2016 for the remainder of his tenure in the manner as set out in the explanatory statement annexed to the Notice convening this Annual General Meeting.

**RESOLVED FURTHER THAT** except as stated in the explanatory statement annexed below, other terms and conditions of re-appointment 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.”

**Place: New Delhi**

**Date: August 10, 2017**

**Registered Office:**

303, 3<sup>rd</sup> Floor, Square One,  
District Centre, Saket,  
New Delhi – 110 017

CIN:L34300DL2005PLC139163

e-mail: [admn@shivamautotech.com](mailto:admn@shivamautotech.com)

website: [www.shivamautotech.com](http://www.shivamautotech.com)

Tel: +91 11 49242100 Fax: +91 11 49242116

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

**Sd/-  
Shivani Kakkar  
Company Secretary  
Membership No. 25097**

## NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE (ON A POLL ONLY) INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXIES IN ORDER TO BE VALID MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS ENCLOSED HEREWITH.**
2. **A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) IN NUMBER AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. IN CASE A PROXY IS PROPOSED TO BE APPOINTED BY A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS, THEN SUCH PROXY SHALL NOT ACT AS A PROXY FOR ANY OTHER MEMBER.**
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, authorising their representatives to attend and vote at the Annual General Meeting.
5. As required under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, particulars relating to Dr. Anil Kumar Gupta and Mrs. Charu 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 102 of the Companies Act, 2013, which sets out details relating to Special Business (es) to be transacted at the meeting, is annexed hereto.
7. Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 22, 2017 to Friday, September 29, 2017 (both days inclusive)
8. The Notice of the AGM along with the Annual Report 2016-17 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.  
  
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@mcsregistrars.com](mailto:admin@mcsregistrars.com).
9. Pursuant to the provisions of Section 124 of the Companies Act, 2013, 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 125 of the Companies Act, 2013. The details of unpaid amounts as per provisions of Section 124 of the Companies Act, 2013 are uploaded on the website of the Company.  
  
The dividend declared by the Company for the financial year 2009-10, of which Rs.277,915.50 has remain unpaid/unclaimed shall be transferred to IEPF on or before December 4, 2017. 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 2009-10, which is due for transfer to IEPF, should be claimed by the members before November 4, 2017. After that date, no claim shall lie against the 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)

10. 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.
11. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the remote e-voting services provided by CDSL, on all the resolutions set forth in this Notice.

In order to enable its Members, who do not have the access to remote e-voting facility to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, the Company is enclosing a Ballot Form with the Notice. Instructions for Ballot Form are given at the back of the said form and instructions for remote e-voting are given here in below. Resolution(s) passed by Members through Ballot Forms or remote e-voting is / are deemed to have been passed as if they have been passed at the AGM.

12. The notice of Annual General Meeting is being sent to the members, whose names appear in the register of members / depositories as at business closing hours on August 25, 2017
13. The shareholders shall have one vote per equity share held by them. The facility of remote e-voting would be provided once for every Folio/ Client ID, irrespective of the number of joint holders.

The Board of Directors of the Company (the "Board") at its meeting held on August 10, 2017 have appointed CS Satyender Kumar, (Membership No. FCS4087), Satyender Kumar & Associates, Company Secretaries, Gurugram as the Scrutinizer for conducting the voting process (physical & remote e-voting) in a fair and transparent manner in accordance with law.

14. The scrutinizer shall immediately after the conclusion of voting at the General Meeting, first count the votes

cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of two witnesses not in employment of the Company and make a Consolidated Scrutinizer's Report to Chairman of the Company within 48 hours of conclusion of the general meeting.

15. The Results declared alongwith the Consolidated Scrutinizer's Report shall be placed on the Company's website [www.shivamautotech.com](http://www.shivamautotech.com) and on the website of CDSL after the result is declared by Chairman and communicated to the NSE and BSE Limited.
16. The scrutinizer's decision on the validity of remote e-voting and poll at AGM will be final.

#### **Instructions for Remote Voting through electronic mode**

- i. The remote voting period begins on 09:00 A.M. on Tuesday, September 26, 2017 and ends 05:00 P.M. on Thursday, September 28, 2017. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Friday, September 22, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iv. Click on Shareholders.
- v. Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vi. Next enter the Image Verification as displayed and Click on Login.
- vii. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

viii. If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details or Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v)</li> </ul>

- ix. After entering these details appropriately, click on "SUBMIT" tab.
- x. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii. Click on the EVSN for the Company Name on which you choose to vote.
- xiii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xvi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xviii. If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xix. Note for Non-Individual Shareholders & Custodians:
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013.

### ITEM NO. 5

The present proposal is to seek the Members' approval for the revision in the remuneration of Mr. Neeraj Munjal, Managing Director of the Company in terms of the applicable provisions of the Companies Act, 2013.

At the Annual General Meeting of the Company held on September 29, 2016, the Members had approved the re-appointment of Mr. Neeraj Munjal as Managing Director of the Company for a period of five years from April 1, 2016 to March 31, 2021.

Mr. Neeraj Munjal has completed his Bachelor's degree in Commerce and holds Diploma in Business Management from Bradford & Likhly Community College, England. He has more than 28 years of experience in the Auto Components sector. With the vision of setting up Greenfield project for precision cold and hot forged auto components, Mr. Neeraj Munjal started the first manufacturing location at Gurugram and has today expanded to five fully functional manufacturing units in Gurugram, Haridwar, Manesar, Bengaluru and Rohtak. All the five manufacturing locations are equipped with state-of-the-art equipment and pioneer in near net shape forging operation through hot, warm and cold routes, gear cutting, machining, heat treatment and finishing operations.

Mr. Neeraj Munjal has been involved from concept to the commissioning of the each project and with his far-sighted vision and committed dedication; he has successfully brought the Company to this level.

Shareholding in the Company: Nil

The Board of Directors, on the recommendations of Nomination and Remuneration Committee, has approved the proposal of increase in the remuneration of Mr. Neeraj Munjal, Managing Director in their meeting held on August 10, 2017, subject to the approval of the members in the Annual General Meeting. The increased remuneration of Mr. Neeraj Munjal is set out as under:

- A) **Basic Salary:** Rs. 800,000/- (Rupees Eight Lacs 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 197 of the Companies Act, 2013.
- 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	% of Basic Salary
• House Rent Allowance	50.00%
• Electricity Allowance	10.00%
• Professional Development Allowance	10.00%
• Child Education Allowance	5.00%
• Furnishing Allowance	5.00%
• Management Allowance	3.40%

**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 Travelling Expenses: Such travelling 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 V to the Companies Act, 2013.

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's salary for each completed year of service.

None of the directors, except Mr. Neeraj Munjal and Mrs. Charu Munjal, 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. 6**

The present proposal is to seek the Members' approval for the revision in the remuneration of Mrs. Charu Munjal as Whole Time Director designated as "Executive Director", in terms of the applicable provisions of the Companies Act, 2013.

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. Her experience and energetic approach in marketing related functions enables the Company to actively pursue and seize new Business Development opportunities. She leads the team of marketing personnel and guides them to identify new marketing initiatives/forgo strategies for new business developments and control all associated administration and system-driven operations.

Shareholding in the Company: Nil

The Board of Directors, on the recommendations of Nomination and Remuneration Committee, in their meeting held on August 10, 2017 has approved the proposal for revision in the remuneration of Mrs. Charu Munjal as Whole Time Director designated as "Executive Director", subject to the approval of the members in the Annual General Meeting. All other terms & conditions of her appointment will remain unchanged. The increased remuneration of Mrs. Charu Munjal is set out as under:

- A) Basic Salary:** Rs. 400,000/- (Rupees Four Lacs 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 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 197 of the Companies Act, 2013.

**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** **% of Basic Salary**

a. House Rent Allowance	50.00%
b. Electricity Allowance	10.00%
c. Management Allowance	1.53%
d. Child Education Allowance	0.25%
e. Furnishing Allowance	5.00%

**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 V to the Companies Act, 2013.

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 and Mr. Neeraj 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 the revision in the remuneration of Whole Time Director designated as "Director (Technical)", in terms of the applicable provisions of the Companies Act, 2013.

Dr. Anil Kumar Gupta was re-appointed as Whole Time Director designated as "Director (Technical)" of the Company w.e.f. December 20, 2014 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 with special expertise in Metal Forming Processes, including technology development of light weighted materials and composites.

Dr. Gupta, with his rich experience of 42 year, is capable of creating complex sub-systems, resulting in value addition. He has helped the management in taking the company to higher level.

Shareholding of the Company: Nil

The Board of Directors, on the recommendations of Nomination and Remuneration Committee, has approved the proposal of revision in the remuneration of Dr. Gupta w.e.f. December 20, 2016 in their meeting held on February 13, 2017, subject to the approval of the members in the Annual General Meeting. The increased remuneration of Dr. Anil Kumar Gupta is set out as under:

**A) Basic Salary:** Rs.215,000/- (Rupees Two Lacs and Fifteen Thousand Only) 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	60.00%
ii.	Dearness Allowance	10.00%
iii.	Professional Development Allowance	10.00%
iv.	Special Allowance	23.95%
v.	Medical Reimbursement Allowance	0.58%

**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. 14.00 Lakhs (Rupees Fourteen 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 V to the Companies Act, 2013.

Provided further that the following prerequisites 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.

**Place: New Delhi**  
**Date: August 10, 2017**

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

**Registered Office:**  
 303, 3<sup>rd</sup> Floor, Square One,  
 District Centre, Saket,  
 New Delhi – 110 017  
 CIN:L34300DL2005PLC139163  
 e-mail: [adm@shivamautotech.com](mailto:adm@shivamautotech.com)  
 website: [www.shivamautotech.com](http://www.shivamautotech.com)  
 Tel: +91 11 49242100 Fax: +91 11 49242116

**Sd/-**  
**Shivani Kakkar**  
**Company Secretary**  
**Membership No. 25097**

#### INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

Name of Director	Dr. Anil Kumar Gupta	Mrs. Charu Munjal
<b>Date of Birth</b>	02-April-1951	04-June-1972
<b>Date of Appointment</b>	28-April-2009	28-May-2013
<b>Qualifications</b>	Doctorate in Engineering and Fellow of Indian National Academy of Engineering (FNAE).	Diploma in Textile Designing
<b>Experience in Specific functional areas</b>	Creating value addition and complex sub- systems / systems. In-depth knowledge of metallurgical engineering.	Exposure in creative designing and marketing field.
<b>List of Companies in which outside Directorship held</b>	-	1. Munjal Showa Limited
<b>Chairman / Member of Committees of Board of directors of other companies in which he/she is a director</b>	-	-
<b>No of Shares held</b>	Nil	Nil

\* Excluding private limited companies

\*\* Only Audit Committee & Stakeholders Relationship Committee considered

**Place: New Delhi**  
**Date: August 10, 2017**

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

**Registered Office:**  
 303, 3<sup>rd</sup> Floor, Square One,  
 District Centre, Saket,  
 New Delhi – 110 017  
 CIN:L34300DL2005PLC139163  
 e-mail: [adm@shivamautotech.com](mailto:adm@shivamautotech.com)  
 website: [www.shivamautotech.com](http://www.shivamautotech.com)  
 Tel: +91 11 49242100 Fax: +91 11 49242116

**Sd/-**  
**Shivani Kakkar**  
**Company Secretary**  
**Membership No. 25097**

## BOARD'S REPORT

Your Directors are pleased to present before you, the 12th Annual Report on the business and operations of the Company together with the Audited Financial Statements of the Company for the Financial Year ended March 31, 2017.

### Financial Highlights

The Company's financial performance, for the year ended March 31, 2017 is summarized below:

Rupees (in Lacs)

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
Gross Sales & Other Income	48,564.18	44,785.80
<b>Profit before Depreciation and Interest</b>	<b>4737.42</b>	<b>7079.68</b>
Depreciation	3200.36	2784.75
Interest	2886.70	2146.90
<b>Profit before Taxation</b>	<b>(1349.64)</b>	<b>2148.03</b>
Provision for Taxation (Deferred & Current)	(966.77)	224.17
<b>Profit after Taxation</b>	<b>(382.87)</b>	<b>1923.86</b>

### State of Company's Affairs and Future Outlook

During the financial year 2016-17, revenue from operations was Rs.48,564.18 lacs as compared to Rs. 44,785.80 lacs in 2015-16, registering an increase of 8.44%.

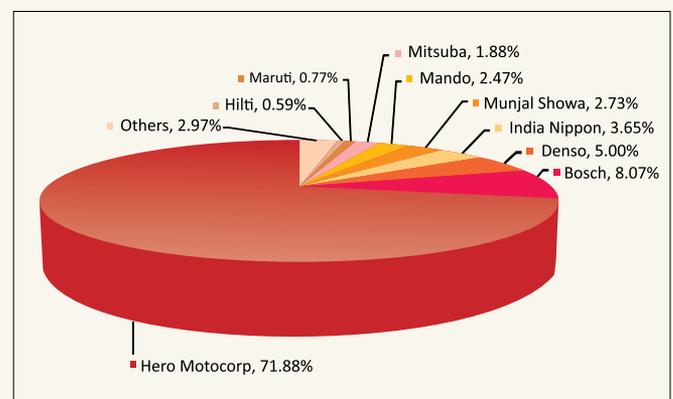
The Company has achieved major milestones in setting up of two state of the art manufacturing facilities at Bengaluru and Rohtak, though the capex of these facilities has impacted the profitability of FY 16-17. Operating profit of the Company has declined by 33.08% from Rs. 7079.68 lacs in 2015-16 to Rs. 4737.42 lacs in 2016-17. However, these capex in new plants has widen the Company's product portfolio and has enhanced further its capability as a niche auto components producer.

During the year under review, financial results have been impacted due to the economic situation of the Country. The ancillary character of the market has been affected due to the demonetization effect, but your Company's management has utilized this situation in an efficient manner for preventive maintenance of machines thus resulting in operational efficiency. Your Company has taken measures to enhance operational efficiencies by focusing on improving yields, reducing rejections and enhancing capacity utilisation.

### Business Overview

The Directors are contented to share that your Company is technology driven with high end machineries installed in its all facilities. With the state of art manufacturing facilities, the Company is functioning successively to strengthen its Customer Base. The Sales to other Customers like Bosch,

Denso and Mitsuba has increased compared to last year still Hero MotoCorp Limited (HMCL) being the major customer. The Customer Profile for the financial year 2016-17 is as follows:



With the increase in growth rate of Customers, the Company is expecting to maintain a healthy growth in its scale of operations and widen its geographical reach. It is also expected to add new customers in the upcoming financial years.

The Company is working meticulously towards mitigating its concentration risk by diluting the percentage of the concentration by increasing sales to other customers or entering new markets which is principally shown as the focus has been granted to new customers. The Company is successively clearing the major audits of its Customers in all plants and working towards entering into new verticals with the set-up of world class facilities at Bengaluru and Rohtak plant.

### Awards & Accolades

The Company is proud recipient of the following Awards as shown in Awards & Accolades Section:

1. Award for Supplier of the year by Mando Automotive India Pvt Limited.
2. Certificate of Supplier Quality awarded for fulfilling Quality Assurance Compliance by Hyundai Motor India Limited.
3. Certificate of Appreciation for superior performance in the field of Development by Maruti Suzuki India Limited.
4. Award for Outstanding performance in Quality by Denso India Limited.
5. Certificate of Appreciation for Outstanding Performance in the category of Quality by Denso India Limited.
6. Award for excellence in running SAP operations.
7. Mistuba Supplier Award 2017.

### Transfer to General Reserve

During the year under review, the Company has not transferred any amount to General Reserves. The closing balance amount of Rs. 11,463.43 Lacs (Previous year Rs. 11,846.29 lacs) will be retained as surplus in the statement of Profit and Loss Account.

### Dividend

The Board of Directors have not recommended any dividend for the Financial Year 2016-17. The dividend paid during the previous year was 20% (Rs. 0.40 per equity share).

The Register of Members and Share Transfer Books shall remain closed from Friday, September 22, 2017 to Friday, September 29, 2017 (both days inclusive).

### Holding Company

The promoters of the Company i.e. Dayanand Munjal Investments Private Limited (DMIPL) hold 74,795,950 equity shares of Rs. 2/- each 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, Joint Ventures Or Associate Companies

The Company neither has any Subsidiaries, joint ventures or associate companies nor any company have become or ceased to be its Subsidiaries, joint ventures or associate companies during the year under review.

### Management Discussion and Analysis report

A detailed discussion on the business performance and future outlook forms part of Management Discussion and Analysis Report, which is separately attached as **Annexure A** to this Board's Report.

### Board of Directors

#### a) Meeting of Board of Directors

A calendar of Meetings is prepared and circulated in advance to the Directors. During the Financial Year 2016-17, 4 (four) meetings of the Board of Directors of the Company were held on 28-May-2016, 13-Aug-2016, 12-Nov-2016 and 13-Feb-2017. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI LODR, 2015"). For details of the meetings of the board, please refer to the Corporate Governance Report, which forms part of this Annual Report.

#### b) Details of Directors and Key Managerial Personnel

Mrs. Charu Munjal and Dr. Anil Kumar Gupta, Whole Time Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Brief profile of the Director(s), as required by the SEBI LODR, 2015, is given in the Notice / Corporate Governance Report forming part of this Annual Report.

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

#### c) Declaration by Independent Director

The Company has received necessary declaration from each Independent Director under Section 149 (7) of the Companies Act, 2013 that he/she meets the criteria of Independence laid down in Section 149(6) of Companies Act, 2013 and SEBI LODR, 2015.

#### d) Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the Corporate Governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under the SEBI LODR, 2015, the Board is required to carry out an Annual Evaluation of its own performance, Board's committees and Individual Directors.

The performance of the Board as a whole, it's Committee(s) and Individual Directors including

the Chairman of the Board, was evaluated by a questionnaire formulated by the Company.

**The questionnaire was formulated based on the following criteria:**

- The Board composition and structure,
- Effectiveness of board processes,
- Information and functioning,
- The composition of committees,
- Effectiveness of committee meetings,
- The contribution of the individual director to the Board and committee meetings
- Preparedness of Directors on the issues to be discussed,
- Meaningful and constructive contribution of Directors and their inputs in meetings

**e) Separate Meeting of Independent Directors**

In terms of requirements under Schedule IV of the Companies Act 2013 and SEBI LODR, 2015, a separate meeting of Independent Directors was held on February 13, 2017. In a separate meeting of Independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

**f) Policy on Directors' appointment and remuneration and other details**

The Company's policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which forms part of the Board's report.

**Statutory Auditors**

S. S. Kothari Mehta & Co., Chartered Accountants, New Delhi were re-appointed as statutory auditors of the company by the members in their Annual General Meeting held on September 29, 2016 for the financial year 2016-17 and they retire at the forthcoming Annual General Meeting as per the provisions of Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014.

Thus, on the recommendations of the Audit Committee, and after due deliberation and consideration, the Board recommends the appointment of NSBP & Co., Chartered Accountants, New Delhi (Firm Registration no. 001075N) as the Statutory Auditors of the Company in place of retiring auditors for five years, who will hold the office upto the conclusion of the 17th Annual General Meeting subject to the ratification of appointment by shareholders at every annual general meeting.

The Report given by the Auditors, S. S. Kothari Mehta & Co, Chartered Accountants, New Delhi, on the financial statements of the Company for the financial year 2016-17, is part of the Annual Report. There are no qualifications, reservation, adverse remark, observations, comments or disclaimer given by the Auditors in their Report.

Further, with regard to section 134(3)(ca) of the Companies Act, 2013, no frauds have been reported by the auditors under section 143(12) of the said Act.

**Explanation to Auditors' Remarks**

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

**Share Capital**

During the year under review, the Issued, Subscribed and Paid-up Equity Share Capital as on March 31, 2017 was 10 Crores shares of Rs. 2/- each amounting to Rs. 20 Crore.

- a) Your Company has not issued shares with differential voting rights nor granted employee stock options nor sweat equity. And also the Company has not accepted or repaid any Debentures, Preference Share Capital and any Bond & Security during the financial year, and none of the Directors of the Company hold any shares or security of the Company. The Company does not have any Debentures, Preferential Shares as on March 31, 2017.
- b) Your company has not made any provisions of money for purchase of its own shares by employees or by trustees for the benefit of employees during the year under review.

**Deposits**

During the year, the Company has not accepted any fixed deposit.

### Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Satyender Kumar & Associates, a proprietorship firm of Company Secretaries to undertake the Secretarial Audit of the Company. Secretarial Audit Report in prescribed format MR-3 is annexed as **Annexure – E** to this Board's Report.

### Explanation to Secretarial Audit Report

The Company has initiated the process for transfer of unclaimed shares to unclaimed suspense account and the Unclaimed Suspense Account has already been opened by the Company with one of the depository. The Company shall transfer the unclaimed shares to the said account in due course of time.

The Company is taking effective steps that all statutory forms are filed within the prescribed time limit.

### Audit Committee

The Audit Committee comprises mainly of Independent Directors and the composition is as under:

Mr. Surrinder Lal Kapur	-	Chairman
Mr. Bhagwan Dass Narang	-	Member
Dr. Vinayshil Gautam	-	Member
Mr. Sunil Kant Munjal	-	Member
Dr. Anil Kumar Gupta	-	Member

The terms of reference of the Audit Committee are wide enough to cover the matters specified for the Audit Committee under SEBI LODR, 2015 as well as Section 177 of the Companies Act, 2013; the detailed terms of reference are as mentioned in the **Annexure B** of the Board's Report. During the year, the Board has accepted all recommendation of Audit Committee and accordingly no disclosure is required to be made in respect of non-acceptance of the recommendation of the Audit Committee by the Board.

### Nomination and Remuneration Committee

Nomination and Remuneration Committee (NRC) has been constituted according to Section 178(5) of the Companies Act, 2013 and the composition is as under:

Dr. Vinayshil Gautam	-	Chairman
Mr. Bhagwan Dass Narang	-	Member
Mr. Surrinder Lal Kapur	-	Member
Mr. Sunil Kant Munjal	-	Member

The detailed terms of reference are as mentioned in the **Annexure B** of the Board's Report.

### Corporate Social Responsibility (CSR) Policy

The Corporate Social Responsibility Committee has been constituted as per the provisions of Section 135 of the Companies Act, 2013 and the composition is as under:

Mr. Bhagwan Dass Narang	-	Chairman
Dr. Anil Kumar Gupta	-	Member
Mrs. Charu Munjal	-	Member

The details about the policy indicating the activities to be undertaken by the Company, activities implemented by the company and the amount spent on CSR activities as per the provisions of Companies (Corporate Social Responsibility Policy) Rules, 2014, is annexed as **Annexure – F** of the Board's Report.

### Risk Management Policy

In order to mitigate the risks, the Company has adopted the implementation of the risk management policy focusing on the elements of risks which in the opinion of the Board may threaten the existence of the company.

The Company has constituted a risk management committee, the constitution and the terms of reference of the same are mentioned in the **Annexure B** of the Board's Report.

### Disclosure on Establishment of a Vigil Mechanism

The Company has adopted a policy on vigil mechanism for directors and employees to report their genuine concerns or grievance to be the Vigilance and Ethics Officer. The policy is available on the company's website [www.shivamautotech.com](http://www.shivamautotech.com).

### Material Changes Affecting the Financial Position of the Company

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

Your Company was able to raise the short-term/long term funds needed for its working capital related requirements & term loans for new capital expenditure at reasonable rates. By efficient management of working capital, the Company has been able to reduce some interest cost. The Company continues to focus on judicious management of its working capital. During the year under review, the financial position of the Company was satisfactory.

### Significant or Material Orders passed by the Regulators

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

### **Changes in the Nature of Business**

There is no change in the nature of the business of the Company during the Financial Year 2016-17.

### **Extract of Annual Return**

The extract of Annual Return, in format MGT-9, for the Financial Year 2016-17 is enclosed as **Annexure – C** of the Board's report.

### **Particulars of Loan, Guarantees and Investments under Section 186 of the Companies Act, 2013**

The Company has neither given any loans/guarantees/provided security and nor any investments have been made by the Company.

### **Particulars of Contracts or Arrangements with Related Parties**

All contracts /arrangements/transactions entered by the Company during the financial year with the related parties were in the ordinary course of business and on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. During the year, the Company had not entered into any contracts /arrangements/transactions with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. Suitable disclosure as required by the IND AS 24 has been made in the notes to the Financial Statements.

### **Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

The Company continues to use the latest technologies for improving the productivity and quality of its products and components. The details of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo are attached as **Annexure - D** of the Board's Report.

### **Statement in Respect of Adequacy of Internal Financial Control with Reference to the Financial Statements**

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.

### **Listing**

The shares of your Company are listed at The National Stock Exchange of India Limited and The BSE Limited, and pursuant to the SEBI LODR, 2015, the Annual Listing fees for the year 2017-18 have been paid to them well before the due date i.e. April 30, 2017. The Company has also paid the annual custodian fees for the year 2017-18 in respect of Shares held in dematerialized mode to National Securities Depository Limited (NSDL) & Central Depository Services Limited (CDSL).

The Company has complied with the requirements of Corporate Governance as stipulated under the SEBI LODR, as applicable.

### **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.

A certificate from the Practising Company Secretary regarding the compliance of the conditions of Corporate Governance by the Company stipulated under SEBI LODR, 2015 is also attached to the Board's Report.

Separate detailed chapters on Corporate Governance, Additional Shareholder information and Management Discussion and Analysis are attached herewith and form part of this Report Declaration by CEO/CFO that the Board Members and Senior Management Personnel have complied with the Code of Conduct for the Financial Year 2016-17 is annexed with this report.

### **Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013**

Your Company is committed to provide work environment that ensures every employee is treated with dignity and respect and afforded equitable treatment. The Company has adopted the policy for prevention of sexual harassment at workplace. An appropriate complaint mechanism in the form of "Complaints Committee" has been created in the Company for time-bound redressal of the complaint made

by the victim. The annual report has been duly submitted to the District Officer of Department of Women and Child Development stating that no complaints have been received by the Company.

### Directors' Responsibility Statement

Pursuant to the provisions of Section 134 (5) of the Companies Act, 2013, as amended, with respect to the directors' responsibility statement, it is hereby confirmed:

- (i) That in preparation of annual accounts for the financial year ended March 31, 2017, 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, 2017 and of the losses of the Company for the financial year ended March 31, 2017;
- (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, 2013, 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 annual accounts on a going concern basis.
- (v) That the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (vi) That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### Managerial Remuneration

The details required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 are provided in Corporate Governance Report attached as **Annexure – B** of the Board's report.

### Particulars of Employees

The information required under Section 197 of the Act read with Rule 5(2) of Companies (Appointment and

Remuneration of Managerial Personnel) Rules, 2014, is attached as **Annexure - G** of the Board's report.

### Environment, Health & Safety

The Company has taken an initiative to preserve environment by indulging in paper recycling activity. The paper recycling pertains to the processes of reprocessing waste paper for reuse. Recycling paper preserves trees and forests. Every ton of recycled paper saves about 17 trees. Recycled paper serves as an environmental friendly resource for paper manufacturers, saving costs and energy. The company has recycled approx. 31238 kgs of waste paper till March 31, 2017 contributing in saving 536 nos. of trees.

The Company is very keen on its responsibilities with respect to the clean environment. Company's Health and Safety Policy commits to provide a healthy and safe work environment to all employees.

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. Safe operating procedures, standards and systems have been laid down at all manufacturing locations. Prompt medical assistances are provided to its employees. The Company has an internal plant dispensary which operates round the clock and is managed by the supported medical staff who are available for addressing health issues of employees.

### Human Resource Development

Your Directors place on record their appreciation for the significant contribution made by all employees, who through their competence, dedication, hard work, co-operation and support have enabled the Company to cross new milestones on a continual basis.

Your Company treats its "human resources" as one of its most important assets. Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. The Company's thrust is on the promotion of talent internally through job rotation and job enlargement.

### Policies

The SEBI LODR, 2015 mandated the formulation of certain policies for all listed companies. All our corporate governance policies are available on our website [www.shivamautotech.com](http://www.shivamautotech.com).

Following are the policies adopted by the company with their web links:

Policy	Web link
Code of Conduct	<a href="http://www.shivamautotech.com/Uploads/image/34imguf_SHIVAMCodeofConductforBM.pdf">http://www.shivamautotech.com/Uploads/image/34imguf_SHIVAMCodeofConductforBM.pdf</a>
Prohibition of Insider Trading	<a href="http://www.shivamautotech.com/Uploads/image/38imguf_insidertradingshimam.pdf">http://www.shivamautotech.com/Uploads/image/38imguf_insidertradingshimam.pdf</a>
Payment to Non- Executive Directors	<a href="http://www.shivamautotech.com/Uploads/image/33imguf_PaymenttoNED.pdf">http://www.shivamautotech.com/Uploads/image/33imguf_PaymenttoNED.pdf</a>
Board Diversity Policy	<a href="http://www.shivamautotech.com/pdf/Board_Diversity_Policy.pdf">http://www.shivamautotech.com/pdf/Board_Diversity_Policy.pdf</a>
Records and Archives Policy	<a href="http://www.shivamautotech.com/pdf/records_and_archives_policy.pdf">http://www.shivamautotech.com/pdf/records_and_archives_policy.pdf</a>
Related Party Transaction Policy	<a href="http://www.shivamautotech.com/pdf/RPT_policy.pdf">http://www.shivamautotech.com/pdf/RPT_policy.pdf</a>
Anti-Harassment Policy	<a href="http://www.shivamautotech.com/pdf/Anti_harassment_Policy.pdf">http://www.shivamautotech.com/pdf/Anti_harassment_Policy.pdf</a>
Corporate Social Responsibility Policy	<a href="http://www.shivamautotech.com/pdf/CSR_POLICY.pdf">http://www.shivamautotech.com/pdf/CSR_POLICY.pdf</a>
Risk Management Policy	<a href="http://www.shivamautotech.com/pdf/Risk_Management_Policy.pdf">http://www.shivamautotech.com/pdf/Risk_Management_Policy.pdf</a>
Whistle Blower Policy	<a href="http://www.shivamautotech.com/pdf/Whistle_Blower_Policy.pdf">http://www.shivamautotech.com/pdf/Whistle_Blower_Policy.pdf</a>

### Acknowledgments

Your Company's organisational culture upholds professionalism, integrity and continuous improvement across all functions as well as efficient utilisation of the Company's resources for sustainable and profitable growth.

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**

Sd/-  
**Neeraj Munjal**  
**Managing Director**  
**DIN: 00037792**

**For and on behalf of the Board**

Sd/-  
**Dr. Anil Kumar Gupta**  
**Whole Time Director**  
**DIN: 02643623**

**Place: New Delhi**  
**Date: August 10, 2017**

## ANNEXURE 'A' TO BOARD'S REPORT

### MANAGEMENT DISCUSSION & ANALYSIS REPORT

#### Economic Scenario and Industry Structure

The industry accounts for almost 7.1% of India's Gross Domestic Product (GDP) and employs as many as 19 million people, both directly and indirectly. The Two Wheelers segment with 81 per cent market share is the leader of the Indian Automobile market owing to a growing middle class and a young population. The Indian auto-components industry has experienced healthy growth over the last few years. Some of the factors attributable to this include: a buoyant end-user market, improved consumer sentiment and return of adequate liquidity in the financial system. Moreover, the growing interest of the companies in exploring the rural markets further aided the growth of the sector. A stable government framework, increased purchasing power, large domestic market, and an ever increasing development in infrastructure have made India a favourable destination for investment.

FY 2016-17 was marked by significant economic measures by the government. Government's demonetisation move to counter the shadow economy and promote cashless economy has boosted digital payments in the country. Concrete efforts to reduce unaccounted transactions through various measures like demonetization and crackdown on black money hoarders, have all ushered in a move towards transparency in the business environment. Demonetisation had a short-term impact on the overall automotive sector, as it led to a cash crunch in the market. Consequently, the two-wheeler industry recorded a decline in the post-demonetisation phase.

The Goods and Services Tax (GST) - constitution amendment bill, passed by the government implemented from July 1, 2017 will have a significant impact on the taxation structure in the country. The reform process would further help boost India's position in the global arena. There were serious efforts on the readiness, bringing to reality the "one nation one tax" (indirect) concept in practice. The indirect tax reforms are targeted to simplify tax determination and collection, reduce costs and make the Indian manufacturer cost competitive. Investors are expected to increasingly be attracted to India

#### Market Size

The Indian auto-components industry can be broadly classified into the organised and unorganised sectors. The organised sector caters to the Original Equipment Manufacturers (OEMs) and consists of high-value precision instruments while the unorganised sector comprises low-valued products and caters mostly to the aftermarket category.

The Indian Auto Component industry is expected to grow by 8-10 per cent in FY 2017-18, based on higher localisation by Original Equipment Manufacturers (OEM), higher component content per vehicle, and rising exports from India, as per ICRA Limited.

According to the Automotive Component Manufacturers Association of India (ACMA), the Indian auto-components industry is expected to register a turnover of US\$ 100 billion by 2020 backed by strong exports ranging between US\$ 80 - US\$ 100 billion by 2026, from the current US\$ 11.2 billion.

#### Government Initiatives

The two-wheeler industry caters to India's need for low-cost, fuel-efficient transport. A large proportion of the country's population therefore continues to prefer two-wheelers for their daily commuting purpose. While the overall economic buoyancy will give rise to demand, the government's focus on roads, rapid urbanisation and improving public transport infrastructure including in the rural parts of the country will drive growth further.

#### Opportunities & Threats

The Company has scope to diversify into sectors other than auto sector. The Company is meticulously working in this direction and the years to come would certainly unfold concrete policy steps in this direction. This would entail expansion and additional capacity utilization. The company has already taken efficient steps well in advance and has set up two state of art facilities at Bengaluru and Rohtak to accommodate these new area of activities and business.

With the new business, come new CAPEX, new production line and huge investment. The Company has prepared itself for the new challenges to come. Also, with the technological developments related to Electric cars in future, the management is responsibly working towards this direction. However, the electric car may be anticipated and in that case many traditional products will become obsolete. Hence the need for diversification is inevitable and the Company is alive to this challenge.

#### Outlook

The new fiscal 2017-18 promises bright for the Indian automotive sector. Lower borrowing costs due to pent up demand on the back of demonetization, a mild budgetary support to incomes to drive consumption growth in FY'18 as well as a GDP growth of 7.4% are all expected to give a boost to demand in the automotive sector.

The rapidly globalising world is opening up newer avenues for the transportation industry, especially while it makes

a shift towards electric, electronic and hybrid cars, which are deemed more efficient, safe and reliable modes of transportation. Over the next decade, this will lead to newer verticals and opportunities for auto-component manufacturers, who would need to adapt to the change via systematic research and development.

The Indian auto-components industry is set to become the third largest in the world by 2025. Indian auto-component makers are well positioned to benefit from the globalisation of the sector as exports potential could be increased by up to four times by 2020.

The traditional auto sector would grow with the sales growth in commercial as well as passenger vehicles, of which India is a vast market. Going forward, the government's policies are expected to facilitate long-term economic growth. This could help the two-wheeler industry to maintain its positive outlook. After successful implementation of GST, FY 2017-

18 may well turn out to be a turning point for the industry as well as the country's economy.

#### **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.

**For and on behalf of the Board**

**Sd/-  
Neeraj Munjal  
Managing Director  
DIN: 00037792**

**For and on behalf of the Board**

**Sd/-  
Dr. Anil Kumar Gupta  
Whole Time Director  
DIN: 02643623**

**Place: New Delhi  
Date: August 10, 2017**

## ANNEXURE 'B' TO BOARD'S REPORT

### REPORT ON CORPORATE GOVERNANCE

Pursuant to Regulation 34 read with Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI LODR, 2015"), a report on Corporate Governance is given below:

#### 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. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

The Company has a strong legacy of fair, transparent and ethical governance practices. The Company has adopted a code of conduct for its employees including the Managing Director and the Executive Directors. In addition, the Company has adopted a code of conduct for its non-executive directors and independent directors. These codes are available on the Company's website.

The Company has complied with the requirements of Corporate Governance as stipulated under the SEBI LODR, 2015, as applicable, the details of which are as under:

##### 2. BOARD OF DIRECTORS

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

The strength of the Board as on March 31, 2017, is 7 (Seven) directors. The Chairman of the Board is a Non-Executive Director. The Board comprises of Non-Executive Chairman, a Managing Director, two Whole-time Directors and three other Independent Directors.

Mr. Neeraj Munjal, Managing Director belongs to the promoter family. Dayanand Munjal Investments Private Limited is holding Company under promoter category and owns 74.80% equity in the Company. Mrs. Charu Munjal and Dr. Anil Kumar Gupta are Whole Time Director(s) of the Company designated as "Executive Director" and "Director (Technical)" respectively. Mr. Neeraj Munjal, Managing Director and Mrs. Charu Munjal, Whole Time Director are related to each other. Apart from these, the rest of the Board constitutes of Independent Directors. The directors bring to the Board wide range of experience & skills.

During the year a separate meeting of the independent directors was held inter-alia to review the performance of non-independent directors and the board as a whole. The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the Company.

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

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

During the Financial Year 2016-17, 4 (Four) meetings of the Board of Directors were held on 28-May-2016, 13-Aug-2016, 12-Nov-2016 and 13-Feb-2017. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and SEBI LODR, 2015.

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. Sunil Kant Munjal	4	2	Yes
Mr. Neeraj Munjal	4	4	Yes
Mrs. Charu Munjal	4	4	Yes
Mr. Bhagwan Dass Narang	4	3	Yes
Mr. Surrinder Lal Kapur	4	4	Yes
Dr. Vinayshil Gautam	4	4	Yes
Dr. Anil Kumar Gupta	4	4	Yes

The information as required under Schedule II of the SEBI LODR, 2015 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 board of directors or Committees in which the Director is a Member or Chairperson**

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 Board nor any Director is a Chairman of more than 5 Committees of Board.

Name	Category	No. of Directorships in listed entities including this listed entity	No. of Committee Memberships in Audit/ Stakeholder Committee including this listed entity	No. of post of Chairperson in Audit/ Stakeholder Committee held in listed entity including this listed entity
Mr. Sunil Kant Munjal <i>Chairman</i>	Independent	2	2	-
Mr. Neeraj Munjal <i>Managing Director</i>	Executive	1	1	-
Mrs. Charu Munjal <i>Executive Director</i>	Executive	2	-	-
Dr. Anil Kumar Gupta <i>Director - Technical</i>	Executive	1	2	-
Mr. Bhagwan Dass Narang	Independent	3	2	1
Mr. Surrinder Lal Kapur	Independent	3	5	2
Dr. Vinayshil Gautam	Independent	1	2	-

None of the Independent Directors and Executive Directors holds 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 8 of the Companies Act, 2013 are excluded for the above purposes.
2. Only Audit committee and Stakeholders' Relationship committee are considered for the purpose of committee positions in accordance with Regulation 26 of SEBI LODR, 2015.

**(d) Re - Appointment of Directors**

In accordance with the Companies Act, 2013 and the Articles of Association of the Company, Mrs. Charu Munjal and Dr. Anil Kumar Gupta, Whole Time Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

Relevant Information pursuant to Directors proposed to be re-appointed at the Annual General Meeting is given in the Notice of the Annual General Meeting.

**(e) Performance Evaluation of Board Members**

The Company has set up a formal mechanism to evaluate the performance of all Board members. The Board works with the Nomination and Remuneration Committee to lay down the evaluation criteria for the performance of all the Directors.

**(f) Availability of Information to Board Members**

The Board has unrestricted access to all Company-related information including that of our employees. At Board meetings, managers and representatives who can provide additional insights on the items being discussed are invited. Regular updates provided to the Board include:

- Annual operating plans and budget, capital budgets and updates.
- Quarterly results of the Company
- Minutes of meeting of Audit, Nomination and Remuneration, Stakeholders Relationship, Risk Management and Corporate Social Responsibility Committees and abstracts of circular resolution passed.
- General notices of interest received from Directors
- Dividend Data
- Information on recruitment and remuneration of senior officers including appointment or removal of the Chief Financial Officer and Company Secretary.
- Materially important litigations, show cause, demand and penalty notices.
- Any issues that involves possible public or product liability claims of a substantial nature
- Any significant development involving human resource management
- Details of foreign exchange exposure and the steps taken by the management to limit risks of adverse exchange rate movement.
- Non Compliance with any regulatory, statutory or listing requirements

**(g) Familiarisation programmes for Board Members**

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board and Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. Detailed presentations on the Company's business segments were made at the separate meetings of the Independent Directors held on 13-Feb-2017.

Quarterly updates on relevant statutory changes and landmark judicial pronouncements encompassing important laws are regularly circulated to the Directors. Site visits to various plant locations are organized for the Directors to enable them to understand the operations of the Company. The details of such familiarization programmes for Independent Directors are posted on the website of the Company [www.shivamautotech.com](http://www.shivamautotech.com).

**3. AUDIT COMMITTEE**

The constitution, quorum, scope, etc. of the Audit Committee is in line with the Companies Act, 2013 and provisions of SEBI LODR, 2015. All the members of Audit Committee are qualified and having insight to interpret and understand financial statements. All these members have good knowledge of Corporate & Project Finance, Accounts and Corporate Laws.

**(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 SEBI LODR, 2015. During the Financial Year 2016-17, 4 (four) meetings of the Audit Committee were held on 28-May-2016, 13-Aug-2016, 12-Nov-2016 and 13-Feb-2017.

Name	Designation	Category of Directorship	Attendance out of 4 meetings held
Mr. Surrinder Lal Kapur	Chairman	Independent Director	4
Mr. Bhagwan Dass Narang	Member	Independent Director	3
Dr. Vinayshil Gautam	Member	Independent Director	4
Mr. Sunil Kant Munjal	Member	Independent Director	2
Dr. Anil Kumar Gupta	Member	Executive Director	4

The Company Secretary acts as the Secretary of the Committee.

The total strength of the Audit Committee is five members out of which four are Independent directors and one is Executive director. Mr. Surrinder Lal Kapur, Independent Director is the Chairman of the Audit Committee.

The Constitution of Audit Committee also meets with the requirement of Section 177 of the Companies Act, 2013 and the rules made thereunder.

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 Regulation 18 of the SEBI LODR , 2015 as well as Section 177 of the Companies Act, 2013 and are as follows:

- (i) Recommending to the Board, the appointment, remuneration and terms of appointment of the statutory auditors.
- (ii) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (iii) Examining the financial statements and the auditors' report thereon;
- (iv) Considering with the management approval or any subsequent modification of transactions of the company with related parties;
- (v) Scrutinizing inter-corporate loans and investments;
- (vi) Considering valuation of undertakings or assets of the company, wherever it is necessary;
- (vii) Evaluating internal financial controls and risk management systems;
- (viii) Monitoring the end use of funds raised through public offers and related matters.
- (ix) Reviewing Foreign Exchange Exposure of the Company.
- (x) 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.
- (xi) Discussion with internal auditors any significant findings and follow up thereon.
- (xii) 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
- (xiii) 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 Section 134 of the Companies Act, 2013 are:

- 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.

#### 4. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee has been constituted according to Section 178(5) of the Companies Act, 2013.

During the Financial Year 2016-17, 5 (five) meetings of the Stakeholders' Relationship Committee were held on 28-May-2016, 13-Aug-2016, 29-Sep-2016, 12-Nov-2016 and 13-Feb-2017. The composition of the Stakeholders' Relationship Committee is as follows:

Name of the Member	Designation	Category of Directorship	Attendance out of 5 meetings held
Mr. Bhagwan Dass Narang	Chairman	Independent	3
Mr. Surrinder Lal Kapur	Member	Independent	5
Mr. Neeraj Munjal	Member	Executive	5
Dr. Vinayshil Gautam	Member	Independent	5
Dr. Anil Kumar Gupta	Member	Executive	5

#### Scope of the Committee

Approval of transfer/transmission, issue of duplicate share certificates, issue of certificates after split / consolidation/ replacement etc. Redressing of the Shareholders / Investors complaints relating to transfer / transmission of shares, non-receipt of Balance Sheet, non-receipt of declared dividend etc.

#### Compliance Officer

Ms. Shivani Kakkar - Company Secretary

Details of shareholders' complaints received during the FY 2016-17 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	34	34	---
2.	Request for issue of duplicate share certificates	1	1	---
3.	Non receipt of dividend / Revalidation of dividend warrants	6	6	---
4.	Communication relating to Transfer / Transmission / Name Deletion / Demat of Shares	0	0	---
5.	Miscellaneous i.e. Credit of Shares in Demat A/c's, non-receipt of Annual Report, Change of Address, Bank Details, etc.	2	2	---

#### 5. NOMINATION AND REMUNERATION COMMITTEE

The "Nomination and Remuneration Committee" has been constituted as per Section 178(5) of the Companies Act, 2013.

##### (a) Terms of Reference

The Nomination and 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 Nomination and Remuneration Committee and attendance of members**

The Nomination and Remuneration Committee comprises mainly of Independent Directors. During the Financial Year 2016-17, 3 (three) meetings of the Nomination and Remuneration Committee were held on 28-May-2016, 12-Nov-2016 and 13-Feb-2017. The composition of the Nomination and Remuneration Committee is as follows:

Name	Designation	Category of Directorship	Attendance out of 3 meetings held
Dr. Vinayshil Gautam	Chairman	Independent	3
Mr. Bhagwan Dass Narang	Member	Independent	2
Mr. Surrinder Lal Kapur	Member	Independent	3
Mr. Sunil Kant Munjal	Member	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 Independent Directors do not draw any remuneration from the Company except sitting fees of Rs. 30,000/- for each meeting of the Board and Rs. 30,000/- for each meeting of the Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Risk Management Committee and Corporate Social Responsibility Committee attended by them.

However, in addition to the sitting fees, Independent Directors are entitled to remuneration by way of commission up to 0.30% p.a. of the net profits of the company or Rs.10 Lacs per annum, whichever is less for each year commencing from October 01, 2014 as approved by the shareholders through Postal Ballot conducted by the Company, the results of which was declared on December 29, 2014.

**Details of Remuneration Paid to Managing Director & Executive Directors**

(Amount in Rs. Lacs)

Executive Director(s)	Salary	Commission	Perquisites & Allowances	Contribution to PF Fund	Total
Mr. Neeraj Munjal	77.22	-	77.22	9.27	163.71
Mrs. Charu Munjal	35.20	-	31.68	4.22	71.10
Dr. Anil Kumar Gupta	23.79	-	37.69	2.96	64.44

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 profit of the company to Mr. Neeraj Munjal & Mrs. Charu Munjal computed in accordance with the provisions of the Companies Act 2013. However, commission has not been paid to Mr. Neeraj Munjal & Mrs. Charu Munjal for the financial year 2016-17.
- Presently, the Company does not have Stock Option Scheme.

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

Name of Non-Executive Directors	Sitting fees			Commission	Total
	Board Meeting	Committee Meeting	Independent Director's Meeting		
Mr. Sunil Kant Munjal	60,000	120,000	30,000	-	210,000
Mr. Bhagwan Dass Narang	90,000	360,000	30,000	-	480,000
Mr. Surrinder Lal Kapur	120,000	480,000	30,000	-	630,000
Dr. Vinayshil Gautam	120,000	480,000	30,000	-	630,000

**(d) Performance Evaluation Criteria for Independent Directors:**

The performance evaluation criteria for Independent Directors are determined by the Nomination and Remuneration Committee. An indicative list of factors that are evaluated include participation and contribution by a Director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behaviour and judgement.

**6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Corporate Social Responsibility Committee has been constituted according to Section 135 of the Companies Act, 2013. CSR committee has met 4 (four) times during the financial year 2016-17 on the following dates: 28-May-2016, 13-Aug-2016, 12-Nov-2016 and 13-Feb-2017

The composition of the Corporate Social Responsibility Committee and details of the meetings attended by its members are given below:

Name	Designation	Category of Directorship	Attendance out of 4 meeting held
Mr. Bhagwan Dass Narang	Chairman	Independent	3
Dr. Anil Kumar Gupta	Member	Executive	4
Mrs. Charu Munjal	Member	Executive	4

**(a) Terms of Reference**

- Formulate and recommend to the board, a corporate social responsibility (CSR) policy;
- Recommend the amount of expenditure to be incurred on the activities referred to above;
- Monitor the CSR policy of the Company from time to time;
- Undertake projects/ initiatives resulting in enhancement in the quality of life and economic well-being of the community, in and around society at large

**7. RISK MANAGEMENT COMMITTEE**

The board of the Company has formed a risk management committee to frame, implement and monitor the risk management plan for the Company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

**(a) Terms of Reference**

The terms of reference of the Risk Management Committee are as follows:

1. To ensure that all the current and future material risk exposures of the company are identified, assessed, quantified, appropriately mitigated, minimized and managed i.e to ensure adequate systems for risk management.
2. To establish a framework for the company's risk management process and to ensure its implementation.
3. To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.
4. To assure business growth with financial stability
5. Any other matter which may be considered from time to time.

**(b) Composition of the Risk Management Committee and attendance of members**

During the financial year 2016-17, 4 (four) meeting of the Risk Management Committee were held on 28-May-2016, 13-Aug-2016, 12-Nov-2016 and 13-Feb-2017. The composition of the Risk Management Committee and details of the meetings attended by its members are given below:

Name	Designation	Category of Directorship	Attendance out of 4 meeting held
Dr. Vinayshil Gautam	Chairman	Independent	4
Dr. Anil Kumar Gupta	Member	Independent	4
Mr. Surrinder Lal Kapur	Member	Independent	4

## 8. RELATED PARTY TRANSACTIONS (RPT)

All transactions entered into with related parties, as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (LODR), 2015, during the financial year under review were in the ordinary course of business and on arm's length pricing basis. The omnibus approval of the Audit Committee is accorded to the Company to enter into contract / arrangement for sale / purchase / services, etc. with the related parties on arm's length basis in the meeting held on 28-May-2016.

## 9. GENERAL BODY MEETINGS

### Annual General Meeting

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

Year	Type	Date	Venue	Time	Whether Special resolution passed in previous AGM
2013-14	AGM	29.09.2014	Tivoli Garden Resort, Near Chattarpur Mandir, Chattarpur Road New Delhi-110074	11.30 A.M.	<b>YES</b> <ol style="list-style-type: none"> <li>Modification in the terms of appointment of Mrs. Charu Munjal (DIN 03094545), Whole-time Director.</li> <li>Modification in the terms of appointment of Dr. Anil Kumar Gupta (DIN 02643623), Whole-time Director.</li> <li>Alteration of Memorandum of Association of the Company.</li> <li>Alteration of Articles of Association</li> <li>Borrowing in excess of the paid-up capital and free reserves upto limit of Rs. 300 Crores</li> </ol>
2014-15	AGM	09.09.2015	Tivoli Garden Resort, Near Chattarpur Mandir, Chattarpur Road New Delhi-110074	11.30 A.M.	<b>Yes</b> <ol style="list-style-type: none"> <li>Amendment of incidental object clause of Memorandum of Association of the Company</li> <li>Deletion of other object clause of Memorandum of Association of the Company</li> <li>Amendment of liability clause IV of Memorandum of Association of the Company</li> <li>Increase in Authorised Share Capital and alteration of Memorandum of Association of the Company</li> <li>Adoption of new set of Articles of Association of the Company in accordance with the provisions of the Companies Act 2013</li> <li>Issuance of Bonus Shares</li> </ol>
2015-16	AGM	29.09.2016	Tivoli Garden Resort, Near Chattarpur Mandir, Chattarpur Road New Delhi-110074	11.30 A.M.	<ol style="list-style-type: none"> <li>Payment of minimum remuneration to Executive Directors</li> </ol>

## 10. DISCLOSURES

- a) All transactions entered into with related parties as defined under the Act and Regulation 23 of the SEBI LODR, 2015 during the Financial Year 2016-17 were in the ordinary course of business and on arm's length pricing basis and do not attract provisions of Section 188 of the Act. There were no materially significant transactions with the related parties during the Financial Year which were in conflict with the interest of Company. Suitable disclosures as required by accounting standard (AS 18) have been made in the Financial Statements. The Board has approved a policy for related party transactions which can be accessed at the Company's website link <http://www.shivamautotech.com>.
- b) The Company has complied with the requirements of the Stock Exchanges/ SEBI and Statutory Authorities on all matters related to the capital markets during the last three years except for the delay in submission of Shareholding Pattern pursuant to Regulation 31 of SEBI LODR, 2015 for the quarter ended March 31, 2016.
- c) The Company has adopted a Whistle Blower Policy and has established the necessary Vigil Mechanism as defined under Regulation 22 of the SEBI LODR, 2015 for Directors and Employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the Audit Committee. The said policy has also been put up on the website of the Company on the link <http://www.shivamautotech.com>.
- d) The Company has complied with the mandatory and discretionary requirements specified in SEBI LODR, 2015 relating to Corporate Governance.
- e) The Company does not have any material subsidiary nor does the company is exposed to the commodity price risks and commodities hedging activities.

## 11. MEANS OF COMMUNICATION

- a) The Quarterly and Annual Financial Results of the Company are uploaded in NSE Electronic Application Processing System (NEAPS) and BSE Listing in accordance with the SEBI Listing Regulations. The quarterly results are published in widely circulating national and local newspapers such as The Business Standard, in English and Jansatta, in Hindi.
- b) 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 Regulation 31 of the SEBI (LODR) Regulations, 2015.

## 12. GENERAL SHAREHOLDER INFORMATION

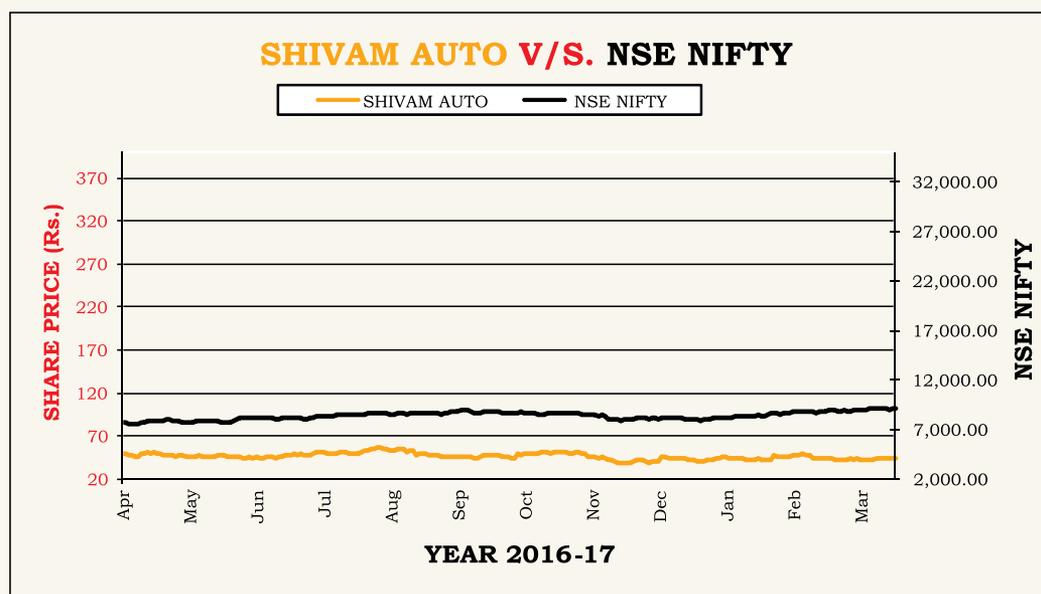
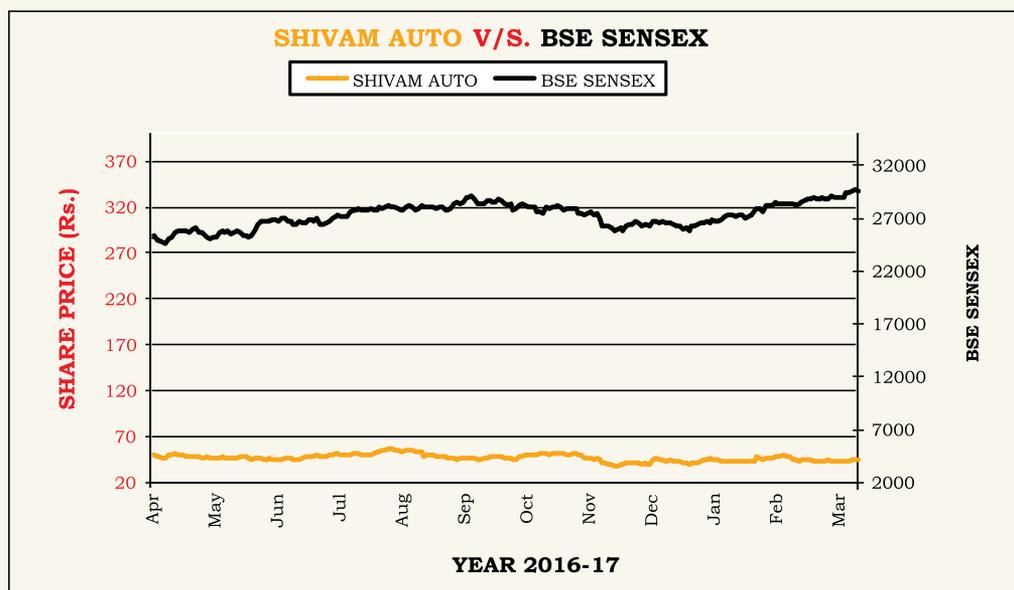
Annual General Meeting	
Date	29-Sep-2017
Day	Friday
Time	11:30 A.M.
	Venue Tivoli Garden Resort, Near Chattarpur Mandir, Chattarpur Road, New Delhi – 110074.
<b>Financial Calender for FY 2017 - 18</b>	Financial Year - April 1 to March 31
	i) First Quarter Results – on or before August 14, 2017
	ii) Second Quarter Results – on or before November 14, 2017
	iii) Third Quarter Results – on or before February 14, 2018
	iv) Fourth Quarter Results – on or before May 30, 2018
	v) Audited Results for the year ended March 31, 2018 – on or before May 30, 2018
<b>Dates of Book Closure</b>	Friday, September 22, 2017 to Friday, September 29, 2017 (both days inclusive)

Annual General Meeting	
<b>Listing on Stock Exchanges</b>	The BSE Limited The National Stock Exchange of India Limited The Annual Listing Fees for 2016-2017 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 637H01024
<b>Unclaimed Dividend</b>	As provided in Section 124 and 125 of the Companies Act, 2013, dividend for the financial year ended March 31, 2009 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). The amount of unclaimed dividend of Rs. 277,915.50 shall be transferred to IEPF by December 4, 2017.
<b>Postal Ballot</b>	Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, the following Special resolutions have been passed through the exercise of postal ballot on February 11, 2017: <ul style="list-style-type: none"> <li>• Creation of charges, mortgages and hypothecations over the assets of the Company pursuant to Section 180(1)(a) of the Companies Act, 2013 and the Rules made thereunder;</li> <li>• Borrowing in excess of the paid-up capital and free reserves under Section 180(1) (c) of the Companies Act, 2013.</li> <li>• Payment of remuneration to the managerial personnel of the Company in case of inadequacy of profits or no profits pursuant to Schedule V of the Companies Act, 2013</li> </ul>

### 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 Limited (BSE)				National Stock Exchange (NSE)			
	High (Rs.)	Date	Low (Rs.)	Date	High (Rs.)	Date	Low (Rs.)	Date
Apr' 2016	53.70	18-04-16	46.50	29-04-16	53.40	18-04-16	46.20	07-04-16
May' 2016	51.40	19-05-16	43.00	31-05-16	51.25	19-05-16	43.80	30-05-16
Jun' 2016	53.45	22-06-16	44.05	09-06-15	52.90	23-06-16	44.10	08-06-16
Jul' 2016	61.00	28-07-16	47.95	19-07-16	61.00	28-07-16	48.15	11-07-16
Aug' 2016	57.35	01-08-16	45.10	31-08-16	55.45	05-08-16	45.05	31-08-16
Sep' 2016	49.95	19-09-16	44.05	29-09-16	49.90	19-09-16	43.30	29-09-16
Oct' 2016	53.15	24-10-16	46.00	03-10-16	53.25	24-10-16	44.55	03-10-16
Nov' 2016	52.25	01-11-16	37.10	21-11-16	52.50	01-11-16	36.25	21-11-16
Dec' 2016	48.75	13-12-16	39.20	05-12-16	47.00	09-12-16	39.15	27-12-16
Jan' 2017	50.70	27-01-17	42.30	13-01-17	50.95	27-01-17	42.50	13-01-17
Feb' 2017	51.00	13-02-17	42.00	27-02-17	50.80	13-02-17	41.90	27-02-17
Mar' 2017	47.50	30-03-17	42.00	09-03-17	47.50	30-03-17	41.95	09-03-17

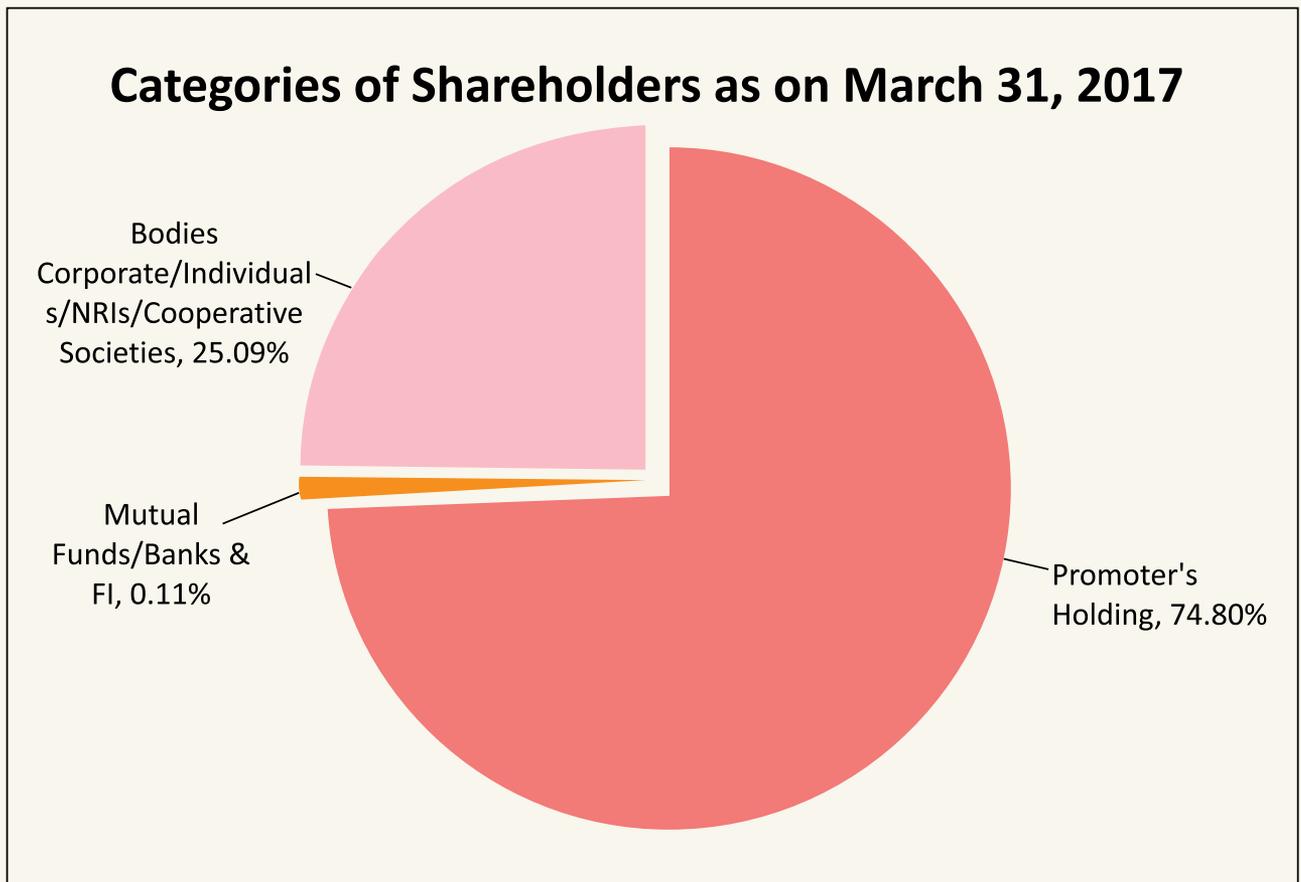


#### Distribution of Shareholding as on March 31, 2017

No. of shares held	No. of shareholders		No. of shares	
	Numbers	%	Numbers	%
Up to 500	10,716	66.80	2,456,832	2.46
501 – 1000	2,367	14.76	2,137,499	2.14
1001 – 2000	1,205	7.51	1,959,890	1.96
2001 – 3000	675	4.21	1,743,664	1.74
3001 – 4000	199	1.24	732,584	0.73
4001 – 5000	336	2.09	1,648,338	1.65
5001 – 10000	273	1.70	2,095,660	2.10
10001 – 50000	232	1.45	4,552,606	4.55
50001 – 100000	21	0.13	1,491,085	1.49
100001 & above	17	0.11	81,181,842	81.18
<b>Total</b>	<b>16,041</b>	<b>100.00</b>	<b>100,000,000</b>	<b>100.00</b>

**Categories of Shareholders as on March 31, 2017**

Categories	Holders (No.)	No. of shares held	% of shareholding
<b>PROMOTER HOLDING</b>			
Indian Promoters (Bodies Corporate)	1	74,795,590	74.80
<b>Total Promoter Holding</b>	<b>1</b>	<b>74,795,950</b>	<b>74.80</b>
<b>PUBLIC HOLDING</b>			
Institutions			
• Mutual Funds	5	38,533	0.04
• Banks & FI	6	73,583	0.07
Non-Institutions			
• Bodies Corporate	473	2,154,972	2.15
• Individuals	15327	22,329,685	22.33
• NRIs	226	579,927	0.58
• Cooperative Societies	1	26,000	0.03
• NBFC	2	1350	0.00
<b>Total Public Holding</b>	<b>16,040</b>	<b>25,204,050</b>	<b>25.20</b>
<b>Grand Total</b>	<b>16,041</b>	<b>100,000,000</b>	<b>100.00</b>



### Secretarial Audit

- Satyender Kumar & Associates, Company Secretaries have conducted a Secretarial Audit of the Company for the year 2016-17. Their Audit Report (except observations, remarks, qualifications as stated in the report) confirms that the Company has complied with the applicable provisions of the Companies Act and the Rules made there under, Listing Agreements with the Stock Exchanges, applicable SEBI LODR, 2015 and other laws applicable to the Company. The Secretarial Audit Report forms part of the Board's Report.
- Pursuant to Regulation 40(9) of the SEBI LODR, 2015, certificates have been issued on a half-yearly basis, by Satyender Kumar & Associates, Company Secretaries, certifying due compliance of share transfer formalities by the Company.
- Satyender Kumar & Associates, Company Secretaries carry out a quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).

### Dematerialisation of Shares and Liquidity

The process of conversion of Shares from physical form to electronic form is known as dematerialisation. For dematerializing the shares, the Shareholder has to open a demat account with a Depository Participant (DP). The Shareholder is required to fill in a Demat Request Form and submit the same alongwith the Share Certificate(s) to the DP. The DP will allocate a demat request number and shall forward the request physically and electronically, through NSDL/CDSL to the R&T Agent. On receipt of the demat request, both physically and electronically and after verification, the Shares are dematerialised and an electronic credit of Shares is given in the account of the Shareholder.

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, 2017, 97.15% of the total Equity Capital is held in the demat form with NSDL and CDSL.

### Physical and Demat Shares:

	As on 31/03/2017	%
No. of Shares held by NSDL	89,249,683	<b>89.25</b>
No. of Shares held by CDSL	7,899,717	<b>7.90</b>
Physical Shares	2,850,600	<b>2.85</b>
<b>TOTAL</b>	<b>100,000,000</b>	<b>100.00</b>

<b>Registrar and Transfer Agents</b>	<b>MCS Share Transfer Agent Limited</b> F-65, 1 <sup>st</sup> Floor, Phase-I, Okhla Industrial Area New Delhi-110 020 Tel: 011-41406149-52 Fax No: 011-41709881 E-mail: <a href="mailto:admin@mcsregistrars.com">admin@mcsregistrars.com</a>
<b>Share Transfer System</b>	All the transfers received are processed by the Registrar and Transfer Agents and are approved by the Company Secretary pursuant to the authority given for affecting such transfers and noted in the meeting of Stakeholders' Relationship Committee. Share Transfers are registered and returned within the prescribed period if documents are complete in all respects. As per directives issued by SEBI, it is compulsory to trade in the Company's Equity Shares in dematerialised form.
<b>Unclaimed / Undelivered Shares</b>	The Company has 1406 share certificates which are lying unclaimed with the Company. The Company has already sent three reminders to the shareholders, requesting them to claim their shares from the company. These shares certificates are being transferred to Unclaimed Suspense Account.

<b>Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity</b>	Not Issued
<b>Plant Locations with address</b>	<ol style="list-style-type: none"> <li>I. <b>Binola Plant</b> – 58 Km Stone, Delhi - Jaipur Highway, Village - Binola, Gurugram – 122413, Haryana.</li> <li>II. <b>Haridwar Plant</b> - Plot No. 3, Industrial Park 2, Phase I, Village Salempur, Tehsil Mehdood, Haridwar -249401, Uttarakhand.</li> <li>III. <b>Manesar Plant</b> - Plot No.- 1, Sector-5, IMT Manesar, Gurugram - 122050 Haryana.</li> <li>IV. <b>Bengaluru Plant</b> - Plot No. 98, Vemagal Industrial Area, Kolar – 563101, Karnataka.</li> <li>V. <b>Rohtak Plant</b> - Plot No. 9, Sector-30A, IMT Rohtak, District: Rohtak -124001, Haryana.</li> </ol>
<b>Address for correspondence</b>	Ms. Shivani Kakkar Company Secretary 303, 3 <sup>rd</sup> Floor, Square One, District Centre, Saket, New Delhi - 110017 Tel. Nos.: 011-49242100 shivani@shivamautotech.com

#### **Compliance under SEBI LODR, 2015 pertaining to mandatory requirements and Auditors Certificate on Corporate Governance**

As required under SEBI LODR, 2015, the Auditor's Certificate on compliance of the Corporate Governance norms is attached.

#### **B. NON-MANDATORY REQUIREMENTS**

The Company has not adopted the non-mandatory requirements as specified in the SEBI (LODR), 2015.

**Form No. MGT-9**
**Extract of Annual Return as on the financial year ended on March 31, 2016**

[Pursuant to section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

i. CIN:	L34300DL2005PLC139163
ii. Registration Date:	29-Jul-2005
iii. Name of the Company:	Shivam Autotech Limited
iv. Category/Sub-Category of the Company:	Public Company Limited by Shares Indian Non –Govt. Company
v. Address of the Registered Office and Contact Details:	303, 3 <sup>rd</sup> Floor, Square One, District Centre, Saket, New Delhi – 110017 Tel: 011-49242100 Fax: 011-49242116 Email: admn@shivamautotech.com
vi. Whether listed Company:	Yes
vii. Name, Address and contact details of Registrar and Transfer Agents, if any:	MCS Share Transfer Agent Limited F-65, 1 <sup>st</sup> Floor, Phase-I, Okhla Industrial Area, New Delhi-110 020 Tel: 011-41406149-52 Fax No: 011-41709881 E-mail: admin@mcsregistrars.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sl. No	Name and description of main products/ services	NIC Code of the Product/Service	% to total turnover of the Company
1.	Motor Cycle Parts	29301	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Dayanand Munjal Investments Private Limited. G.T. Road, Hero Nagar, Ludhiana	U67120PB1979PTC004038	Holding	74.8%	2(46)

**IV. SHARE HOLDING PATTERN**
**(Equity Share Capital Break Up as Percentage of Total Equity)**
**i) Category –wise Share Holding**

Category of Shareholders	No of Shares held at the beginning of the year As on April 1, 2016				No of shares held at the end of the year As on March 31, 2017				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
(1) Indian									
(a) Individual/HUF									
(b) Central Govt									
(c) State Govt (s)									
(d) Bodies Corp.	74795950	0	74795950	74.80%	74795950	0	74795950	74.80%	0.00%
(e) Banks/FI									
(f) Any Other									
<b>Sub Total (A) (1):-</b>	<b>74795950</b>	<b>0</b>	<b>74795950</b>	<b>74.80%</b>	<b>74795950</b>	<b>0</b>	<b>74795950</b>	<b>74.80%</b>	<b>0.00%</b>
(2) Foreign									
(a) NRIs- Individuals									
(b) Other- Individuals									
(c) Bodies Corp.									
(d) Banks/FI									
(e) Any Other									
Sub Total (A) (2):-	0	0	0	0	0	0	0	0	0
<b>Total Shareholding of Promoter (A) = (A) (1) + (A) (2)</b>	<b>74795950</b>	<b>0</b>	<b>74795950</b>	<b>74.80%</b>	<b>74795950</b>	<b>0</b>	<b>74795950</b>	<b>74.80%</b>	<b>0.00%</b>
<b>B. Public Shareholding</b>									
1. Institutions									
(a) Mutual Funds	2184376	3500	2187876	1.75%	35033	3500	38533	0.04%	(1.71)
(b) Banks/FI	6110	48910	55020	0.05%	24673	48910	73583	0.07%	0.02
(c) Central Govt (s)									
(d) State Govt (s)									
(e) Venture Capital Funds									
(f) Insurance Companies									
(g) FII's									
(h) Foreign Venture Capital Funds									
(i) Others (Specify) • Foreign Portfolio Investors	384413	0	384413	0.38%	0	0	0	0	(0.38%)
<b>Sub total (B) (1):-</b>	<b>2574899</b>	<b>52410</b>	<b>2627309</b>	<b>2.18%</b>	<b>59706</b>	<b>52410</b>	<b>112116</b>	<b>0.11%</b>	<b>(2.07%)</b>
2. Non Institutions									
<b>a) Bodies Corp.</b>	<b>1457098</b>	<b>76500</b>	<b>1533598</b>	<b>1.53%</b>	<b>2078472</b>	<b>76500</b>	<b>2154972</b>	<b>2.15%</b>	<b>0.62%</b>
i) Indian									
ii) Overseas									
<b>b) Individuals</b>									

Category of Shareholders	No of Shares held at the beginning of the year As on April 1, 2016				No of shares held at the end of the year As on March 31, 2017				% Change during the year
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	11961415	2663715	14625130	14.63%	13661103	2609190	16270293	16.27%	1.64%
ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	5949723	0	5949723	5.95%	6059392	0	6059392	6.06%	0.11%
(c) Others (Specify)									
Cooperative Societies	26000	0	26000	0.03%	26000	0	26000	0.03%	-
Non Resident Individual	327290	115000	442290	0.44%	467427	112500	579927	0.58%	0.14%
NBFC's registered with RBI					1350	0	1350	0.00%	-
<b>Sub total (B) (2) :-</b>	<b>19721526</b>	<b>2855215</b>	<b>22576741</b>	<b>22.58%</b>	<b>22293744</b>	<b>2798190</b>	<b>25091934</b>	<b>25.09%</b>	<b>2.51%</b>
<b>Total Public Shareholding (B)= (B) (1) + (B) (2)</b>	<b>22296425</b>	<b>2907625</b>	<b>25204050</b>	<b>25.20%</b>	<b>22353450</b>	<b>2850600</b>	<b>25204050</b>	<b>25.20%</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+ B+C)</b>	<b>97092375</b>	<b>2907625</b>	<b>100000000</b>	<b>100.00%</b>	<b>97149400</b>	<b>2850600</b>	<b>100000000</b>	<b>100.00%</b>	

### (ii) Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No of Shares	% of total shares of the Company	% shares pledges/encumbered to total shares	No of Shares	% of total shares of the Company	% shares pledges/encumbered to total shares	
1	Dayanand Munjal Investments Private Limited.	74795950	74.80%	0	74795950	74.80%	0	0
	<b>Total</b>	<b>74795950</b>	<b>74.80%</b>	<b>0</b>	<b>74795950</b>	<b>74.80%</b>	<b>0</b>	<b>0</b>

### (iii) Change in Promoters' Shareholding (Please Specify, if there is no change)

SL. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
	At the beginning of the year	74795950	74.80%	74795950	74.80%
	Date Wise Increase/ Decrease in Promoters shareholding during the year Specifying the reasons for Increase/Decrease (e.g. Allotment/ transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	7,47,95,950	74.80%	7,47,95,950	74.80%

**(iv) Shareholding pattern of top ten shareholders (Other than Directors, promoters and Holders of GDRs and ADRs):-**

S. No	Folio No	Name	PAN	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-16 to 31-03-17)	
				No of Shares at the Beginning (01-04-16) / end of the Year (31-03-17)	% of total shares of the Company				Shares	% of total shares of the Company
1	1203760000210771	ANIL KUMAR GOEL	AAJPG2552Q	0	0.00	01/04/2016				
						29/04/2016	1800000	Purchase	1800000	1.80
				1800000	1.80	31/03/2017				
2	IN30246110029333	RAJAN VASUDEV DAPKI	AAWPD3172C	1374573	1.37	01/04/2016				
						22/07/2016	15000	Purchase	1389573	1.39
						13/01/2017	14249	Purchase	1403822	1.40
				1403822	1.40	31/03/2017				
3	IN30021414425389	DEEPAK SIRUMAL RAJANI	AACHD3068D	849810	0.85	01/04/2016				
						22/07/2016	-3500	Sale	846310	0.85
						29/07/2016	-3160	Sale	843150	0.84
						19/08/2016	-2000	Sale	841150	0.84
						09/09/2016	2000	Purchase	843150	0.84
						20/01/2017	-150000	Sale	693150	0.69
		31/03/2017	693150	0.69						
4	1203760000210765	SEEMA GOEL	AHAPG8015A	0	0.00	01/04/2016				
						29/04/2016	600000	Purchase	600000	0.60
				600000	0.60	31/03/2017				
5	IN30154931101495	D SRIMATHI	AJMPS3447A	257630	0.26	01/04/2016				
				257630	0.26	31/03/2017	NIL	NIL		
6	IN30047640058338	EMERGING SECURITIES PVT LTD	AAACE0195R	151500	0.15	01/04/2016				
						30/09/2016	50000	Purchase	201500	0.20
				201500	0.20	31/03/2017				
7	IN30014210033480	LINCOLN P COELHO	AEGPC1227D	200000	0.20	01/04/2016				
				200000	0.20	31/03/2017	NIL	NIL		
8	IN30078110025237	SURESH SHETTY	ABBPS1631D	0	0.00	01/04/2016				
						23/09/2016	100000	Purchase	100000	0.10
						07/10/2016	25000	Purchase	125000	0.13
						25/11/2016	23500	Purchase	148500	0.15
						03/02/2017	6789	Purchase	155289	0.16
						10/02/2017	16150	Purchase	171439	0.17
						17/02/2017	27061	Purchase	198500	0.20
		31/03/2017	198500	0.20						
9	IN30292710259491	DEEPAK SIRUMAL RAJANI	AACHD3068D	0	0.00	01/04/2016				
						20/01/2017	150000	Purchase	150000	0.15
				150000	0.15	31/03/2017				

S. No	Folio No	Name	PAN	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-16 to 31-03-17)	
				No of Shares at the Beginning (01-04-16) / end of the Year (31-03-17)	% of total shares of the Company				Shares	% of total shares of the Company
10	IN30210510207504	ANITA RAWAT	ADJPR8383D	64000	0.06	01/04/2016				
						22/04/2016	6000	Purchase	70000	0.07
						29/04/2016	3000	Purchase	73000	0.07
						06/05/2016	7000	Purchase	80000	0.08
						27/05/2016	21500	Purchase	101500	0.10
						03/06/2016	18500	Purchase	120000	0.12
						17/06/2016	10775	Purchase	130775	0.13
						30/06/2016	3225	Purchase	134000	0.13
						22/07/2016	6000	Purchase	140000	0.14
						14/10/2016	5000	Purchase	145000	0.15
							145000	0.15	31/03/2017	
11	IN30005410076630	DSP BLACKROCK 3 YEARS CLOSE ENDED EQUITY FUND	AAAJD0430B	1819544	1.82	01/04/2016				
						26/08/2016	-19268	Sale	1800276	1.80
						02/09/2016	-108986	Sale	1691290	1.69
						09/09/2016	-285066	Sale	1406224	1.41
						16/09/2016	-108694	Sale	1297530	1.30
						23/09/2016	-420406	Sale	877124	0.88
						30/09/2016	-199185	Sale	677939	0.68
						07/10/2016	-532731	Sale	145208	0.15
						17/10/2016	-145208	Sale	0	0.00
							0	0.00	31/03/2017	
12	IN30152430016027	TARRA FUND	AACCT7163J	384413	0.38	01/04/2016				
						20/05/2016	-200000	Sale	184413	0.18
						27/05/2016	-100000	Sale	84413	0.08
						03/06/2016	-84413	Sale	0	0.00
							0	0.00	31/03/2017	
13	IN30246110006383	VIKRAM CHINUBHAI SHAH	ACIPS6611B	162500	0.16	01/04/2016				
						11/11/2016	-17500	Sale	145000	0.15
						09/12/2016	-1246	Sale	143754	0.14
						16/12/2016	-245	Sale	143509	0.14
						23/12/2016	-32296	Sale	111213	0.11
						31/12/2016	-25380	Sale	85833	0.09
						06/01/2017	-62714	Sale	23119	0.02
						13/01/2017	-23119	Sale	0	0
							0	0	31/03/2017	

S. No	Folio No	Name	PAN	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-16 to 31-03-17)	
				No of Shares at the Beginning (01-04-16) / end of the Year (31-03-17)	% of total shares of the Company				Shares	% of total shares of the Company
14	IN30378610003377	PRINCIPLAL TRUSTEE CO. PVT LTD A/C PRINCIPAL MUTUAL FUND - PRINCIPAL DIVIDEND YIELD FUND	AAATP6607N	324108	0.32	01/04/2016				
						22/04/2016	-54000	Sale	270108	0.27
						15/07/2016	9000	Purchase	279108	0.28
						29/07/2016	-27000	Sale	252108	0.25
						12/08/2016	-15000	Sale	237108	0.24
						30/09/2016	-24000	Sale	213108	0.21
						02/12/2016	-72696	Sale	140412	0.14
						09/12/2016	-140412	Sale	0	0
						0	0	31/03/2017		

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Name of the Directors and Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year	Cumulative Shareholding during the year		% of total shares of the Company
				No of Shares	% of total shares of the Company	No of Shares	
1.	Mr. Sunil Kant Munjal						Nil
2.	Mr. Neeraj Munjal						Nil
3.	Mrs. Charu Munjal						Nil
4.	Mr. Bhagwan Dass Narang						Nil
5.	Mr. Surrinder Lal Kapur						Nil
6.	Dr. Vinayshil Gautam						Nil
7.	Dr. Anil Kumar Gupta						Nil
8.	Mr. Davendra Ujlayan						As per below table
9.	Ms. Shivani Kakkar						Nil

Name	Shareholding		Date	Reason	Increase / Decrease in Shareholding	Cumulative Shareholding during the year	
	No of Shares at the Beginning (01-04-16) / end of the Year (31-03-17)	% of total shares of the Company				Shares	% of total shares of the Company
Mr. Davendra Ujlayan	10	0.00	01/04/2016	-	-	-	0.00%
	10	0.00	31/03/2017	-	-	-	0.00%

**V. INDEBTEDNESS**
**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

(Rupees in Lacs)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	17326.95	2691.44	-	-
ii) Interest due but not paid	99.07		-	-
iii) interest accrued but not due			-	-
<b>Total (i+ii+iii)</b>	<b>17426.02</b>	<b>2691.44</b>	<b>-</b>	<b>20117.46</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	5636.74	3000.00	-	-
Reduction	(1869.66)	(1285.40)	-	-
<b>Net Change</b>	<b>3767.08</b>	<b>1714.60</b>	<b>-</b>	<b>5481.68</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	21043.79	4406.04	-	-
ii) Interest due but not paid	149.32		-	-
iii) interest accrued but not due			-	-
<b>Total (i+ii+iii)</b>	<b>21193.11</b>	<b>4406.04</b>	<b>-</b>	<b>25599.15</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and /or Manager:**

(Rupees in Lacs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/manager			Total Amount
		Mr. Neeraj Munjal, MD	Mrs. Charu Munjal, WTD	Dr. Anil Kumar Gupta, WTD	
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17 (1) of the Income Tax Act 1961	77.22	35.20	23.79	136.21
	(b) Value of perquisites u/s 17 (2) Income Tax Act 1961				
	(c) Profits in lieu of salary under Section 17 (30 Income tax Act 1961	77.22	31.68	37.69	146.59
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission as 2% of profit Others, Specify	-	-	-	-
5	Others, Please Specify - Provident Fund	9.27	4.22	2.96	16.45
	<b>Total (A)</b>	<b>163.71</b>	<b>71.10</b>	<b>64.44</b>	<b>299.25</b>

**B. Remuneration to other Directors**

(Rupees in Lacs)

Sl. No	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Sunil Kant Munjal	Mr. Bhagwan Dass Narang	Mr. Surrinder Lal Kapur	Dr. Vinayshil Gautam	
1.	<b>Independent Directors</b>					
	Fee for attending board committee meetings	2.10	4.80	6.30	6.30	19.50
	Commission	-	-	-	-	-
	Others, Please specify	-	-	-	-	-
	Total (1)	2.10	4.80	6.30	6.30	19.50
2.	<b>Other Non-Executive Directors</b>	Nil				
	Total (2)	-	-	-	-	-
	<b>Total Managerial Remuneration</b>	2.10	4.80	6.30	6.30	19.50

**C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD**

(Rupees in Lacs)

Sl. No		Key Managerial Personnel	
		Company Secretary - Ms. Shivani Kakkar	CFO – Mr. Davendra Ujlayan
1.	Gross Salary		
	(a) Salary as per provisions contained in Section 17 (1) of the Income Tax Act 1961	9.03	51.41
	(b) Value of perquisites u/s 17 (2) Income Tax Act 1961	-	-
	(c) Profits in lieu of salary under Section 17 (30) Income tax Act 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission as % of profit Others, Specify	-	-
5.	Others, Please Specify	-	-
	Total	9.03	51.41

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

There were no penalties, punishment or compounding of offences during the year ended March 31, 2017.

**Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

Information regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo Pursuant to section 134(3)(m) of the Companies Act, 2013, read with Companies (Accounts) Rules, 2014 and forming part of Board's Report

**A) Conservation of Energy:**

The Company sets its own targets for energy conservation, reviews performance and takes appropriate actions, wherever required, at various levels in all its areas of operations. The Company is making continuous efforts to conserve and optimise energy wherever practicable by economising on fuel and power. Various avenues are being explored at periodic interval and after careful analysis and planning measures are being initiated to minimize the consumption of energy by optimum utilization of energy consuming equipment. During the year under review, following measures were initiated/adopted for conservation and optimum utilization of energy:

- (a) Green Infrastructure
- (b) Energy efficiency glazing,
- (c) Use of Fly Ash Brick
- (d) Gravients for natural Air Circulation
- (e) High Performance VRV Air Conditioning
- (f) Reduced Lighting Power Densities in Spaces
- (g) Optimized Air cooling and air conditioned systems for the plant areas,
- (h) New plants are designed to use natural day light to reduce the electricity consumption for illumination during the day time,
- (i) Water conservation measures to minimize water intake
- (j) Usage of recycle waste
- (k) Onsite waste water treatment and its usage.
- (l) Purchase of Private Power

The Company is following up the concept of Green Factory Building for its Bengaluru and Rohtak Plant. Various initiatives have been undertaken by the Company to use waste water, to recycle waste of steel scrap, wood scrap and others.

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. Energy Audit is being conducted by the Company on various intervals.

**B) Technology Absorption, adaption and innovation:**

The Company is involved in supporting the MAKE IN INDIA initiative of Prime Minister by indigenizing various components as an import substitute in order to fulfill the continuous demand of the customers for price reduction. The Company continues to use the latest technologies for improving the productivity and quality of its services and products. Development and improvement of products has been an inbuilt and ongoing activity within the existing manufacturing facilities. These activities also enabled the Company to reduce process waste, lower the energy consumption and increase productivity.

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.

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 expenditure incurred on research, development and improvement of products is an indirect cost which is reflected in the financials of the company.

c) Foreign Exchange Earnings/ Outgo:	(Rupees In Lacs)
Earnings	269.92
Outgo	3016.27

**FORM No. MR-3****SECRETARIAL AUDIT REPORT  
For The Financial Year ended on 31<sup>st</sup> March, 2017**

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,  
The Members,  
**Shivam Autotech Limited**  
303, 3rd Floor, Square-1, District Centre,  
Saket New Delhi-110 017

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering financial year ended on 31<sup>st</sup> March, 2017 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the Company during the audit period)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the audit period)
  - (d) The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during audit the period)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (Not applicable to the Company during the audit period)
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period)

- vi) On the basis of representation received from the Company for the Financial Year 2016-17, we hereby confirm that the Company is only an auto ancillary industry, and that no industry specific laws are applicable to the company.

We have also examined compliance with the applicable clauses/regulations of the following:

1. Secretarial Standards issued by The Institute of Company Secretaries of India.
2. The Listing Agreements entered into by the Company with the Stock Exchange(s) and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015,

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except that the Company is yet to complete the process for transfer of unclaimed shares to Unclaimed Suspense Account as per the requirements of Regulation 39(4) read with Schedule VI of Listing Regulations, 2015; and six forms were filed with additional fees with the Ministry of Corporate Affairs.

**We further report that,**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director. There were no changes in the composition of the Board of Directors during the period under review.

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes (during the year under review there were no instance recorded in the minutes where any director has dissented to any particular resolution).

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

We further report that during the audit period, the following resolutions were passed as special resolution through postal ballot for:

1. Creation of charges, mortgages and hypothecations over the assets of the Company pursuant to Section 180(1) (a) of the Companies Act, 2013 and the Rules made thereunder;
2. Borrowing in excess of the paid-up capital and free reserves under Section 180(1) (c) of the Companies Act, 2013.
3. Payment of remuneration to the managerial personnel of the Company in case of inadequacy of profits or no profits pursuant to Schedule V of the Companies Act, 2013

For **SATYENDER KUMAR & ASSOCIATES**  
**Company Secretaries**

**Sd/-**  
**Satyender Kumar**  
**(Proprietor)**  
**C.P. No. 5189**  
**FCS 4087**

Place: Gurugram  
Date : August 10, 2017

Note: This report is to be read with our letter of even date which is annexed as Annexure- 1 and forms an integral part of this report.

To,  
The Members,  
**M/s Shivam Autotech Limited**  
303, 3rd Floor, Square-1, District Centre,  
Saket New Delhi-110 017

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

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

For **SATYENDER KUMAR & ASSOCIATES**  
**Company Secretaries**

Sd/-  
**Satyender Kumar**  
**(Proprietor)**  
**C.P. No. 5189**  
**FCS 4087**

Place: Gurugram  
Date : August 10, 2017

**ANNUAL REPORT ON CSR ACTIVITIES**

1. **A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:**

The Company had contributed sums towards fulfilling its CSR obligations, by providing financial aid to some foundations, trusts etc. involved in the field of promoting education, healthcare, eradicating hunger and sanitation, especially for the benefit of differently abled person.

The CSR Policy can be accessed at the following link on the company's website; [http://www.shivamautotech.com/pdf/CSR\\_POLICY.pdf](http://www.shivamautotech.com/pdf/CSR_POLICY.pdf)

2. **The composition of the CSR committee:** The Company has a CSR committee comprising of three directors

Name of Director	Designation	Category
Mr. Bhagwan Dass Narang	Chairman of the Committee	Non-Executive and Independent Director
Dr. Anil Kumar Gupta	Member	Whole Time Director
Mrs. Charu Munjal	Member	Whole Time Director

3. **Average net profit of the company for last three financial years for the purpose of computation of CSR:** Rs. 3424.91 Lacs

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):** Rs. 68.50 Lacs

5. **Details of CSR spent during the financial year:**

- Total amount to be spent for the financial year: Rs. 68.50 Lacs
- Amount unspent: Rs. 30.87 Lacs
- Manner in which the amount spent during the financial year:

Sr. No.	Category	Brief details including the work done with location	Date	Amount (In INR)
1.	For Rural Development	Road construction work done at Village Binola	30-06-16	512,889.77
2.	Promoting Education	Contributed amount for purchase of Fans, tubelights and other electric items for Poornanad School	18-07-16	78,783.00
3	Promoting Education	Contributed amount to Diya Foundation for differently abled children	19-07-16	36,000.00
4	Promoting Education	Contributed amount to Disha Foundation for differently abled children	26-07-16	500,000.00
5	Promoting Education	Contributed amount to Children's Hope for differently abled children	26-07-16	300,000.00
6	Promoting Education	Electrical repair work done in Poornanad School for development	26-07-16	21,445.00
7	Promoting Education	Contributed amount for purchase of furniture, electrical fittings and toys for school	30-07-16	537,938.00
8	Promoting Education	Contributed amount for education and development	19-08-16	23,210.00
9	Promoting Education	Contributed amount for wooden work done at Rishikesh School	31-08-16	77,519.00
10	Promoting Education	Doors and windows painted at Poornanad School	05-09-16	48,620.00
11	Promoting Education	Furniture painted at Poornanad School in interest of promoting education	19-10-16	16,737.00

Sr. No.	Category	Brief details including the work done with location	Date	Amount (In INR)
12	Promoting Education	Amount contributed for payment to labour for completion of work at Poornanad School	04-11-16	11,400.00
13	Promoting Education	Contributed for purchase of blankets to distribute in school haridwar	10-02-17	14,375.00
14	For Skill Development	Contributed to NEEM institute for hiring trainees for skill development	10-03-17	370,806.00
15	Promoting Education	Contributed to Charanjiv Charitable trust	10-03-17	12,937.00
16	For Skill Development	Repair work at binola school	17-03-17	701,175.85
17	Promoting Education	Contributed to Charanjiv Charitable trust	31-03-17	8,073.00
18	For Skill Development	Contributed to NEEM institute for hiring trainees for skill development	31-03-17	482,657.00
19	Promoting Education	Contributed to Charanjiv Charitable trust	31-03-17	8,487.00
<b>Total</b>				<b>3,763,052.62</b>

6. **In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.**

The Company has contributed in various trusts and NGO's for promoting education to differently abled children. The Company is working to repair and renovate the schools identified by the Company and these are multi-year projects for providing hygienic sanitation facilities and education. The Company is focusing on the completion of the aforesaid renovation work which includes civil work, rework for water leakage solution, floor work etc. The amount has been earmarked by the Company for the identified projects to be executed in the coming financial year(s).

7. **A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.**

We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.

**Sd/-**  
**Neeraj Munjal**  
**Managing Director**  
**DIN: 00037792**

**Sd/-**  
**Bhagwan Dass Narang**  
**Chairman, Corporate Social Responsibility Committee**  
**DIN: 00826573**

**August 10, 2017**  
**New Delhi**

## Annexure - G

**I. Information as per Section 197 of the Act read with Rule 5 (1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Board's Report for the year ended March 31, 2017.**

**a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:**

Executive Directors	Ratio
Mr. Neeraj Munjal	39.61
Mrs. Charu Munjal	17.20
Dr. Anil Kumar Gupta	15.59

*The Company pays only sitting fees and commission to Non-Executive Directors.*

**b. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year:**

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase/ decrease
Mr. Neeraj Munjal	29.33%
Mrs. Charu Munjal	27.34%
Dr. Anil Kumar Gupta	9.20%
Mr. Davendra Ujlayan	7.96%
Ms. Shivani Kakkar	19.44%

**c. The percentage increase in the median remuneration of employees in the financial year: 12.08%**

**d. The number of permanent employees on the rolls of Company: 866**

**e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average annual increase was around 8%-20%. However, during the course of the year, the total increase is approximately 12%, after accounting for promotions and other event based compensation revisions.

There was increase in the managerial remuneration for the year i.e. 20.95%.

**f. Affirmation that the remuneration is as per the remuneration policy of the Company:**

It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

**II. The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is as mentioned below:**

S. No	Name	Designation	Nature of employment	Remuneration	Qualification & Experience	Age	Date of Commencement of Employment	Previous	Shareholding
				(Rs. in Lacs)	(Yrs)	(Yrs)		Employment & Designation	
1	Mr. Neeraj Munjal	Managing Director	Director	163.71	B.Com & DIBM	50	01.04.2006	Munjal Auto Industries Ltd.	Nil
					28 years			<b>Executive Director</b>	

Notes:

- Remuneration includes Basic Salary, Commission, other allowances and taxable value of perquisites and Company's contribution to provident fund.
- The abovementioned appointment is on contractual basis.

**Names of Top 10 employees of the Company in terms of remuneration**

S. No	Name	Designation	Remuneration Received	Nature of employment (whether contractual or otherwise)	Qualification	Experience (In years)	Date of Commencement of employment	Age (In years)	Previous employment held by the employee before joining the company	Equity Shares of the Company held by the Employee	whether employee is relative of any director or manager, if yes, name such director or manager
1	Mrs. Charu Munjal	Executive Director	7,110,400	Permanent	Diploma in Textile Management	18	28-05-13	45	-	NIL	Yes, Spouse of Managing Director - Mr. Neeraj Munjal
2	Mr. Davendra Ujlavan	VP - Finance	5,904,729	Permanent	CA & CS	28	12-03-07	54	Boysen India Ltd	NIL	NO
3	Dr. Anil Kumar Gupta	Director - Technical	5,262,000	Permanent	Doctorate in Engineering	45	28-04-09	66	Materials Research Society of India	NIL	NO
4	Mr. Rajesh Kumar Srivastava	DGM - Manufacturing & Maintenance	3,562,584	Permanent	Diploma Electrical Engineering, MBA	31	02-04-07	50	Raunaq Automotive Component Ltd.	NIL	NO
5	Mr. Suresh Kumar	GM- Business Development	3,547,716	Permanent	B.E. - Mechanical & Diploma	23	25-08-10	44	Sata Vikash India Pvt. Ltd.	NIL	NO
6	Mr. Nitin Pawar	DGM - Operation	3,302,376	Permanent	B.E. - Production	22	10-05-13	43	RBS Transmissions(I) Ltd.	NIL	NO
7	Mr. Sanjeev Goel	DGM- PE	3,002,400	Permanent	B.Tech - Mechanical & Diploma	31	01-03-00	48	Amtek Auto Ltd.	NIL	NO
8	Mr. Vivek Sharma	DGM- Operations	2,863,593	Permanent	B.E. - Mechanical	20	01-03-13	44	Punji lloyd Limited.	NIL	NO
9	Mr. Manoj Kumar Agarwal	DGM- Operations	2,764,311	Permanent	B.Tech - Mechanical & Diploma	29	15-12-99	50	Benda Amtek Ltd.	NIL	NO
10	Mr. Subash Singh Negi	AGM- Maintenance	2,470,701	Permanent	Diploma & PG Diploma	24	01-04-14	47	Somic ZF Components Ltd.	NIL	NO

## 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 31st March, 2017, 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 30, 2017**

**Sd/-**  
**(NEERAJ MUNJAL)**  
**Managing Director**  
**DIN: 00037792**

**Sd/-**  
**(DAVENDRA UJLAYAN)**  
**VP – Finance**  
**PAN:AAFPU2249C**

## 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 2016-17.

**Sd/-**  
**(NEERAJ MUNJAL)**  
**MANAGING DIRECTOR**  
**DIN: 00037792**

**Place: New Delhi**  
**Date: August 10, 2017**

## CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members of  
SHIVAM AUTOTECH LIMITED

We have examined the compliance of conditions of Corporate Governance by Shivam Autotech Limited ('the Company') for the financial year ended 31st March 2017, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). The compliance 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 the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the company.

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Officers and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations, as applicable except that the Company is yet to complete the process for transfer of unclaimed shares to Unclaimed Suspense Account as per requirements of Regulation 39(4) read with Schedule VI of Listing Regulations.

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.

**For SATYENDER KUMAR & ASSOCIATES**  
**Company Secretaries**

**Place: Gurugram**  
**Date: August 10, 2017**

**Sd/-**  
**Satyender Kumar**  
**Proprietor**  
**C.P. No. 5189**  
**FCS 4087**

## 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 comprise the balance sheet as at 31<sup>st</sup> March, 2017, the statement of profit and loss, and the cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2017, and its loss and its cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;
- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigation on its financial position in its financial statements as referred to in Note 26 to the financial statements.
  - ii. Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. The Company has provided requisite disclosures in note 45 to these financial statements as to the holding of Specified Bank Notes on 8 November, 2016 and 30 December, 2016 as well as dealing in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on audit procedure and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the management.

**For S.S.KOTHARI MEHTA & Co.**  
Chartered Accountants  
Firm's Registration No. 000756N

**Sd/-**  
**SUNIL WAHAL**  
Partner  
Membership No. 087294

Place: New Delhi  
Date: 30 May 2017

**Annexure A to the Independent Auditor's Report to the members of Shivam Autotech Limited dated 30 May 2017.**
**Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 ("the Act") as referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' section.**

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year, the frequency of which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) In our opinion, and according to the information and explanations given to us, the title deeds of immovable properties are held in the name of the company.
- ii. The Management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- iii. The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly clauses 3(iii) (a) to (c) of the Order are not applicable.
- iv. According to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable. Hence, clause 3(iv) of the Order is not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of directives issued by the Reserve Bank of India and provisions of sections 73 to 76 or any other relevant provisions of the Act and the Rules framed thereunder .
- vi. We have broadly reviewed the Cost Accounting records maintained by the Company pursuant to the Rules prescribed by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We are, however, not required to make a detailed examination of such books and records.
- vii. a. According to the records of the Company examined by us and the information and explanations given to us, the Company has generally deposited its statutory dues including Employees' Provident Fund, Employees' State Insurance, Investor Education and Protection Fund, Income Tax, Wealth Tax, Service Tax, Custom Duty, Excise duty, Cess and any other material statutory dues, as applicable, with the appropriate authorities during the year and there are no such undisputed amounts payable which have remained outstanding as at 31<sup>st</sup> March 2017 for a period of more than six months from the date they became payable.
- b. According to the records of the Company, the details of dues of Income-tax, Sales-tax, Wealth-tax, Service-tax, Customs Duty, Excise Duty and Value added tax which have not been deposited on account of any dispute and the forum where the dispute is pending, are as follows :

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

- viii. In our opinion and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institution and bank. The company does not have any outstanding debentures.
- ix. In our opinion, and according to the information and explanations given to us during the course of audit, the Company has not raised any money way of initial public offer / further public offer. Further term loans taken during the year were applied for the purpose for which loan were obtained.
- x. In our opinion, and according to the information and explanations given to us, we report that no fraud by the company or on the company by the officers and employees of the Company has been noticed or reported during the year.

- xi. In our opinion, and according to the information and explanations given to us the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- xiii. In our opinion, and according to the information and explanations given to us during the course of audit, transactions with the related parties are in compliance with section 177 and section 188 of the Act and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and on an overall examination of the books of account, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit and hence not commented upon.
- xv. In our opinion, and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For S.S.KOTHARI MEHTA & Co.**  
Chartered Accountants  
Firm's Registration No. 000756N

**Sd/-**  
**SUNIL WAHAL**  
Partner  
Membership No. 087294

Place: New Delhi  
Date: 30 May, 2017

**Annexure B to the Independent Auditor's Report to the Members of Shivam Autotech Limited on its financial statements dated 30 May 2017.**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section.**

We have audited the internal financial controls over financial reporting of **Shivam Autotech Limited** (the Company) as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls Over Financial Reporting**

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

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

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

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

**For S.S.KOTHARI MEHTA & Co.**  
Chartered Accountants  
Firm's Registration No. 000756N

**Sd/-**  
**SUNIL WAHAL**  
Partner  
Membership No. 087294

Place: New Delhi  
Date: 30 May, 2017

## Balance Sheet as at 31 March 2017

	Note	As at 31 March 2017 Rs. Lacs	As at 31 March 2016 Rs. Lacs
<b>Equity and Liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	2,000.00	2,000.00
Reserves and surplus	4	17,163.62	17,546.49
<b>Total shareholders' fund</b>		<b>19,163.62</b>	<b>19,546.49</b>
<b>Non - current liabilities</b>			
Long-term borrowings	5	21,751.28	17,052.98
Deferred tax liabilities	6	222.22	1,188.99
Long - term provisions	7	335.73	401.00
<b>Total non - current liabilities</b>		<b>22,309.23</b>	<b>18,642.97</b>
<b>Current liabilities</b>			
Short term borrowings	8	14,593.42	10,494.95
Trade payables	9	-	-
Total outstanding dues of micro enterprise and small enterprises		6,009.27	4,556.28
Total outstanding dues of creditors other than micro enterprise and small enterprises		-	-
Other current liabilities	10	5,989.68	4,297.18
Short - term provisions	7	12.54	508.51
<b>Total current liabilities</b>		<b>26,604.91</b>	<b>19,856.92</b>
<b>Total</b>		<b>68,077.76</b>	<b>58,046.38</b>
<b>Assets</b>			
<b>Non - current assets</b>			
Fixed assets			
Tangible assets	11	34,816.48	24,541.59
Intangible assets	11	161.79	99.39
Capital work-in-progress		8,143.26	10,089.74
Long term loans and advances	12	3,302.22	5,429.77
<b>Total non - current assets</b>		<b>46,423.75</b>	<b>40,160.49</b>
<b>Current assets</b>			
Inventories	13	9,953.97	9,116.04
Trade receivables	14	6,660.48	4,715.36
Cash and cash equivalents	15	465.46	321.64
Short - term loans and advances	12	4,345.42	3,703.58
Other current assets	16	228.68	29.27
<b>Total current assets</b>		<b>21,654.01</b>	<b>17,885.89</b>
<b>Total</b>		<b>68,077.76</b>	<b>58,046.38</b>
<b>Significant accounting policies</b>	2		
The accompanying notes form an integral part of these financial statement			

As per report of even date

**For S.S. KOTHARI MEHTA & CO.**

**Chartered Accountants**

**ICAI Firm Registration No.000756N**

Sd/-

**Sunil Wahal**

**Partner**

**Membership No. : 087294**

**Place : New Delhi**

**Dated : 30th May 2017**

**For & on behalf of the Board of Directors**

Sd/-

**Neeraj Munjal**

**Managing Director**

**DIN : 00037792**

Sd/-

**Davendra Ujlayan**

**VP- Finance**

**PAN: AAFPU2249C**

Sd/-

**Anil Kumar Gupta**

**Director**

**DIN : 02643623**

Sd/-

**Shivani Kakkar**

**Company Secretary**

**M No 25097**

## Statement of Profit and Loss for the year ended 31 March 2017

	Note	Year ended 31 March 2017 Rs. Lacs	Year ended 31 March 2016 Rs. Lacs
<b>Revenue</b>			
Revenue from operations	17	48,529.68	44,755.29
Less : Excise duty		2,960.54	2,342.80
		<b>45,569.14</b>	<b>42,412.49</b>
Other income	18	34.50	30.52
<b>Total revenue</b>		<b>45,603.64</b>	<b>42,443.01</b>
<b>Expenses</b>			
Cost of raw material consumed	19	16,463.47	14,618.52
Job work on components		4,037.82	3,637.35
Store consumables		5,207.60	4,744.40
(Increase) / decrease in finished goods and work in progress	20	64.19	(599.54)
Employee benefit expenses	21	4,468.46	4,219.38
Finance cost	22	2,886.70	2,146.90
Depreciation and amortisation expenses	23	3,200.36	2,784.75
Other expenses	24	10,624.68	8,743.20
<b>Total expenses</b>		<b>46,953.28</b>	<b>40,294.96</b>
<b>Profit before tax</b>		(1,349.64)	2,148.05
<b>Tax expense</b>			
Current tax		-	458.42
Mat credit entitlement		-	(282.48)
Deferred tax charge/(credit)	6	(966.77)	48.22
<b>Profit/(loss) for the year</b>		<b>(382.87)</b>	<b>1,923.89</b>
<b>Earning per equity share (Nominal value per share Rs. 2/-)</b>			
Basic	25	(0.38)	1.92
Diluted		(0.38)	1.92
<b>Significant accounting policies</b>			
The accompanying notes form an integral part of these financial statements			

As per report of even date

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

**Sd/-**  
**Sunil Wahal**  
**Partner**  
**Membership No. : 087294**

**Place : New Delhi**  
**Dated : 30th May 2017**

**For & on behalf of the Board of Directors**

**Sd/-**  
**Neeraj Munjal**  
**Managing Director**  
**DIN : 00037792**

**Sd/-**  
**Davendra Ujlayan**  
**VP- Finance**  
**PAN: AAFPU2249C**

**Sd/-**  
**Anil Kumar Gupta**  
**Director**  
**DIN : 02643623**

**Sd/-**  
**Shivani Kakkar**  
**Company Secretary**  
**M No 25097**

## Cash Flow Statement for the year ended March 31, 2017

	Year ended 31 March 2017 Rs. Lacs	Year ended 31 March 2016 Rs. Lacs
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	(1,349.64)	2,148.05
Adjustments for:		
Depreciation	3,205.84	2,787.97
Sale tax subsidy	-	(75.96)
Loss on fixed asset sold / discarded	-	1.12
Interest income on deposits	(9.38)	(12.53)
Interest expense	4,013.35	3,124.67
<b>Operating profit before working capital changes</b>	<b>5,860.17</b>	<b>7,973.32</b>
<b>Changes in working capital</b>		
(Increase)/decrease in trade receivables	(2,144.53)	314.90
(Increase)/decrease in inventories	(837.93)	(1,150.47)
(Increase)/decrease in loans and advances/Other current assets	1,627.34	(1,383.47)
Increase/(decrease) in current liabilities and provisions	2,282.28	(534.41)
<b>Cash from operations</b>	<b>6,787.33</b>	<b>5,219.87</b>
Direct taxes paid (net of refunds)	(141.63)	(545.00)
<b>Net cash from operating activities</b>	<b>6,645.70</b>	<b>4,674.87</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets including capital work in progress	(11,596.64)	(11,834.71)
Proceeds from sale of fixed assets	-	13.12
Interest received on deposits	9.38	12.53
<b>Net cash used in investing activities</b>	<b>(11,587.26)</b>	<b>(11,809.06)</b>
<b>Cash flow from financing activities</b>		
Proceeds from/(repayment of) from short term borrowings - net	4,098.47	3,791.99
Proceeds from/(repayment of) of long term borrowings - net	5,431.44	6,848.04
Dividend paid	(400.00)	(600.00)
Tax on dividend	(81.43)	(122.15)
Interest paid	(3,963.10)	(3,110.72)
State sales tax subsidy	-	30.00
<b>Net cash from financing activities</b>	<b>5,085.38</b>	<b>6,837.16</b>
<b>Net (decrease)/increase in cash or cash equivalents</b>	<b>143.82</b>	<b>(297.03)</b>
Cash or cash equivalents at beginning of the year	321.64	618.67
<b>Cash or cash equivalents at the end of the year</b>	<b>465.46</b>	<b>321.64</b>

- The above cash flow statement has been prepared under the 'Indirect Method' as set out in Accounting Standard - 3 'Cash Flow Statement'
- Figures in bracket represent Cash Outflow.
- Previous Year's figures have been regrouped/rearranged wherever necessary.

Components of cash and cash equivalents as at	March 31, 2017 Rs. Lacs	March 31, 2016 Rs. Lacs
<b>Cash and cash equivalents:</b>		
Cash and cash equivalents	295.11	82.49
Other bank balances	170.35	239.15
Cash & bank balances	<b>465.46</b>	<b>321.64</b>

As per report of even date

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

Sd/-  
**Sunil Wahal**  
Partner  
Membership No. : 087294

Place : New Delhi  
Dated : 30th May 2017

**For & on behalf of the Board of Directors**

Sd/-  
**Neeraj Munjal**  
Managing Director  
DIN : 00037792

Sd/-  
**Davendra Ujlayan**  
VP- Finance  
PAN: AAFPU2249C

Sd/-  
**Anil Kumar Gupta**  
Director  
DIN : 02643623

Sd/-  
**Shivani Kakkur**  
Company Secretary  
M No 25097

## Notes to the financial statements for the year ended 31 March 2017

### 1. Background

Shivam Autotech Limited (the 'Company') 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. 29th July, 2005. In pursuant to the scheme of Demerger & arrangement, the Gurgaon Unit was transferred to Shivam Autotech Limited on 1st August, 2005. The Company has been engaged in the manufacturing of Near-Net- Shaped, auto transmission components mainly for Original Equipment Manufacturers (OEMs). The product range includes various types of transmission gears, transmission shafts, spline shafts, plunger, power train components, and employing cold/warm/hot forging techniques. The Company has five state-of-the-art manufacturing facilities, located at Gurgaon, Manesar, Haridwar, Bengaluru & Rohtak. The Company is listed on the National Stock Exchange and Bombay Stock Exchange of India. These financial statements are presented in Indian Rupees (Rs.).

### 2. Significant accounting policies

#### I. Basis of Preparation of financial statements

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act, 2013 ('the Act'), read together with Rule 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention, except in case of assets for which revaluation is carried out. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

#### 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. Tangible assets

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 pro-rata basis on the straight-line method over the estimated useful lives prescribed under Schedule II to the Act. Pursuant to this policy, depreciation is provided at the following rates which are in line with the corresponding useful life prescribed in Schedule II of the Act:

Plant & Machinery	15 years
Buildings	30 years
Computers	3 years
Office equipment	5 years
Furniture & fixtures	10 years
Vehicles	8 years
Intangible assets	4 years
Lease hold Improvements	Amortised over the period of lease

## Notes to the financial statements for the year ended 31 March 2017

### 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 favourable 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.

### 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

- a. 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 of the year when the contributions to the respective funds are due. There are no obligations other than the contributions payable to the respective funds.
- b. 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.
- c. 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.
- d. Actuarial gains/losses are immediately taken to statement of profit and loss.

### 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 in the year of put to use.

## Notes to the financial statements for the year ended 31 March 2017

### **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.

#### **d. Interest Income**

Interest income is recognised on time proportion basis taking in to account the amount outstanding and the rate applicable.

#### **e. Government Grant & Subsidies**

Grant/subsidies is recognised when there is reasonable assurance the Grant/subsidy will be received and all attaching condition will be complied with.

### **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 Income Tax Act, 1961, 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.

## Notes to the financial statements for the year ended 31 March 2017

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.

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 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 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 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 statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

### **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 statements for the year ended 31 March 2017

### 3 Share capital

	As at 31 March 2017		As at 31 March 2016	
	Number	Amount Rs. Lacs	Number	Amount Rs. Lacs
<b>Authorised</b>				
Equity shares of Rs. 2/- each	125,000,000	2,500.00	125,000,000	2,500.00
	<b>125,000,000</b>	<b>2,500.00</b>	125,000,000	2,500.00
<b>Issued, subscribed &amp; paid up</b>				
Equity shares of Rs. 2/- each	100,000,000	2,000.00	100,000,000	2,000.00
<b>Total</b>	<b>100,000,000</b>	<b>2,000.00</b>	100,000,000	2,000.00

Reconciliation of the number of shares outstanding -

	As at 31 March 2017	As at 31 March 2016
	Number	Number
Equity shares outstanding at the beginning of the year	100,000,000	50,000,000
Add: issued during the year	-	50,000,000
Equity shares outstanding at the close of the year	100,000,000	100,000,000

#### Rights, restrictions and preferences attached to each class of Shares

The Company has only one class of equity shares having par value of Rs. 2 /- per share. Each shareholder 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.

Amount of per share dividend recognized as distributions to equity shareholders is Nil due to loss during the year (previous year Rs. 0.40).

During the last five years, the company has not bought back any shares.

In the Previous year, the Company has issued 5,00,00,000 fully paid up shares of face value of Rs 2/- each, pursuant to bonus issue approved by the Shareholders through Postal ballot .

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.

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

	As on 31 March 2017		As on 31 March 2016	
	Number	% holding	Number	% holding
<b>Name of shareholder</b>				
Dayanand Munjal Investments Pvt Ltd (holding company) (Equity Shares of Rs. 2/- each fully paid up)	74,795,950	74.80%	74,795,950	74.80%

## Notes to the financial statements for the year ended 31 March 2017

### 4 Reserves & surplus

	As at 31 March 2017 Rs. Lacs	As at 31 March 2016 Rs. Lacs
<b>General reserve</b>		
Opening balance	5,068.62	4,768.62
Add: Transferred from statement of profit & loss	-	300.00
Closing balance	<b>5,068.62</b>	<b>5,068.62</b>
<b>Capital redemption reserve</b>		
Opening balance	5.00	5.00
Add: Transferred from statement of profit & loss	-	-
Closing balance	<b>5.00</b>	<b>5.00</b>
<b>Sales tax subsidy from the government of Haryana</b>		
Opening balance	<b>626.58</b>	672.54
Add: Capital subsidy	-	30.00
Less: repaid during the year to statutory authorities	-	(75.96)
Closing balance	<b>626.58</b>	<b>626.58</b>
<b>Surplus/ (deficit) in the statement of profit and loss</b>		
Opening balance	11,846.29	11,703.83
Add: (Loss)/profit for the year	(382.87)	1,923.89
Less: Amount Utilised for issuance of Bonus shares	-	(1,000.00)
<b>Less: Appropriations</b>		
Transfer to general reserve	-	300.00
Proposed dividend on equity shares	-	400.00
Dividend distribution tax	-	81.43
Closing balance	<b>11,463.42</b>	<b>11,846.29</b>
<b>Total</b>	<b>17,163.62</b>	<b>17,546.49</b>

## Notes to the financial statements for the year ended 31 March 2017

### 5 Long term borrowings

	As at 31 March 2017			As at 31 March 2016		
	Non Current	Current	Total	Non-Current	Current	Total
	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs
<b>Secured</b>						
<b>Term Loans</b>						
Rupee loan from Banks	18,456.72	2,587.07	21,043.79	15,579.60	1,747.35	17,326.95
<b>Unsecured</b>						
Hero Fincorp Limited*	3,294.56	1,111.48	4,406.04	1,473.38	1,218.06	2,691.44
<b>Total</b>	<b>21,751.28</b>	<b>3,698.55</b>	<b>25,449.83</b>	<b>17,052.98</b>	<b>2,965.41</b>	<b>20,018.39</b>
Amount disclosed under the head "Other Current Liabilities" Refer Note No - 10 as :						
Current Maturities of Long-Term Debts		(3,698.55)	(3,698.55)		(2,965.41)	(2,965.41)
<b>Total</b>	-	(3,698.55)	(3,698.55)	-	(2,965.41)	(2,965.41)
<b>Net Amount</b>	<b>21,751.28</b>	-	<b>21,751.28</b>	<b>17,052.98</b>	-	<b>17,052.98</b>

#### Nature of Security and Terms of Repayment

##### Details of Securities

- (i) Term Loan from IDBI Bank Ltd having outstanding balance of Rs. 264.42 lacs (previous year Rs. 1014.42 lacs) is secured by exclusive charge on the specific machinery created under expansion project of Binola & Haridwar plant alongwith other lenders.
- (ii) Term loan from Axis Bank having outstanding balance of Rs. Nil lacs (previous year Rs. 77.73 lacs) are secured by exclusive charge on specific movable machineries of Binola Plant respectively with other lenders.
- (iii) Term loan availed from Karnataka Bank having outstanding balance of Rs. 993.44 lacs (previous year Rs. 1500.00 lacs) is secured against Hypothecatin of specific movable Machineries located at Binola & Manesar Plant along with other lenders.
- (iv) Term Loan availed from Kotak Mahindra Bank having outstanding balance of Rs. Nil lacs (previous year Rs 86.29 lacs) is secured by exclusive charge on the specific machinery created at Haridwar plant along with other lenders.
- (v) Term Loan availed from Yes Bank Ltd having outstanding balance of Rs.5,000.00 lacs (previous year Rs 5,000.00 lacs) is having first pari passu on entire fixed assets of Rohtak & Bengaluru Plant, respectively with other lenders.
- (vi) Term Loan availed from Kotak Mahindra Bank Ltd having outstanding balance of Rs. 3,650.00 lacs (previous year Rs 4000.00 lacs) is having first pari passu on entire fixed assets of Rohtak & Bengaluru Plant, respectively with other lenders.
- (vii) Term Loan availed from ICICI Bank Ltd having outstanding balance of Rs. 3,000.00 lacs (previous year Rs 3000.00) is having first pari passu on entire fixed assets of Haridwar plant upto 1.25 times cover of loan amount.

## Notes to the financial statements for the year ended 31 March 2017

- (viii) Term Loan availed from IDFC Bank Ltd having outstanding balance of Rs. 4,935.93 lacs (previous year Rs 2,648.52 lacs) is having first pari passu on entire fixed assets of Rohtak & Bengaluru Plant, respectively with other lenders.
- (ix) Term Loan availed from Yes Bank Ltd having outstanding balance of Rs. 3,200.00 lacs (previous year Rs Nil) is having first pari passu on specific fixed assets of all plants respectively with other lenders.
- (x) The interest rate for the above Term Loan varies from 9.68% to 12.00 % (previous year 11.00% to 12.50 %).

\*The Interest rate of Hero FinCorp Limited unsecured Term Loan varies from 12.50% to 13.00% ( previous years 13.00% to 13.50%).

### Terms of Repayment

Binola Plant	O/S as on 31 March 2017 Rs. Lacs	Yearly repayment schedule				
		2017-18 Rs. Lacs	2018-19 Rs. Lacs	2019-20 Rs. Lacs	2020-21 Rs. Lacs	2021-22 & Above Rs. Lacs
<b>Banks</b>						
IDBI bank limited	264.42	264.42	-	-	-	-
Hero fincorp limited*	4,406.04	1,111.48	1,559.53	1,348.62	386.41	-
Karnataka bank limited	496.72	250.00	246.72	-	-	-
<b>Total</b>	<b>5,167.17</b>	<b>1,625.89</b>	<b>1,806.25</b>	<b>1,348.62</b>	<b>386.41</b>	<b>-</b>

Haridwar Plant	O/S as on 31 March 2017 Rs. Lacs	Yearly repayment schedule				
		2017-18 Rs. Lacs	2018-19 Rs. Lacs	2019-20 Rs. Lacs	2020-21 Rs. Lacs	2021-22 & Above Rs. Lacs
<b>Banks</b>						
ICICI Bank Limited	3,000.00	150.00	600.00	600.00	600.00	1,050.00
<b>Total</b>	<b>3,000.00</b>	<b>150.00</b>	<b>600.00</b>	<b>600.00</b>	<b>600.00</b>	<b>1,050.00</b>

Manesar Plant	O/S as on 31 March 2017 Rs. Lacs	Yearly repayment schedule				
		2017-18 Rs. Lacs	2018-19 Rs. Lacs	2019-20 Rs. Lacs	2020-21 Rs. Lacs	2021-22 & Above Rs. Lacs
<b>Banks</b>						
Karnataka bank limited	496.72	250.00	246.72	-	-	-
<b>Total</b>	<b>496.72</b>	<b>250.00</b>	<b>246.72</b>	<b>-</b>	<b>-</b>	<b>-</b>

Rohtak & Bengaluru Plant	O/S as on 31 March 2017 Rs. Lacs	Yearly repayment schedule				
		2017-18 Rs. Lacs	2018-19 Rs. Lacs	2019-20 Rs. Lacs	2020-21 Rs. Lacs	2021-22 & Above Rs. Lacs
<b>Banks</b>						
Yes bank limited	5,000.00	150.00	650.00	800.00	800.00	2,600.00
Kotak Bank limited	3,650.00	700.00	700.00	1,020.00	666.67	563.33
IDFC Bank Limited	4,935.94	822.66	1,096.88	1,096.88	1,096.88	822.66
Yes bank limited	3,200.00	-	400.00	700.00	700.00	1,400.00
<b>Total</b>	<b>16,785.94</b>	<b>1,672.66</b>	<b>2,846.88</b>	<b>3,616.88</b>	<b>3,263.54</b>	<b>5,385.99</b>
<b>Grand Total</b>	<b>25,449.83</b>	<b>3,698.55</b>	<b>5,499.85</b>	<b>5,565.49</b>	<b>4,249.95</b>	<b>6,435.99</b>

## Notes to the financial statements for the year ended 31 March 2017

### 6 Deferred tax liabilities (net)

	As at 31 March 2017 Rs. Lacs	Charge/(Credit during the year) Rs. Lacs	As at 31 March 2016 Rs. Lacs
<b>A. Deferred tax liabilities</b>			
Difference between WDV as per books of accounts & as per Income Tax Act, 1961	2,072.32	758.78	1,313.54
<b>B. Deferred Tax Assets</b>			
Disallowance u/s 43-B of the Income Tax Act, 1961	101.26	(23.29)	124.55
Carried forward Losses as per Income tax	1,748.84	1,748.84	
<b>Total</b>	<b>222.22</b>	<b>(966.77)</b>	<b>1,188.99</b>

### 7 Provisions

	As at 31 March 2017		As at 31 March 2016	
	Short term	Long term	Short term	Long term
	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs
<b>Provision for employee benefits</b>				
Gratuity (Refer note 30)	5.51	147.95	4.26	142.17
Leave encashment (Refer note 30)	7.03	187.78	22.82	258.83
<b>Other provisions</b>				
Proposed dividend (including dividend distribution tax)	-	-	481.43	-
<b>Total</b>	<b>12.54</b>	<b>335.73</b>	<b>508.51</b>	<b>401.00</b>

### 8 Short term borrowings

	As at 31 March 2017 Rs. Lacs	As at 31 March 2016 Rs. Lacs
From banks on cash credit (secured)	14,593.42	10,494.95
<b>Total</b>	<b>14,593.42</b>	<b>10,494.95</b>

#### Details of Securities

- (i) Cash credit from IDBI Bank having outstanding balance of Rs. 1340.66 Lacs (previous year Rs. 292.59 lacs) and Axis Bank having outstanding balance Rs. Nil (PY Rs. 12.66 lacs) at Binola is secured by first Pari Pasu charge on current assets of the Company.
- (ii) Cash credit from Karnataka Bank having outstanding balance of Rs. Nil (previous year Rs. 1206.75 Lacs) at Binola is secured as first charge on entire current assets of the Binola plant alongwith other lenders (Both Present and future and second charge on the machineries proposed to be purchased out of Term Loan of Rs. 10 Crores for Binola Plant).

## Notes to the financial statements for the year ended 31 March 2017

- (iii) Cash credit from Punjab National Bank having outstanding balance of Rs. Nil (previous year Rs. 1976.58 lacs) and IDBI Bank Ltd. having an outstanding balance of Rs. 700.00 Lacs (previous year Rs.1029.45 lacs) is secured by first pari passu charge on the current assets of Haridwar Plant along with the other working capital bankers.
- (iv) Cash credit from Kotak Mahindra Bank Limited having outstanding balance Rs 2200.00 lacs (previous year Rs. 180.67 lacs) is secured by first pari passu charges on the current asset of binola plant along with the other working capital bankers.
- (v) Cash credit from ICICI Bank Limited having outstanding balance or Rs 947.95 lacs (previous year Rs. 839.33 lacs) is un-secured working capital.
- (vi) Cash credit from HDFC Bank Limited having outstanding balance or Rs 3376.63 lacs (previous year Rs. 2520.01) is secured by first pari passu charges on the current asset of Binola & Haridwar plant along with the other working capital bankers.
- (vii) Cash credit from IDFC Bank Limited having outstanding balance or Rs 2158.31 lacs (previous year Rs. 2436.91) is secured by first pari passu charges on the current asset of Haridwar plant along with the other working capital bankers.
- (viii) Cash credit from Yes Bank Limited having outstanding balance of Rs 3869.87 lacs (previous year Rs. Nil lacs) is secured by exclusive charges on all the current assets of Bengaluru plant and first pari pasu charge on all the current assets of Binola plant of the Borrower (Present & future) .
- (ix) The interest rate for the above cash credit varies from 9.25% to 11.90% (previous year 9.45% to 11.90%).

### 9 Trade payables

	As at 31 March 2017 Rs. Lacs	As at 31 March 2016 Rs. Lacs
Trade payables*	6,009.27	4,556.28
<b>Total</b>	<b>6,009.27</b>	<b>4,556.28</b>

\*includes due to Micro, Small and Medium Enterprises (Refer note 35) (to the extent information is available with the company)

### 10 Other current liabilities

	As at 31 March 2017 Rs. Lacs	As at 31 March 2016 Rs. Lacs
Current maturities of long-term borrowings (Refer Note 5)	3,698.55	2,965.41
Capital Creditors	979.51	297.70
Unpaid dividend*	43.48	39.37
Interest accrued but not due on borrowings	149.32	99.07
<b>Other payables</b>		
Withholding & other taxes	191.26	188.03
Security deposits	25.85	15.79
Retention money	119.87	60.75
Accrued salary & benefits	419.35	371.07
Expenses	349.32	243.60
Others	13.17	16.39
<b>Total</b>	<b>5,989.68</b>	<b>4,297.18</b>

\*This amount does not include amount to be credited to Investor Education and Protection Fund.

## Notes to the financial statements for the year ended 31 March 2017

### 11 Fixed assets

Particulars	Tangible assets											*Capital Work - in - Progress	
	Land	Building	Plant & machinery	Computers	Office equipment	Furniture & fixtures	Vehicles	Lease hold Improvements	Total Tangible assets	Intangible assets	Grand Total		
	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs		Rs. lacs
<b>Gross Block</b>													
As at 31st March 2015	5,754.84	3,717.53	35,353.79	189.25	240.31	198.97	437.87	127.05	46,019.62	253.65	46,273.27	592.55	
Additions	-	-	2,217.64	33.48	20.29	2.25	15.39	-	2,289.04	48.48	2,337.53	9,497.19	
Disposals	-	-	(17.30)	(0.32)	(1.30)	-	(11.10)	-	(30.02)	-	(30.02)	-	
As at 31st March 2016	5,754.84	3,717.53	37,554.13	222.41	259.30	201.22	442.16	127.05	48,278.64	302.14	48,580.78	10,089.74	
Additions	-	2,644.02	10,708.10	35.44	17.19	5.46	17.03	-	13,427.24	115.89	13,543.12	8,670.75	
Disposals	-	-	-	-	-	-	-	-	-	-	-	(10,617.23)	
<b>As at 31st March 2017</b>	<b>5,754.84</b>	<b>6,361.55</b>	<b>48,262.23</b>	<b>257.84</b>	<b>276.49</b>	<b>206.68</b>	<b>459.20</b>	<b>127.05</b>	<b>61,705.89</b>	<b>418.02</b>	<b>62,123.90</b>	<b>8,143.26</b>	
<b>Depreciation</b>													
As at March 31, 2015	-	784.63	19,651.21	139.64	179.45	100.68	124.44	28.28	21,008.33	159.28	21,167.60	-	
Charge for the year	-	126.49	2,478.78	30.79	16.37	20.81	53.73	14.34	2,741.29	43.46	2,784.75	-	
Depreciation charge to other account	-	-	-	-	3.22	-	-	-	3.22	-	3.22	-	
Disposals	-	-	(10.91)	(0.30)	(1.25)	-	(3.31)	-	(15.77)	-	(15.77)	-	
<b>As at March 31, 2016</b>	<b>-</b>	<b>911.11</b>	<b>22,119.07</b>	<b>170.13</b>	<b>197.79</b>	<b>121.48</b>	<b>174.86</b>	<b>42.61</b>	<b>23,737.06</b>	<b>202.74</b>	<b>23,939.80</b>	<b>-</b>	
Charge for the year	-	150.51	2,861.41	30.22	18.64	17.63	54.12	14.34	3,146.87	53.49	3,200.36	-	
Depreciation Charge to other accounts**	-	-	2.89	2.15	0.42	0.02	-	-	5.48	-	5.48	-	
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	
<b>As at March 31, 2017*</b>	<b>-</b>	<b>1,061.62</b>	<b>24,983.38</b>	<b>202.50</b>	<b>216.85</b>	<b>139.13</b>	<b>228.98</b>	<b>56.95</b>	<b>26,889.41</b>	<b>256.23</b>	<b>27,145.64</b>	<b>-</b>	
<b>Net block</b>													
As at March 31, 2016	5,754.84	2,806.42	15,435.06	52.28	61.51	79.73	267.30	84.44	24,541.58	99.39	24,640.98	10,089.74	
<b>As at March 31, 2017</b>	<b>5,754.84</b>	<b>5,299.93</b>	<b>23,278.86</b>	<b>55.34</b>	<b>59.64</b>	<b>67.55</b>	<b>230.22</b>	<b>70.10</b>	<b>34,816.48</b>	<b>161.79</b>	<b>34,978.26</b>	<b>8,143.26</b>	

Note:- Lease hold improvements have been depreciated over period of lease

\* includes pre-operative expenditure pending capitalisation of Rs. 2259.84 lacs (Previous years Rs. 3361.61 lacs) (Refer note 33)

\*\* Depreciation capitalised during the year Rs. 5.48 lacs (previous year Rs. 3.22 lacs)

## Notes to the financial statements for the year ended 31 March 2017

### 12 Loans and advances (unsecured considered good)

	As at 31 March 2017		As at 31 March 2016	
	Long term	Short term	Long term	Short term
	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs
Capital advances	1,364.15	-	3,637.96	-
Security deposits	-	293.45	-	232.51
Prepaid expenses	-	90.23	-	80.23
Advance to suppliers/contractors	-	1,085.79	-	1,375.62
Advance to employees	-	46.86	-	41.39
Balances with statutory authorities	-	2,025.05	-	1,385.55
Advance tax and tax deducted at source Net of provision Rs. 2412.75 lacs (previous year Rs. 2412.75 lacs)	306.19	-	159.93	-
MAT credit entitlement	1,631.88	-	1,631.88	-
Others	-	804.04	-	588.28
<b>Total</b>	<b>3,302.22</b>	<b>4,345.42</b>	<b>5,429.77</b>	<b>3,703.58</b>

### 13 Inventories (As taken verified and certified by the management)

	As at March 31, 2017 Rs. Lacs	As at 31 March 2016 Rs. Lacs
Raw materials	1,134.19	1,513.97
Work - in - process	2,400.16	2,448.13
Finished goods	130.67	139.85
Stores & spares	6,268.45	4,997.33
Others	20.50	16.76
<b>Total</b>	<b>9,953.97</b>	<b>9,116.04</b>

### 14 Trade receivables (Unsecured, considered good unless otherwise stated)

	As at 31 March 2017 Rs. Lacs	As at 31 March 2016 Rs. Lacs
<b>Outstanding for a period exceeding six months from the due date</b>		
Considered good	355.71	406.99
Considered doubtful	-	-
<b>Outstanding for a period less than six months from the due date</b>		
Considered good	6,304.77	4,308.37
<b>Total</b>	<b>6,660.48</b>	<b>4,715.36</b>

## Notes to the financial statements for the year ended 31 March 2017

### 15 Cash and cash equivalents

	As at 31 March 2017 Rs. Lacs	As at 31 March 2016 Rs. Lacs
<b>Cash and bank balances</b>		
Bank balances in current account	285.75	69.02
Cash in hand	9.36	13.47
	<b>295.11</b>	<b>82.49</b>
<b>Other bank balances</b>		
Fixed deposit less than 12 month maturity	126.87	199.78
Earmarked for unpaid dividend	43.48	39.37
	<b>170.35</b>	<b>239.15</b>
<b>Total</b>	<b>465.46</b>	<b>321.64</b>

### 16 Other current asset

	As at 31 March 2017 Rs. Lacs	As at 31 March 2016 Rs. Lacs
Unbilled revenue	228.68	29.27
<b>Total</b>	<b>228.68</b>	<b>29.27</b>

### 17 Revenue from operations

	For the year ended 31 March 2017 Rs. Lacs	For the year ended 31 March 2016 Rs. Lacs
Sale of products (finished goods)	47,408.56	43,835.45
Other operating revenue	1,190.17	1,026.59
Less: Income capitalised	(69.05)	(106.75)
<b>Total</b>	<b>48,529.68</b>	<b>44,755.29</b>

### 18 Other income

	For the year ended 31 March 2017 Rs. Lacs	For the year ended 31 March 2016 Rs. Lacs
Interest income on fixed deposits with banks	9.38	12.53
Gain on foreign exchange fluctuation	32.82	25.70
Miscellaneous income	150.98	5.81
Less: Income capitalised	(158.68)	(13.52)
<b>Total</b>	<b>34.50</b>	<b>30.52</b>

## Notes to the financial statements for the year ended 31 March 2017

### 19 Cost of raw material consumed

	For the year ended 31 March 2017 Rs. Lacs	For the year ended 31 March 2016 Rs. Lacs
Opening balance of the raw material inventory	1,513.97	1,930.24
Add : Purchases during the year	16,105.52	14,328.19
	<b>17,619.49</b>	<b>16,258.43</b>
Closing balance of the raw material inventory	1,134.19	1,513.97
Less: Raw material consumption capitalised	(21.83)	(125.94)
<b>Total</b>	<b>16,463.47</b>	<b>14,618.52</b>

### 20 (Increase) / decrease In finished goods and work - in - progress

	For the year ended 31 March 2017 Rs. Lacs	For the year ended 31 March 2016 Rs. Lacs
<b>Opening balance of the Inventories</b>		
Work - in - process	2,448.13	1,713.29
Finished goods	139.85	210.92
Process scrap	16.76	57.28
	<b>2,604.74</b>	<b>1,981.49</b>
<b>Less:</b>		
<b>Closing balance of the Inventories</b>		
Work - in - process	2,400.16	2,448.13
Finished goods	130.67	139.85
Process scrap	20.50	16.76
	<b>2,551.33</b>	<b>2,604.74</b>
Less: Expense capitalised	<b>(10.78)</b>	<b>(23.71)</b>
<b>Net</b>	<b>64.19</b>	<b>(599.54)</b>

### 21 Employee benefit expenses

	For the year ended 31 March 2017 Rs. Lacs	For the year ended 31 March 2016 Rs. Lacs
Salaries, wages, allowances & commission	3,974.43	3,548.63
Contribution to gratuity, provident and other funds	255.10	245.51
Staff welfare expenses	431.78	365.24
Gratuity and earned leave expenses	59.11	203.53
Less: Expenses capitalised	(251.96)	(143.53)
<b>Total</b>	<b>4,468.46</b>	<b>4,219.38</b>

## Notes to the financial statements for the year ended 31 March 2017

### 22 Finance cost

	For the year ended 31 March 2017 Rs. Lacs	For the year ended 31 March 2016 Rs. Lacs
Interest on term loans	2,545.39	1,839.91
Interest on cash credit	1,102.83	834.72
Interest others (including cash discount)	212.92	272.88
Bank & other charges	152.21	177.16
Less: Expenses capitalised	(1126.65)	(977.77)
<b>Total</b>	<b>2,886.70</b>	<b>2,146.90</b>

### 23 Depreciation and amortization expense

	For the year ended 31 March 2017 Rs. Lacs	For the year ended 31 March 2016 Rs. Lacs
Depreciation of tangible assets	3,152.32	2,744.51
Depreciation of intangible assets	53.49	43.46
Less: Expenses capitalised	(5.45)	(3.22)
<b>Total</b>	<b>3,200.36</b>	<b>2,784.75</b>

## Notes to the financial statements for the year ended 31 March 2017

### 24 Other expenses

	For the year ended 31 March 2017 Rs. Lacs	For the year ended 31 March 2016 Rs. Lacs
Power and fuel consumption	3,306.47	3,093.47
Packing material consumption	245.07	97.24
<b>Repair and maintenance on</b>		
Machinery	999.62	648.65
Building	400.33	305.52
Vehicle	146.90	147.41
Lease rent	181.39	176.77
Wages to contractors	3,911.67	3,324.50
Rates and taxes	16.37	32.90
Charity and donation	0.26	0.41
Corporate social responsibility expenses	37.63	11.25
Insurance	221.26	166.10
Legal and professional	399.69	245.43
Travelling and conveyance	659.11	538.88
Printing and stationery	3.29	4.51
Postage, telegram and telephones	40.29	33.03
Selling expenses	120.62	47.25
Board & secretarial expenses	64.00	73.62
Security expenses	181.76	136.92
Freight and forwarding charges	245.14	132.00
Excise duty difference on stocks of finished goods (net)	(0.78)	(9.44)
Loss on sale of fixed assets	-	1.12
Miscellaneous expenses	234.49	143.29
Less: Expenses capitalised	(789.89)	(607.63)
<b>Total</b>	<b>10,624.68</b>	<b>8,743.20</b>
Payment to Auditor		
As Auditor		
Audit fee	9.08	8.25
Limited review	1.54	1.40
Reimbursement of expenses	2.84	1.76
	<b>13.46</b>	<b>11.41</b>

## Notes to the financial statements for the year ended 31 March 2017

### 25 Earning per share

	For the year ended 31 March 2017 Rs. lacs	For the year ended 31 March 2016 Rs. lacs
Net profit for calculation of basic and diluted EPS (Rs. in lacs)	(382.87)	1,923.89
Total number of equity shares outstanding at the end of the year	100000000	100000000
Weighted average number of equity shares in calculating basic and diluted EPS	100000000	100000000
Basic and diluted EPS (Rs.)	(0.38)	1.92

### 26. Contingent liabilities and commitments outstanding:

I Contingent liabilities not provided for in respect of:-

Description	As at 31 March 2017 Rs. Lacs	As at 31 March 2016 Rs. Lacs
a) Letter of credit opened by banks	1543.45	2228.44
b) Disputed excise duty and other demands	-	8.95
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 favour of the Company 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)	1,677.69	4,971.38
III Other Commitments	-	-

27. 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.

28. 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.

29. Expenditure on insurance includes Rs. 6.31 Lacs (Previous Year Rs. 6.31 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.

### 30. Employee Benefits in accordance with Accounting Standard (AS-15)

A. The Company has classified the various benefits provided to employees as under:-

#### (i) Defined contribution plans

a. Provident fund

## Notes to the financial statements for the year ended 31 March 2017

### (ii) Defined benefits plans

- Contribution to gratuity fund
- Compensated absences – earned leaves

In accordance with Accounting Standard 15, actuarial valuation was done in respect of the aforesaid defined plans based on the following assumptions: -

#### Economic assumptions

The discount rate and salary increases assumed are key financial assumptions and are considered together; it is the difference or 'gap' between these rates which is more important than the individual rates in isolation.

#### Salary escalation rate

The salary escalation rate usually consists of at least three components, viz. Regular increments, price inflation and promotional increases. In addition to this any commitments by the management regarding future salary increases and the Company's philosophy towards employee remuneration are also taken into account. Again a long- term view as to the trend in salary increase rates is taken rather than be guided by the escalation rates experienced in the immediate past, if they have been influenced by unusual factors.

The following tables set out the unfunded status of the gratuity plan and earned leave and amounts recognized in the Company's financial statements as at March 31, 2017

#### a) Change in present value of the defined obligation

	As at 2016-17 Gratuity (funded) Rs. lacs	As at 2016-17 Leave encashment (unfunded) Rs. lacs	As at 2015-16 Gratuity (funded) Rs. lacs	As at 2015-16 Leave encashment (unfunded) Rs. lacs
- Present value of obligations as at 01.04.2016	523.12	281.65	404.18	225.64
- Interest cost	41.82	22.52	31.32	17.49
- Past service cost	-	-	-	-
- Current service cost	62.17	27.10	62.46	44.59
- Benefits paid	(17.14)	(28.70)	(10.86)	(46.25)
- Actuarial loss on obligations	28.94	(107.76)	36.01	40.18
Present value of obligations as at 31.03.2017	<b>638.91</b>	<b>194.82</b>	<b>523.11</b>	<b>281.65</b>

#### b) Changes in fair value of plan asset

	As at 2016-17 Gratuity (funded) Rs. lacs	As at 2016-17 Leave encashment (unfunded) Rs. lacs	As at 2015-16 Gratuity (funded) Rs. lacs	As at 2015-16 Leave encashment (unfunded) Rs. lacs
- Fair value of plan assets at the beginning of the year	376.69	-	325.91	-
- Acquisition adjustment	-	-	-	-
- Expected return on plan assets	31.43	-	29.33	-
- Contributions	92.05	-	33.13	-
- Benefits paid	(17.14)	-	(10.86)	-
- Actuarial gain/(loss) on plan assets	<b>2.43</b>	-	<b>(0.83)</b>	-
Fair value of plan assets at the end of the year	<b>485.46</b>	-	<b>376.68</b>	-

## Notes to the financial statements for the year ended 31 March 2017

### c) Liability recognized in balance sheet

	As at	As at	As at	As at
	2016-17	2016-17	2015-16	2015-16
	Gratuity (funded)	Leave Encashment (unfunded)	Gratuity (funded)	Leave encashment (unfunded)
	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs
- Present value of obligations at the end of the year	638.91	194.82	523.12	281.65
- Fair value of plan assets as at the end of the year	485.46	-	376.69	-
- Funded status / difference	(153.45)	-	(146.43)	-
- Excess of actual over estimated	2.43	-	(0.83)	-
- Unrecognized actuarial (gain)/loss	-	-	-	-
- Net assets/ (liabilities) recognized in balance Sheet	<b>(153.45)</b>	<b>(194.82)</b>	<b>(146.43)</b>	<b>(281.65)</b>

### d) Expenses recognized in statement of profit and loss

	As at	As at	As at	As at
	2016-17	2016-17	2015-16	2015-16
	Gratuity (funded)	Leave Encashment (unfunded)	Gratuity (funded)	Leave encashment (unfunded)
	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs
- Current service cost	62.17	27.10	62.46	44.59
- Past service cost	-	-	-	-
- Interest cost	41.82	22.52	31.32	17.49
- Expected return on plan assets	(31.43)	-	(29.33)	-
- Net actuarial (gain)/loss recognized during the year	26.51	(107.76)	36.84	40.18
<b>Total expenses</b>	<b>99.07</b>	<b>58.14</b>	<b>101.29</b>	<b>102.26</b>

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

Gratuity	2016-17 Rs. lacs	2015-16 Rs. lacs	2014-15 Rs. lacs	2013-14 Rs. lacs	2012-13 Rs. lacs
Defined benefit obligation	638.91	523.12	404.18	282.30	230.08
Plan Assets	485.46	376.69	325.91	259.87	204.96
Surplus/ (deficit)	(153.45)	(146.43)	(78.28)	(22.44)	(25.12)
Experience adjustment on plan assets	2.43	(55.78)	(4.40)	(1.01)	4.68
Experience adjustment on plan liabilities	16.41	(55.78)	(4.45)	(5.35)	(36.60)

## Notes to the financial statements for the year ended 31 March 2017

Leave encashment	2016-17 Rs. Lacs	2015-16 Rs. Lacs	2014-15 Rs. Lacs	2013-14 Rs. Lacs	2012-13 Rs. Lacs
Defined benefit obligation	194.82	281.65	225.64	157.26	123.10
Plan Assets	-	-	-	-	-
Surplus/ (deficit)	(194.82)	(281.65)	(225.64)	(157.26)	(123.10)
Experience adjustment on plan assets	-	-	-	-	-
Experience adjustment on plan liabilities	121.36	(49.39)	(14.65)	(21.16)	(14.04)

The Principal assumption use in determining gratuity for the company's plans are shown below :

	2016-17	2015-16
Discount rate	7.50%	8.00%
Expected rate of return on assets	7.50%	8.35%
Expected rate of future salary increase	6.00%	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. 253.68 lacs. (Previous year Rs. 235.58 lacs)

**31.** 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, 2013, (as amended) are not applicable.

### **32. Related Party Disclosures (\*\*):-**

#### a) Key Managerial Personnel

Mr. Neeraj Munjal, Managing Director

Dr. Anil Kumar Gupta, Technical Director

Mrs. Charu Munjal, Whole Time Director

Mr. Davendra Ujlayan, VP- Finance

Ms. Shivani Kakkar, Company Secretary

#### 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

Pushti Metal Industries LLP

Earthly Possessions

## Notes to the financial statements for the year ended 31 March 2017

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

Nature of Transaction	Key management personnel		Enterprises over which key management personnel and their relatives are able to exercise significant influence		Total	
	For the year ended		For the year ended		For the year ended	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs
<b>Sale of goods and services</b>						
Munjal Showa Limited	-	-	1277.04	1334.10	1277.04	1334.10
Pushti Metal Industries LLP	-	-	-	6.18	-	6.18
<b>Purchase of goods and services</b>						
Munjal Showa Limited	-	-	0.63	0.14	0.63	0.14
Pushti Metal Industries LLP	-	-	899.65	825.38	899.65	825.38
Earthly Possessions	-	-	1101.41	959.62	1101.41	959.62
<b>Salary &amp; perquisites</b>						
Neeraj Munjal	154.44	119.42	-	-	154.44	119.42
Anil Kumar Gupta	61.48	56.30	-	-	61.48	56.30
Charu Munjal	66.88	52.52	-	-	66.88	52.52
Davendra Ujlayan	51.41	47.62	-	-	51.41	47.62
Shivani Kakkar	9.03	7.56	-	-	9.03	7.56
<b>Outstanding balance as at the year end Amount (receivable)</b>						
Munjal Showa Limited	-	-	181.29	193.45	181.29	193.45
<b>Amount (payable)</b>	-	-	0.58	0.14	0.58	0.14
Munjal Showa Limited	-	-	340.70	118.81	340.70	118.81
Pushti Metal Industries LLP	-	-	254.72	301.20	254.72	301.20
Earthly Possessions						

\*\* Identified and certified by the management.

## Notes to the financial statements for the year ended 31 March 2017

33. The Company had incurred some expenditure related to acquisition/construction of fixed assets and classified under Capital work in progress. Details of the expenses capitalized and carried forward as capital work in progress are given below:

Particulars	As at 2016-17 Rs. Lacs	As at 2015-16 Rs. Lacs
<b>Carried forward as part of Capital work in progress (A)</b>	<b>3,361.61</b>	<b>326.66</b>
<b>Income during the year</b>		
Sale of components	69.05	106.75
Other Income	158.68	13.52
<b>Total income incurred during the year</b>	<b>227.73</b>	<b>120.27</b>
<b>Expenditure incurred during the year</b>		
Raw material consumption	21.83	125.94
Changes in inventories	10.78	(23.71)
Packing material consumption	6.68	10.87
Consumption of stores	698.96	1,320.84
Salary and wages	251.96	143.53
Finance cost	1126.65	977.77
Power & fuel	43.40	144.86
Travelling expenses	66.79	169.89
Security expenses	18.25	22.19
Wages to contractors	53.93	75.44
Repair & maintenance	384.82	80.16
Depreciation	5.45	3.22
Miscellaneous expenditure	222.42	104.22
<b>Total Expenditure incurred during the year (B)</b>	<b>2,911.92</b>	<b>3,155.22</b>
<b>Net expenditure incurred during the year</b>	<b>2,684.19</b>	<b>(3,034.95)</b>
Less : Capitalised as fixed assets	3,785.95	-
<b>Carried forward as part of Capital work in progress</b>	<b>2,259.84</b>	<b>3,361.61</b>

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

Particulars	As at 31 March 2017 Rs. lacs	As at 31 March 2016 Rs. lacs
Not later than one year	155.32	148.36
Later than one year and not later than five years	395.64	473.78
Later than five years	40.32	117.49
	<b>591.27</b>	<b>739.63</b>

## Notes to the financial statements for the year ended 31 March 2017

- 35.** Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006 to the extent of information available with the company:

Particulars	(Rs. lacs)	
	2016-17	2015-16
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	-	-
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-
<b>Total</b>	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

**36. Foreign currency exposures**

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

Particulars	Foreign Currency	2016-17		2015-16	
		Amount in FC	Amount Rs. lacs	Amount in FC	Amount Rs. lacs
Receivables	EURO	61,302.98	46.69	1,06,483.80	76.64
Payables	CHF	64,330.54	44.55	0.00	0.00
	EUR	1,70,118.91	136.39		
	GBP	22,080.00	22.25		
	JPY	94,88,042.00	58.03		
	USD	72,520.11	48.68		

- b) Hedge foreign currency exposures : Nil

## Notes to the financial statements for the year ended 31 March 2017

### 37. Particulars in respect of opening and closing stock of finished goods produced:

	For the year ended 31 March 2017 Amount Rs. lacs	For the Year ended 31 March 2016 Amount Rs. lacs
<b><u>Opening Stock</u></b>		
<b>Class of Goods</b>		
Gear Components	139.85	210.92
<b><u>Closing Stock</u></b>		
<b>Class of Goods</b>		
Gear Components	130.67	139.85

### 38. Raw material, processing materials and components consumption:

	For the Year ended 31 March 2017 Amount Rs. lacs	For the year ended 31 March 2016 Amount Rs. lacs
<b>Class of Goods</b>		
Alloy Steel	16,003.65	14,127.53
Bought out parts	459.81	490.99
	<b>16,463.47</b>	<b>14,618.52</b>

### 39. Value of Imported and Indigenous raw materials and stores consumed and percentage thereof

	For the year ended 31 March 2017		For the year ended 31 March 2016	
	Amount Rs. lacs	% holding	Amount Rs. lacs	% holding
<b>Class of Goods</b>				
<b><u>Raw material and components</u></b>				
Imported	6.95	0.04%	-	0.00%
Indigenous:	16456.52	99.96%	14,618.52	100.00%
	<b>16,463.47</b>	<b>100.00%</b>	<b>14,618.52</b>	<b>100.00%</b>

## Notes to the financial statements for the year ended 31 March 2017

	For the year ended 31 March 2017		For the year ended 31 March 2016	
	Amount Rs. lacs	% holding	Amount Rs. lacs	% holding
Stores, spares, tools & dies consumed				
Imported	385.64	7.41%	487.92	10.28%
Indigenous	4,821.96	92.59%	4,256.48	89.72%
	<b>5207.60</b>	<b>100.00%</b>	<b>4,744.40</b>	<b>100.00%</b>

#### 40. CIF Value of Imports:

	For the year ended 31 March 2017 Rs. lacs	For the year ended 31 March 2016 Rs. lacs
Stores and spares	610.76	487.92
Capital goods	2,276.65	3,603.69
Raw material	6.95	0.00
	<b>2,894.35</b>	<b>4,091.61</b>

#### 41. Expenditure in foreign currency (on cash basis):

	For the year ended 31 March 2017 Rs. lacs	For the year ended 31 March 2016 Rs. lacs
Foreign travelling	98.41	141.10
Consultancy charges	23.51	22.19
	<b>121.92</b>	<b>163.29</b>

#### 42. Earning in foreign exchange:

	For the year ended 31 March 2017 Rs. lacs	For the year ended 31 March 2016 Rs. lacs
FOB value of exports	269.92	213.55
	<b>269.92</b>	<b>213.55</b>

43. In the opinion of the management there is no reduction in the value of any asset, hence no provision is required in terms of Accounting Standard 28 "Impairment of Asset".
44. During the year, the company has incurred an amount of Rs. 37.63 lacs (previous years Rs. 11.59 lacs) towards Corporate Social Responsibility expenditure.

## Notes to the financial statements for the year ended 31 March 2017

### 45. Disclosure on Specified Bank Notes (SBNs)

During the year, the company had specified bank notes or other denomination notes as defined in the MCA Notification G.S.R 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs	Other denomination Notes	Total
	Rs. lacs	Rs. lacs	Rs. lacs
<b>Cash in hand on 8<sup>th</sup> November 2016</b>	2.90	1.92	4.82
(+) Permitted receipts	-	7.60	7.60
(+) Non permitted receipts	-	-	-
(-) Permitted payments	-	7.85	7.85
(-) Non permitted payments	-	-	-
(-) Amount deposited in Banks	2.90	0	2.90
<b>Closing cash in hand as on 30<sup>th</sup> December 2016</b>	-	<b>1.67</b>	<b>1.67</b>

46. Previous year figures have been regrouped/rearranged, wherever considered necessary to confirm to this year's classification.

As per report of even date

**For S.S. KOTHARI MEHTA & CO.**

**Chartered Accountants**

**ICAI Firm Registration No.:000756N**

**Sd/-**

**Sunil Wahal**

**Partner**

**Membership No. : 087294**

**Place : New Delhi**

**Dated : 30th May 2017**

**For & on behalf of the Board of Directors of  
Shivam Autotech Limited**

**Sd/-**

**Neeraj Munjal**

**Managing Director**

**DIN : 00037792**

**Sd/-**

**Davendra Ujlayan**

**VP- Finance**

**PAN: AAFPU2249C**

**Sd/-**

**Anil Kumar Gupta**

**Director**

**DIN : 02643623**

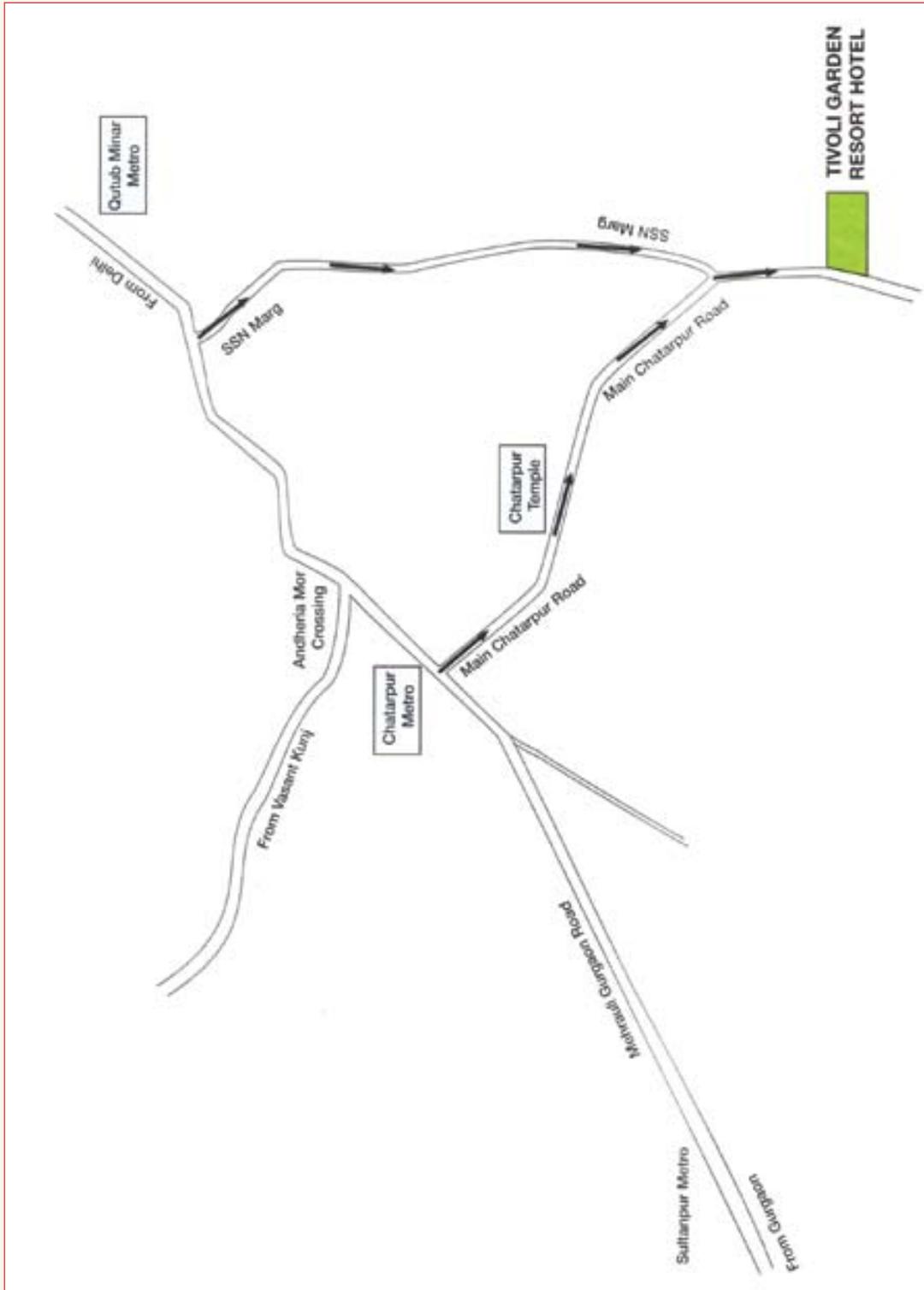
**Sd/-**

**Shivani Kakkar**

**Company Secretary**

**M No 25097**

## Location Map for AGM on 29th – September, 2017



**SHIVAM AUTOTECH LIMITED**

CIN: L34300DL2005PLC139163

Registered office: 303, 3<sup>rd</sup> Floor, Square One, District Centre,  
Saket, New Delhi – 110017

**Form No. MGT - 11**

**Proxy form**

*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the  
Companies (Management and Administration) Rules, 2014]*

**12<sup>th</sup> Annual General Meeting – September 29, 2017**

Name of the member(s):

Registered Address:

Email Id:

Folio No. / Client Id:

DP ID:

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1	Name: .....
	Address:
	E-mail Id:
	Signature:....., or failing him

2	Name: .....
	Address:
	E-mail Id:
	Signature:....., or failing him

3	Name: .....
	Address:
	E-mail Id:
	Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 12<sup>th</sup> Annual General Meeting of the company, to be held on Friday, the 29<sup>th</sup> day of September, 2017 at 11:30 a.m. at Tivoli Garden Resort, Near Chattarpur Mandir, Chattarpur Road, New Delhi-110074 and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	Resolutions	For	Against
1.	Adoption of the Balance Sheet, Statement of Profit and Loss, Reports of the Board of Directors and Auditors for the financial year ended March 31, 2017.		
2.	To appoint a director in place of Dr. Anil Kumar Gupta (DIN 02643623), who retires by rotation and being eligible has offered himself for re-appointment.		
3.	To appoint a director in place of Mrs. Charu Munjal (DIN 03094545), who retires by rotation and being eligible has offered herself for re-appointment.		
4.	Appointment of NSBP & Co., Chartered Accountants as the Statutory Auditors of the Company.		
5.	Revision in the remuneration of Mr. Neeraj Munjal (DIN 00037792), Managing Director of the Company.		
6.	Revision in the remuneration of Mrs. Charu Munjal (DIN 03094545), Whole-time Director of the Company.		
7.	Revision in the remuneration of Dr. Anil Kumar Gupta (DIN 02643623), Whole-time Director of the Company.		

Signed this..... day of..... 2017

Affix  
Revenue  
Stamp

Signature of shareholder

Signature of Proxy holder(s)

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

**SHIVAM AUTOTECH LIMITED**

CIN: L34300DL2005PLC139163

Registered office: 303, 3<sup>rd</sup> Floor, Square One, District Centre,  
Saket, New Delhi – 110017

**12<sup>th</sup> ANNUAL GENERAL MEETING  
ATTENDANCE SLIP**

Name and address of the Member: \_\_\_\_\_

Folio No./Client Id no.: \_\_\_\_\_

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

DP Id.: \_\_\_\_\_

I certify that I am a member / proxy / Representative for the member of the Company.

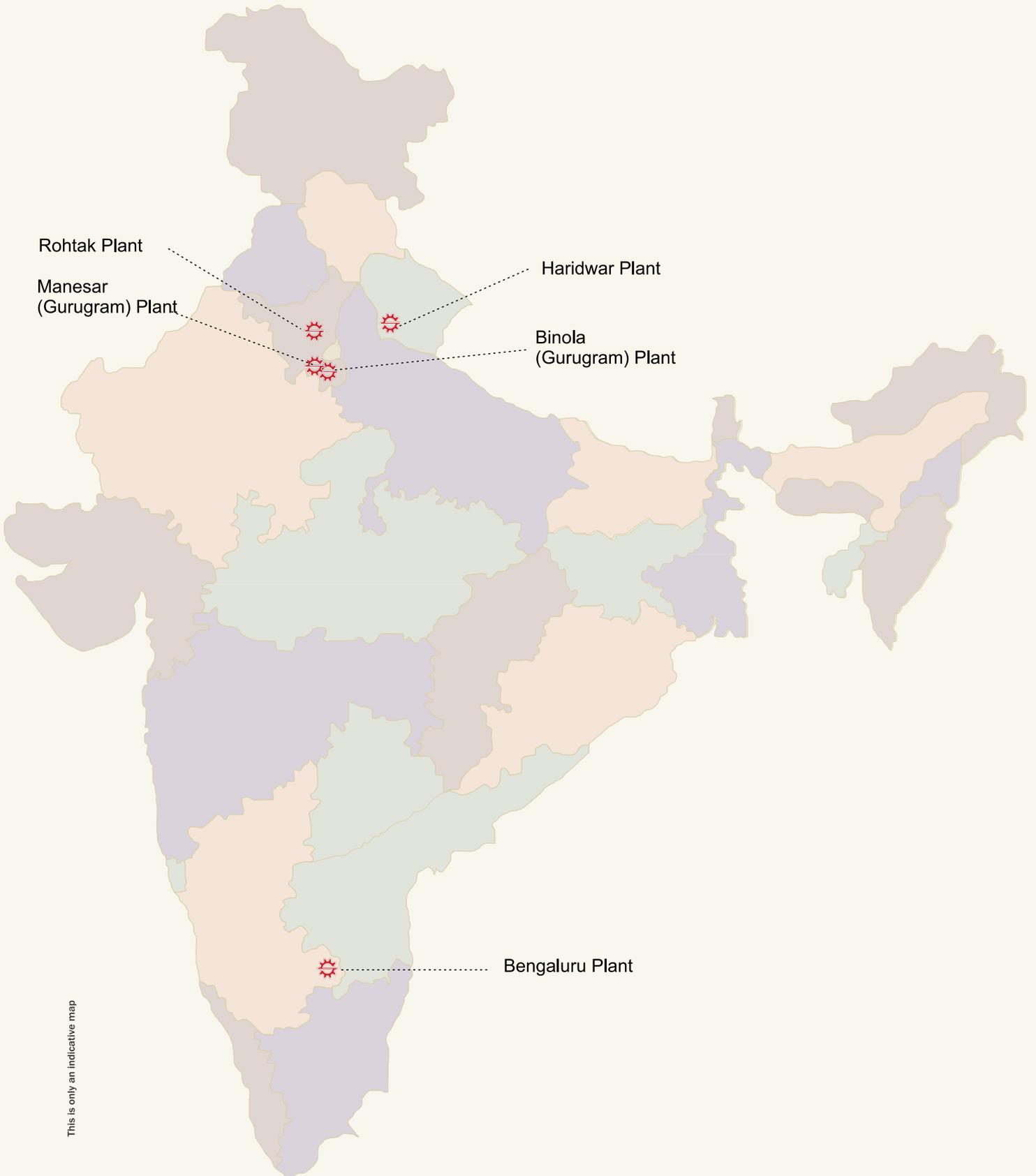
I/We hereby record my/our presence at the 12<sup>th</sup> Annual General Meeting of the Company being held at **The Tivoli Garden Resort, Near Chattarpur Mandir, Chattarpur Road, New Delhi – 110074** on Friday, the 29<sup>th</sup> day of September, 2017 at 11.30 A.M.

\_\_\_\_\_  
Name of the Member(s) /Proxy /  
Representative

\_\_\_\_\_  
Signature of the Member(s) /Proxy /  
Representative

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 attached herewith and deposit it at the Company's Registered Office not later than 48 hours before the commencement of the meeting.



Rohtak Plant

Manesar  
(Gurugram) Plant

Haridwar Plant

Binola  
(Gurugram) Plant

Bengaluru Plant

This is only an indicative map



**Shivam**  
Autotech Ltd.

**REGISTERED OFFICE**

303, 3rd Floor, Square One, District Centre, Saket, New Delhi-110 017  
Telefax: +91-11-49242116, Tel: +91-11-49242100

E-mail : [adm@shivamautotech.com](mailto:adm@shivamautotech.com)  
Website : [www.shivamautotech.com](http://www.shivamautotech.com)