

BOARD OF DIRECTORS

CHAIRMAN

Sunil Kant Munjal

MANAGING DIRECTOR

Neeraj Munjal

DIRECTORS

Satyanand Munjal

Brijmohan Lall Munjal

Om Prakash Munjal

Vijay Munjal

Bhagwan Dass Narang

Surrinder Lal Kapur

Vinayshil Gautam

Anil Kumar Gupta

FINANCE TEAM

Davendra Ujlayan *GM - Finance & Accounts & Company Secretary*

Sanjeev Chaba *DGM-Finance & Accounts*

AUDITORS

S. S. Kothari Mehta & Co.

Chartered Accountants

146-149, Tribhvan Complex

Ishwar Nagar, Mathura Road

New Delhi - 110065

BANKERS

HSBC Limited

IDBI Limited

ICICI Bank Limited

Punjab National Bank

REGISTERED OFFICE

303, 3rd Floor, Square One,

District Centre, Saket,

New Delhi – 110 017

GURGAON PLANT

58th Km. Stone

Delhi - Jaipur Highway

Village: Binola - 122 413

Dist.: Gurgaon (Haryana)

HARIDWAR PLANT

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

Village Salempur Mehdood,

Distt. Haridwar (Uttarakhand) - 249 402

SHARE TRANSFER AGENTS

MCS Limited

F-65, First Floor,

Okhla Industrial Area, Phase I,

New Delhi - 110 020

CONTENTS

Notice	2
Explanatory Statement	3
Directors' Report	5
Management Discussion & Analysis Report (Annexure 'A' to Directors Report)	8
Corporate Governance Report (Annexure 'B' to Directors' Report)	9
Annexure 'C' to Directors' Report	20
Annexure 'D' to Directors' Report	20
Auditors' Report	21
Balance Sheet	24
Profit & Loss Account	25
Cash Flow Statement	26
Schedules	28
Notes on Accounts	33
Balance Sheet Abstract & General Business Profile	41

NOTICE

Notice is hereby given that the 5th Annual General Meeting of the Members of **SHIVAM AUTOTECH LIMITED** will be held on Wednesday, the 29th day of September, 2010 at 11.00 A.M. at Tivoli Garden Resort, Near Chattarpur Mandir, Chattarpur Road, New Delhi, to transact the following business:

[A] ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and Profit & Loss Account for the period ended on that date along with the Report of the Directors and the Auditors thereon.
2. To declare dividend to the equity shareholders for the period ended March 31, 2010.
3. To appoint a Director in place of Mr. Satyanand Munjal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Brijmohan Lall Munjal who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Om Prakash Munjal who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint M/s S.S. Kothari Mehta & Co., Chartered Accountants, New Delhi, the retiring auditors to hold office as auditors from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorize the Audit Committee to fix their remuneration.

[B] SPECIAL BUSINESS

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

'RESOLVED THAT in accordance with the provisions of sections 198, 269, 309, 310, 311 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, subject to such approvals as may be necessary, the Company hereby approves the revision in the remuneration of Mr. Neeraj Munjal, Managing Director with effect from April 1, 2010 for the remainder of his tenure in the manner as set out in the Explanatory Statement annexed to the Notice convening this meeting.

RESOLVED THAT except as stated in explanatory statement annexed below, other terms and conditions of appointment as approved by the shareholders at the Annual General Meeting held on 20th September 2006 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."

By Order of the Board of Directors
FOR SHIVAM AUTOTECH LIMITED

DAVENDRA UJLAYAN
**GM (FINANCE & ACCOUNTS) &
COMPANY SECRETARY**

Place: New Delhi
Date: 31st July, 2010

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

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER.**
2. In order to be valid, proxies duly stamped, should be lodged with Company at its Registered Office not later than forty eight hours before the commencement of the Annual General Meeting.
3. For the convenience of the Members, attendance slip is enclosed elsewhere in the Annual Report. Members / proxies should bring duly filled Attendance Slips sent herewith to attend the meeting along with their copies of the Annual Report.
4. Corporate Members are requested to send a duly certified copy of the Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorising their representatives to attend and vote at the Annual General Meeting.
5. The relevant details as required by Clause 49 of the Listing Agreements entered into with the Stock Exchanges of person seeking appointment/reappointment as Directors under item no.3, 4. & 5 above, are annexed hereto.
6. Explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956, which sets out details relating to Special Business to be transacted at the meeting, is annexed hereto.
7. Pursuant to Section 154 of the Companies Act, 1956, the Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 24, 2010, to Wednesday, September 29, 2010 (both days inclusive).
8. In accordance with SEBI's directions vide their

Circular No. DCC/FITT/Cir-3/2001 dated October 15, 2001, arrangements have been made to credit your dividend amount directly to bank account of members through the Electronic Clearing Service (ECS).

In case of holding in physical form, please furnish your bank details in the ECS Mandate Form enclosed separately and return to our Registrars, MCS Limited on or before 23rd September 2010. The said details in respect of the shares held in electronic form should be sent to your respective Depository Participant and not to the Registrar as the Registrar is obliged to use only the data provided by the Depository while making payment of dividend.

9. The dividend as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid at par after 29th September 2010 to (i) those shareholders whose names appear on the Company's Register of Members after giving effect to all valid share transfers in physical form lodged with the Company on or before 23rd September 2010; (ii) in respect of shares held in electronic form to those beneficiaries whose names appear in the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL) as at the end of business hours on 23rd September 2010.
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.

ANNEXURE TO NOTICE

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

ITEM NO. 7

Increase in Remuneration of Mr. Neeraj Munjal, Managing Director

Mr. Neeraj Munjal was appointed as Managing Director of the company w.e.f. April 1, 2006 for a period of five years. He holds Diploma in Business Management from Bradford & Ilkley Community College, England, besides having Bachelors Degree in Commerce. Mr. Munjal has over 22 years of experience in auto component sector and served as Whole Time Director of Munjal Auto Industries Limited and Chief executive of Hero Exports.

Shareholding in the Company: Nil

In July, 2010, the Board of Directors and the Remuneration Committee has approved the proposal of increase in his remuneration, subject to the approval of the members. All other terms and conditions of his appointment will remain unchanged.

Increased remuneration will be subject to the overall limits as prescribed under Section 198, 309 and 310 of the Companies Act, 1956 read with Schedule XIII of the said Act and will be effective from April 1, 2010.

The increased remuneration of Mr. Neeraj Munjal is set out as under:

- (a) **Basic Salary:** Rs.225,000 per month.
- (b) **Commission:** Not exceeding 2.00% of net profits of the Company in any financial year, subject to a maximum of Rs. 20 lakhs.
- (c) **Benefits, Perquisites & Allowances:** Perquisites and allowances as detailed in draft agreement proposed to be entered into with Mr. Neeraj Munjal.

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

The resolution is accordingly recommended for the approval of the Members.

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

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT OF DIRECTORS RETIRING BY ROTATION

(in pursuance of Clause 49 of the Listing Agreement)

Name of Director	Mr. Satyanand Munjal	Mr. Om Prakash Munjal	Mr. Brijmohan Lall Munjal
Date of Birth	24 .05.1917	05.08.1928	01.07.1923
Date of Appointment	29 .07.2005	29.07.2005	29.07.2005
Qualifications	Privately educated & trained in Management.	Privately educated & trained in Management.	Privately educated & trained in Management.
Expertise in specific functional areas	India's first generation entrepreneur with expertise in business foresightedness and management	Expertise in administrative and entrepreneurial skills.	Padma Bhusan Awardee in recognition of his overall contribution to the Indian industry and society. Expertise in overall management skills.
List of Companies in which outside Directorship held*	1. Hero Cycles Ltd. 2. Rockman Industries Ltd. 3. Satyam Auto Components Ltd. 4. Munjal Auto Industries Ltd.	1. Hero Cycles Ltd. 2. Hero Motors Ltd. 3. Hero Financial Services Ltd. 4. Highway Industries Ltd. 5. Hero Honda Finlease Ltd. 6. Hero Global Design Ltd. 7. Munjal Auto Industries Ltd. 8. Hero Honda Motors Ltd. 9. Majestic Auto Ltd. 10. Easy Bills Ltd.	1. Hero Honda Motors Ltd. 2. Munjal Showa Ltd. 3. Hero Honda Finlease Ltd. 4. Easy Bill Ltd. 5. Hero Cycles Ltd. 6. Sunbeam Auto Ltd. 7. Munjal Auto Industries Ltd.
Chairman/Member of Committees of Board of Directors of other companies of which he is a Director**	NIL	NIL	NIL
No. of Shares held	NIL	NIL	NIL

Excluding private limited companies

** Only Audit Committee & Shareholders Grievance Committee considered

By Order of the Board of Directors
FOR **SHIVAM AUTOTECH LIMITED**

New Delhi
Date: 31st July, 2010

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

DAVENDRA UJLAYAN
**GM (FINANCE & ACCOUNTS) &
COMPANY SECRETARY**

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 5th Annual Report together with the audited accounts for the year ended March 31, 2010.

FINANCIAL RESULTS

The highlights of the financial performance of the Company are as under:

	(Rs. In Lacs)	
Particulars	2009-10	2008-09
Gross Sales & Other Income	20,722.57	16,148.68
Profit before Depreciation and Interest	4,647.75	3,241.52
Depreciation	1,865.93	1,179.65
Interest	1,676.70	513.16
Profit before Taxation	1,105.12	1,548.71
Provision for Taxation (Deferred & Current)	(50.26)	585.45
Profit after Taxation	1,155.38	963.26
Profit available for appropriations	1,155.38	963.26
Appropriations		
Amount transferred to General Reserve	300.00	300.00
Proposed Dividend on Equity Shares	150.00	150.00
Tax on Dividend	24.91	25.49
Profit after Appropriations	680.47	487.77

PERFORMANCE

The total income of the company increased by 28.32% from Rs. 16,148.68 Lacs in 2008-09 to Rs. 20,722.57 Lacs in 2009-10. Operating profit (PBDIT) of the company increased by 43.38% from Rs. 3,241.52 Lacs in 2008-09 to Rs. 4,647.75 Lacs in 2009-10. Profit after tax increased by 19.94% from Rs. 963.26 Lacs in 2008-09 to Rs. 1,155.38 Lacs in 2009-10.

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

DIVIDEND

The Directors recommend a Dividend of Rs. 1.50 per equity share for the year (previous year Rs. 1.50 per share). If approved by the shareholders in the forthcoming Annual General Meeting, the Dividend will absorb Rs. 150.00 Lacs. The Dividend Distribution Tax borne by the Company will amount to Rs. 24.91 Lacs.

BUSINESS PROSPECTS

With the commissioning of operations at its Haridwar plant, the company expects further improvement in its top line and bottom line during the on going financial year 2010-11. The company is concentrating on adding new customers and increased business from its existing customers. Hero Honda

Motors Limited (HHML), the main customer of the company continues to maintain its leadership position in the two wheeler industry, and has achieved a growth of 24% in the year 2009-10. The company is at advanced stage of development of various other components for its existing customers HHML, BOSCH and other new customers.

CORPORATE GOVERNANCE

Separate detailed chapters on Corporate Governance, Additional Shareholder information and Management Discussion and Analysis are attached herewith and form part of this Report. All the board members and senior managerial personnel have affirmed compliance with the code of conduct for the F.Y. 2009-10.

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

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) They 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 at the end of the financial year and of the profits of the Company for the year;

- (iii) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) They have prepared the annual accounts on a going concern basis.

FIXED DEPOSITS

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

FINANCE

The company has met with its working capital requirement from a mix of internal accruals and availing cash credit facilities from its Bankers during the year. The Company's Haridwar Plant in Uttarakhand, set up at a total cost of Rs.180.00 Crores has been funded from a mix of internal accruals, ECB and Rupee loans. The ECB loans have fully been hedged for both principal and interest.

HARIDWAR PLANT

The Company's state of the art Haridwar plant commissioned in April, 2009 has now become fully operational. The production capacity utilization at the new plant is on the increase now and operations have stabilized. The company hopes to get the benefit of the increased capacity utilization during the ongoing financial year 2010-11.

DIRECTORS

Pursuant to Section 256 of the Companies Act, 1956 and Articles of Association of the Company, Mr. Brijmohan Lall Munjal, Mr. Om Prakash Munjal & Mr. Satyanand Munjal retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

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

Profiles of these Directors, as required by the Listing Agreement provisions, are given in the Notice / Corporate Governance Report forming part of this Annual Report.

INTERNAL CONTROL SYSTEMS

The Company has in place adequate systems of internal control to ensure compliance with policies and procedures. Internal Audits of all the units of the Company are regularly carried out to review the internal control systems. The

internal Audit Reports along with implementation and recommendations contained therein are constantly reviewed by the Audit Committee of the Board.

AUDITORS

Shareholders are requested to re-appoint M/s S. S. Kothari Mehta & Co., Chartered Accountants as the Auditors of the Company and authorize the Audit Committee to fix their remuneration. They have furnished to the Company requisite Certificate under Section 224(1B) of the Companies Act, 1956 and are therefore eligible for re-appointment as Auditors of the Company.

AUDITORS' REPORT

The observations of Auditors in their Report, read with the relevant notes to the accounts are self-explanatory. *The observation of the Auditors in the Audit Report under point no. 17 of the Annexure to the Auditors Report about deployment of some of the funds raised on short term basis as long term investments.* These investments have been made in the fixed assets and the company is in the process of arranging suitable long term funds to replace these short term funds.

COST AUDIT

The Directors have appointed M/s Gurdeep Singh & Associates, Cost Accountants, as Cost Auditors to audit the accounts relating to "Engineering Industries" for the year ending 31st March 2011.

ENVIRONMENT, HEALTH & SAFETY

Environment, Health & Safety (EHS) is given high importance at SHIVAM. Equal importance is given to EHS on par with the quality and Good Manufacturing Practices (GMP) to ensure utmost care of the environment, safety of operations and protection of employee health. SHIVAM conducts its EHS management that reflects the best industry practices. We are committed toward reducing the harmful impact on the environment around us. Our efforts do not stop at re-engineering our processes to align with green goals, but extend to any product / service / process that is new and displaces traditional ways of doing business while optimizing resource utilization. The Company has ensured complete compliance with all applicable environmental regulations and practices.

The company has a well developed high standard environment management system (EMS) The company continues to make investments in upgrading pollution control equipment at all the factories, regular reviews and audits are carried out to ensure compliance with statutory requirements.

The company gives priority to the health and safety of its employees. The following activities are implemented

continually:-

- Imparting basic safety training to all Personnel at the manufacturing facilities.
- Conducting Safety and technical competency development programs to improve competencies of employees for safety critical jobs.
- Work place inspections by executives and managers at all levels. Senior management team members involve in the process and show commitment through work place inspections.
- Reduce waste generation and improve environment management by collection, treatment and disposal of all waste in an environment friendly manner.
- Waste water management and recycling and recharging the ground water.
- Development of green cover by tree plantation across premises and factory.
- Audit by outside agencies regularly to address any inadequacies in the system.
- Continual Energy audits are made to minimize energy losses.
- Risks are analysed in detail and minimized, if not eliminated, at each stage.

Your company also continues to be a constituent of a very important and responsible initiative of Hero Honda Motors Limited toward the commitment to environment, viz. **GREEN SUPPLY-CHAIN MANAGEMENT PROGRAMME.**

During the year, Company has received necessary environmental consents/approvals for air, water and hazardous waste discharge from the Pollution Control Authority.

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

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

PARTICULARS OF EMPLOYEES

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

HUMAN RESOURCE DEVELOPMENT

We strongly believe that it is “the people” who make “the difference”. Hence, every employee is encouraged to optimize his/her full potential by availing of opportunities that exist across multiple functions, disciplines as well as geographies. Employees are our vital and most valuable assets. We understand the significance of learning and continual education in providing our employees with latest skills and technologies. Training plays a vital role in enhancing the efficiency, productivity and performance of all our employees. We believe this will help in creating a challenging, entrepreneurial and empowering work environment that rewards dedication and a strong work ethic for our employees.

In the present environment, the main challenge will be to bridge the human resource gap in terms of capabilities, deployment, systems and processes. At SHIVAM HR focus is on developing HR systems designed to unlock the full potential of the employees at all locations, develop the leaders and provide opportunities for continuous skill development.

ACKNOWLEDGMENTS

We thank our customers, vendors, investors and bankers for their continued support during the year. We place on record our appreciation of the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

For and on behalf of the Board

NEERAJ MUNJAL
MANAGING DIRECTOR

SURRINDER LAL KAPUR
DIRECTOR

Place: New Delhi
Date: 31st July, 2010

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

The severe global liquidity crisis and recession of 2007-09 witnessed resilience from BRIC nations – especially India and China. India's GDP is set to grow at 7.2% in 2010 and exceed 8% in 2011. Growth expected to accelerate to 9% p.a. in the next 2-3 years, driven by surge in domestic demand and improving exports.

INDUSTRY STRUCTURE AND DEVELOPMENT

The Indian market has traditionally been characterized by inadequate infrastructure, public transport and traditional aspirations to ownership of vehicles. Increasing income levels and availability of credit has led to affordability and sharp growth in passenger cars and two-wheelers which constitute > 90% of Indian automobile sector. The sector's turnover expected to touch US Dollar 155 billion by 2016 from US Dollar 40 billion in 2009-10. Automobile sector in India has attained critical mass in the passenger car and two wheeler segments. Auto manufacturer are making greater inroads into the rural market, with leading players reporting 50-100% increases in sales from such regions.

Our principal customer Hero Honda Motors Limited registered a growth of 24% in its numbers during the year 2009-10 and it continues to be the market leader.

OPPORTUNITIES, CHALLENGES, RISK & CONCERN

The Indian automotive component manufacturing industry due to a huge talent pool of skilled and trained automotive work force and access to the latest technologies has a great potential to emerge as a big player in the near future. The Indian automobile ancillary sector is transforming itself from a low volume, highly fragmented one into a competitive industry and backed by competitive strengths, technology and transition up the value chain.

Lacking the required infrastructure, the Indian auto component manufacturing industry falls way behind the major global players in terms of production capacities. Though serving to better its standards, the Indian auto component manufacturing industry has registered a robust growth in the recent years.

The Indian auto component industry has been exposed to many risks of varying intensity, such as volatility in the raw material and other input prices, currency fluctuations, OEM's demand for price reduction, stiff competition by the entry of multinationals and their home country partnerships and just in time supplies are the major risks and challenges faced by the auto component manufacturers.

OUTLOOK

The business environment has become very challenging and going forward it offers lot of opportunities. Your company's main thrust going forward will be increased and

effective utilization of capacities, adding new customers and increasing the share and value of business with the existing customers. The company's main customer Hero Honda has done very well in the year 2009-10 and it continues to grow in the current financial year 2010-11. This will result in increased business for your company. The successful commissioning of the Haridwar project will help in increasing the volumes and adding new business lines during the on going current financial year.

The future of your company looks quite exciting, promising and full of opportunities.

INTERNAL CONTROLS AND ADEQUACY

The company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition, and that the transactions are authorized, recorded and reported correctly.

Internal controls are supplemented by an extensive programme of internal audits, review by management and documented policies, guidelines and procedures. These controls are designed to ensure that financial and other records are reliable for preparing financial information and other reports, and for maintaining regular accountability of the Company's assets.

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis describing the company's objectives, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the company's operations include a downtrend in the industry, significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, interest and other costs.

ANNEXURE 'B' TO DIRECTORS' REPORT

Report On Corporate Governance

A. MANDATORY REQUIREMENTS

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The company's philosophy on corporate governance is to observe the highest level of ethics in all its dealings, to ensure the efficient conduct of the affairs of the company to achieve its goal of maximizing value for all its stakeholders.

2. BOARD OF DIRECTORS

(a) Composition of the Board

The present strength of the Board as on 31st March, 2010, is ten Directors. The Chairman of the Board is a non-executive Director. The Board comprises of one executive Director and nine non-executive Directors, of whom four are independent.

Six Directors namely Mr. Satyanand Munjal (Non-Executive Director), Mr. Brijmohan Lall Munjal (Non-Executive Director), Mr. Om Prakash Munjal (Non-Executive Director), Mr. Vijay Munjal (Non-Executive Director), Mr. Sunil Kant Munjal (Non-Executive Chairman) and Mr. Neeraj Munjal (Managing Director) belong to the promoter family of the Hero Group, which owns 74.80% equity in the Company. Apart from these, the rest of the Board constitutes of Non-Executive Independent Directors. The directors bring to the Board wide range of experience & skills.

(b) Board / Committee Meetings and procedure

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

During the Financial Year 2009-10, five meeting of the Board of Directors were held on 28th April 2009, 29th June 2009, 28th July 2009, 30th October, 2009 and 29th January 2010. The maximum interval between any two meetings during this period was 94 days and the gap between any two Board Meetings did not exceed four months.

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

Name of Directors	No. of Board Meetings held	No. of Board Meetings attended	Attendance at last AGM
Mr. Satyanand Munjal	5	-	No
Mr. Brijmohan Lall Munjal	5	-	No
Mr. Om Prakash Munjal	5	-	No
Mr. Vijay Munjal	5	-	No
Mr. Sunil Kant Munjal	5	4	Yes
Mr. Neeraj Munjal	5	5	Yes
Mr. Bhagwan Dass Narang	5	5	Yes
Mr. Surrinder Lal Kapur	5	5	Yes
Dr. Vinayshil Gautam	5	5	Yes
Dr. Anil Kumar Gupta	5	5	Yes

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

(c) Number of other Companies or Committees the Director is a Director / Member / Chairman of

None of the Directors holds directorship in more than 10 listed companies. Further none of them holds membership of more than 10 Committees of the Boards nor is any Director a Chairman of more than 5 Committees of Board.

Name	Category	No. of Outside Directorships in Public Ltd. Companies	No. of Committee Memberships (including Chairmanship)	No. of Committee Chairmanship
Mr. Satyanand Munjal	Non -Executive	4	-	-
Mr. Brijmohan Lall Munjal	Non -Executive	7	-	-
Mr. Om Prakash Munjal	Non -Executive	10	-	-

Mr. Vijay Munjal	Non -Executive	6	1	-
Mr. Sunil Kant Munjal <i>Chairman</i>	Non -Executive	13	-	-
Mr. Neeraj Munjal <i>Managing Director</i>	Executive	-	-	-
Mr. Bhagwan Dass Narang	Non -Executive & Independent	10	3	1
Mr. Surrinder Lal Kapur	Non -Executive & Independent	5	4	2
Dr. Vinayshil Gautam	Non -Executive & Independent	4	-	-
Dr. Anil Kumar Gupta	Non -Executive & Independent	-	-	-

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

Notes:

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

RE-APPOINTMENT OF DIRECTORS

Mr. Brijmohan Lal Munjal, Mr. Satyanand Munjal and Mr. Om Prakash Munjal, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

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

3. AUDIT COMMITTEE

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

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

The Audit Committee comprises mainly of Independent Directors and the composition is compatible with the Listing Agreements. Meetings of the Audit Committee were held on 28th April 2009, 29th June 2009, 28th July 2009 30th October, 2009 and 29th January 2010.

Name	Designation	Category of Directorship	Attendance out of 5 meetings held
Mr. Surrinder Lal Kapur	Chairman	Non -Executive & Independent	5
Mr. Bhagwan Dass Narang	Member	Non -Executive & Independent	5
Dr. Vinayshil Gautam	Member	Non -Executive & Independent	5
Mr. Sunil Kant Munjal	Member	Non -Executive	4

The Company Secretary acts as the Secretary of the Committee.

Quorum of the Audit Committee is two non-executive directors. Mr. Surrinder Lal Kapur is the Chairman of the Audit Committee.

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

(b) Terms of Reference

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

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

4. SHAREHOLDERS' GRIEVANCE COMMITTEE

During the year, 4 (four) meetings of the Shareholders' Grievance Committee were held on 28th April 2009, 28th July 2009, 30th October 2009 and 29th January, 2010. The composition of the Shareholders' Grievance Committee is as follows:

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

Scope of the Committee

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

Compliance Officer

Mr. Davendra Ujlayan - GM (Finance & Accounts) & Company Secretary

Details of shareholders' complaints received during the F.Y. 2009-10 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	---	---	---
2. Request for issue of duplicate share certificates	---	---	---
3. Non receipt of dividend / Revalidation of dividend warrants	26	26	---
4. Communication relating to Transfer / Transmission / Name Deletion / Demat of Shares	---	---	---
5. Miscellaneous i.e. Credit of Shares in Demat A/c's, Quarterly results, Change of Address, Bank Details	20	20	---

5. REMUNERATION COMMITTEE

(a) Terms of Reference

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

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

The Remuneration Committee comprises mainly of Independent Directors. During the year, the Committee met once on 29th June, 2009 to consider the increase in remuneration of Mr. Neeraj Munjal, Managing Director of the Company.

Name	Designation	Category of Directorship	Attendance at one meeting held
Dr. Vinayshil Gautam	Chairman	Non -Executive & Independent	1
Mr. Bhagwan Dass Narang	Member	Non -Executive & Independent	1
Mr. Surrinder Lal Kapur	Member	Non -Executive & Independent	1
Mr. Sunil Kant Munjal	Member	Non -Executive	1

(c) Remuneration Policy

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

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

However, in addition to the sitting fees, non-executive & independent directors are also collectively entitled to remuneration by way of commission up to 0.30 per cent of profits of the company or Rs.6 Lacs per annum, whichever is less for each year of the period of 4 years commencing on 1st April, 2009 as approved by the shareholders in the last Annual General Meeting held on 30th September, 2009.

Details of Remuneration Paid to Managing Director

(Amount in Rs.Lacs)

Executive Director(s)	Salary	Commission	Perquisites & Allowances	Contribution to PF Fund	Total
Mr. Neeraj Munjal	24.00	14.45	24.00	2.88	65.33

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 @1.25% of the net profits of the Company computed in accordance with the provisions of the Companies Act, 1956 or Rs. 20 lakhs, whichever is less.
- Presently, the Company does not have Stock Option Scheme.

Details of Remuneration Paid to Non-Executive Directors

Name of Non -Executive Directors	Sitting fees			Total
	Board Meeting	Committee Meeting	Commission	
Mr. Sunil Kant Munjal	80,000	50,000	-	130,000
Mr. Bhagwan Dass Narang	100,000	200,000	86,7 00	386,700
Mr. Surrinder Lal Kapur	100,000	200,000	86,7 00	386,700
Dr. Vinayshil Gautam	100,000	120,000	86,7 00	306,700
Dr. Anil Kumar Gupta	100,000	-	86,7 00	186,700

6. GENERAL BODY MEETINGS

Annual General Meeting

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

Year	Type	Date	Venue	Time	Whether Special resolution passed in previous AGM
2006-07	AGM	29.08.2007	Tivoli Garden Resort, Near Chattarpur Mandir, Chattarpur Road New Delhi	11:30 A.M.	NIL
2007-08	AGM	19.09.2008	Tivoli Garden Resort, Near Chattarpur Mandir, Chattarpur Road New Delhi	11.00 A.M	Yes. Authorizing the payment of commission to non-executive independent directors as per provisions of section 198, 309, 349 & 350 of the Companies Act, 1956.
2008-09	AGM	30.09.2009	Tivoli Garden Resort, Near Chattarpur Mandir, Chattarpur Road New Delhi	11.00 A.M	Yes. Authorizing the payment of commission to non-executive independent directors as per provisions of section 198, 309, 349 & 350 of the Companies Act, 1956.

7. DISCLOSURES

- There are no materially significant related party transactions entered into by the Company with its Promoters, Directors or Management, or relatives etc. that may have potential conflict with the interests of the Company at large. Transactions with related parties are disclosed in Note 12 of Notes to Accounts to the financial statements in the Annual Report.
- The guidelines / accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) have been followed in preparation of the financial statements of the Company.
- There were neither any non-compliance by the Company on any matters relating to capital markets; nor did the Company attract any penalties or strictures by the Stock Exchanges, SEBI or any statutory authority.
- Presently, the Company does not have a Whistle Blower Policy. No personnel of the Company have been denied access to the Audit Committee.
- The Code of Conduct applicable to all Directors and employees of the Company has been posted on the Company's website. For the year under review, all Directors and senior management personnel of the Company have confirmed their adherence to the provisions of the said codes.

8. MEANS OF COMMUNICATION

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

9. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Date	29 th September 2010
Day	Wednesday
Time	11.00 A.M.
Venue	Tivoli Garden Resort, Near Chattarpur Mandir, Chattarpur Road, New Delhi – 110001.

Financial Year

April 1 to March 31

- i) First Quarter Results – last week of July
- ii) Second Quarter Results – last week of October
- iii) Third Quarter Results – last week of January
- iv) Fourth Quarter Results – last week of April
- v) Audited Results for the year ended March 31, 2010 - July 2010

Dates of Book Closure

Friday, September 24, 2010 to Wednesday, September 29, 2010
(both days inclusive)

Dividend Payment Dates

Within 30 days of AGM

Listing on Stock Exchanges

The Bombay Stock Exchange Limited
The National Stock Exchange of India Limited

The Annual Listing Fees for 2010-2011 have been paid to both the Stock Exchanges.

Stock Code

532776 – The Stock Exchange, Mumbai
SHIVAMAUTO – The National Stock Exchange

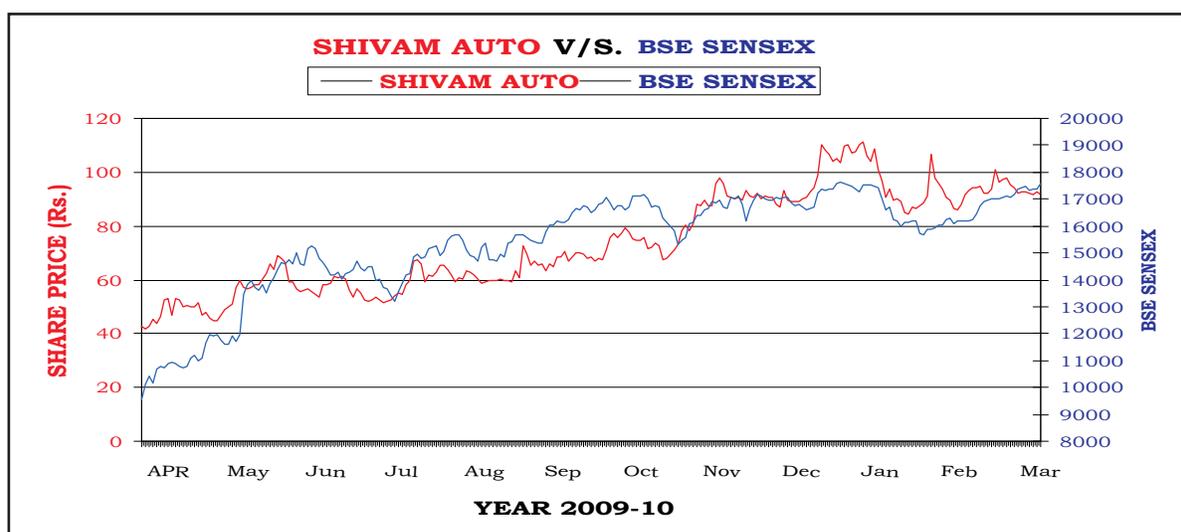
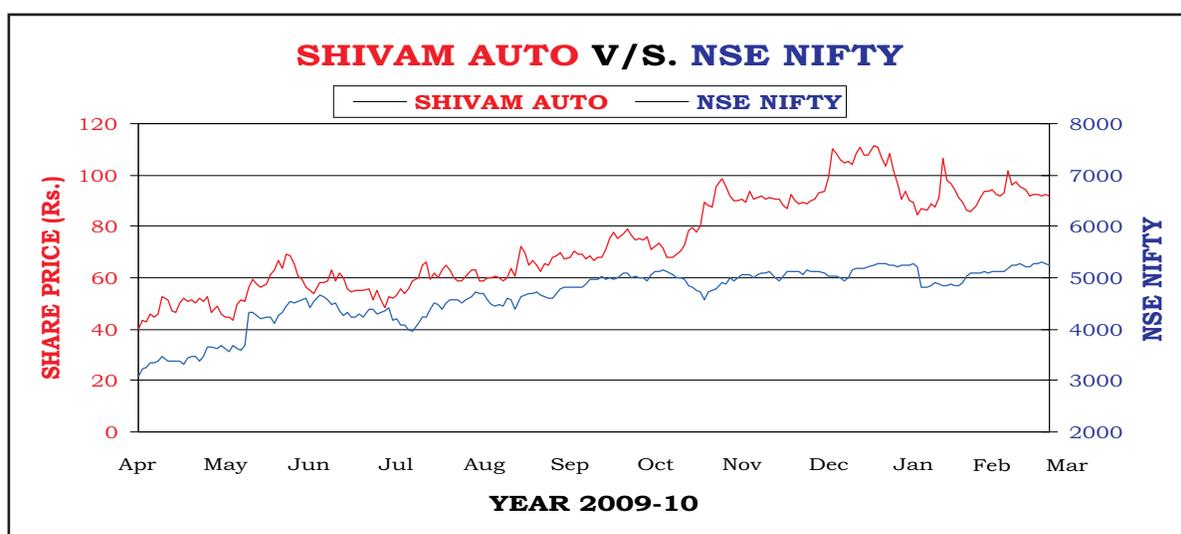
Demat ISIN Number for NSDL and CDSL

INE 637H01016

MARKET PRICE DATA

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

Bombay Stock Exchange (BSE)						National Stock Exchange (NSE)				
Month	High (Rs.)	Date	Low (Rs.)	Date	Monthly Volume	High (Rs.)	Date	Low (Rs.)	Date	Monthly Volume
Apr' 09	60.00	16-04-2009	39.00	6-04-2009	71461	61.80	16-04-2009	38.20	01-04-2009	71800
May' 09	64.70	29-05-2009	42.10	12-05-2009	143049	65.90	20-05-2009	43.30	14-05-2009	141300
Jun' 09	71.00	08-06-2009	49.00	18-06-2009	112072	71.00	05-06-2009	52.00	17-06-2009	111900
Jul' 09	69.80	27-07-2009	47.50	13-07-2009	81641	74.00	27-07-2009	48.25	13-07-2009	50600
Aug' 09	68.00	19-08-2009	52.50	12-08-2009	134846	69.65	04-08-2009	55.00	24-08-2009	91600
Sept' 09	75.95	07 09 2009	58.25	01 09 2009	1144847	76.00	07 09 2009	59.00	01 09 2009	851200
Oct' 09	82.50	14-10-2009	66.00	05-10-2009	734821	82.00	14-10-2009	65.00	08-10-2009	772100
Nov' 09	103.00	24-11-2009	66.60	03-11-2009	621113	104.40	24-11-2009	66.10	03-11-2009	710500
Dec' 09	97.60	17-12-2009	86.25	16-12-2009	343125	98.00	03-12-2009	85.10	16-12-2009	350300
Jan' 10	119.35	19 01 2010	88.15	02 01 2010	1189494	119.50	19 01 2010	87.30	29 01 2010	1045900
Feb' 10	109.55	16 02 2010	78.80	25 02 2010	1860131	109.15	15 02 2010	84.25	06 02 2010	2531300
Mar' 10	105.50	12-03-2010	84.30	10-03-2010	1131574	105.85	12-03-2010	87.00	02-03-2010	1774900

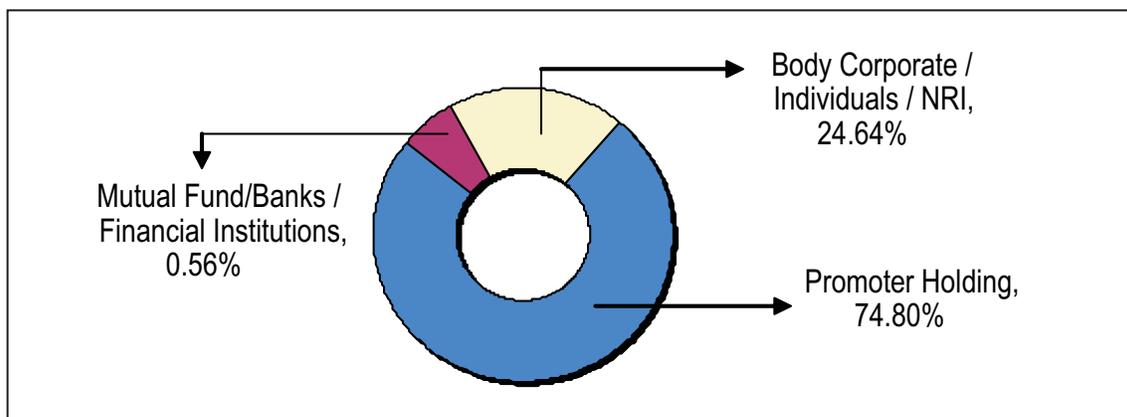


DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2010

No. of shares held	No. of shareholders		No. of shares	
	Numbers	%	Numbers	%
Up to 500	7854	92.72	926770	9.27
501 – 1000	274	3.22	221779	2.22
1001 – 2000	176	2.07	259916	2.60
2001 – 3000	55	0.65	142060	1.42
3001 – 4000	26	0.31	94251	0.94
4001 – 5000	21	0.25	100855	1.00
5001 – 10000	31	0.37	234346	2.34
10001 – 50000	21	0.25	383539	3.84
50001 – 100000	4	0.05	266539	2.67
100001 & above	9	0.11	7369945	73.70
Total	8471	100.00	10000000	100.00

Categories of Shareholders as on March 31, 2010

Categories	Holders (No.)	No. of shares held	% of shareholding
PROMOTER HOLDING			
Indian Promoters (Bodies Corporate)	11	7479595	74.80
Total Promoter Holding	11	7479595	74.80
PUBLIC HOLDING			
Institutions			
□ Mutual Funds	4	2100	0.02
□ Banks, Financial Institutions	6	54496	0.54
Non -Institutions			
□ Bodies Corporate	344	442502	4.43
□ Individuals	7988	1961453	19.61
□ NRIs	118	59854	0.60
Total Public Holding	8460	2520405	25.20
Grand Total	8471	10000000	100.00



Dematerialisation of Shares and Liquidity

The Company has arrangements with National Securities Depository Ltd. (NSDL) as well as the Central Depository Services (India) Ltd. (CDSL) for demat facility. As on 31st March 2010, 84.51 % of the total Equity Capital is held in the demat form with NSDL and CDSL.

Physical and Demat Shares:

	As on 31/03/2010	%
No. of Shares held by NSDL	7,701,418	77.02
No. of Shares held by CDSL	750,383	7.50
Physical Shares	1,548,199	15.48
TOTAL	10,000,000	100.00

Registrar and Transfer Agents

MCS Limited

F-65, 1st Floor, Phase-I, Okhla Industrial Area, New Delhi-110 020

Tel: 011-41406149-52 Fax No: 011-41709881

E-mail: admin@mcsdel.com

Share Transfer System

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

Outstanding GDRs / ADRs /

Not Issued

Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity

Plant Location

GURGAON PLANT

58th Km. Stone

Delhi - Jaipur Highway

Village: Binola - 122 413

Dist.: Gurgaon (Haryana)

HARIDWAR PLANT

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

Village Salempur Mehdood,

Distt. Haridwar (Uttarakhand) - 249 402

Address for correspondence

Mr. Davendra Ujlayan

GM (Finance & Accounts) & Company Secretary

58th Km Stone, Delhi - Jaipur Highway

Village - Binola, Gurgaon - 122 413

Tel. Nos.: 0124-2379444-6

E-mail ID: davendra@shivamautotech.com

B. NON-MANDATORY REQUIREMENTS

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

CEO & CFO CERTIFICATE

We hereby certify to the Board that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2010, 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

(Neeraj Munjal)

(Davendra Ujlayan)

Date: 31st July 2010

Managing Director

GM (Finance & Accounts) &
Company Secretary

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF SHIVAM AUTOTECH LIMITED

We have reviewed the implementation of Corporate Governance procedures by Shivam Autotech Limited during the year ended March 31, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange(s), with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

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 statements of the Company.

On the basis of our review and according to the information and explanations given to us, and the representations made by Directors and the Management, the conditions of Corporate Governance as stipulated in Corporate Governance Clause 49 of the listing agreement(s) with the stock exchange(s) have been substantially complied with by the company except that the number of independent Directors on the Board are less than one half of the Board as the Chairman is a non-executive promoter, the Company is in the process of suitably re-structuring / increasing the strength of Board and inducting requisite number of independent Directors as explained.

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

ARUN K. TULSIAN
(PARTNER)
Membership No. 89907

New Delhi
Date: 31st July 2010

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 2009-10.

Neeraj Munjal
MANAGING DIRECTOR

Place: New Delhi
Date: 31st July 2010

ANNEXURE 'C' TO DIRECTORS' REPORT

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended March 31, 2010

S. No	Name and Qualification	Designation	Remuneration (In Rs. Lacs)	Exp. (Years)	Age (Years)	Date of Commencement of Employment	Previous Employment & Designation
1	Mr. Neeraj Munjal B.Com, DIBM	Managing Director	65.33	22	43	01.04.2006	Munjal Auto Industries Ltd. Executive Director

Notes:

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

ANNEXURE 'D' TO DIRECTORS' REPORT

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

(a) Conservation of Energy

Energy conservation is one of our key focus areas. A number of best practices, studies and improvement projects have been implemented. We regularly benchmark our energy consumption levels with global standards, and consistently work towards improving

The energy consumption of all our manufacturing units and utility blocks are monitored constantly and corrective steps are immediately taken to utilise the energy in the most optimal manner. All units utilise energy resources in a responsible and efficient manner with a focus on productivity improvement measures that result in the reduction of energy consumption.

(b) Technology Absorption, Adaptation and innovation

Research and development is an integral part of our strategy for achieving growth business profitability and sustainability.

Employee participation in quality initiatives through quality circles has won several awards for our company. Kaizen practice initiatives have contributed to better quality, cost savings and increased customer satisfaction.

The above efforts have resulted in improvement of production processes and enhancement in productivity, efficiency in throughput, etc.

(c) Foreign Exchange Earnings and outgo

(Rs. In lacs)

	F.Y. ended on March 31, 2010
(a) Total Foreign Exchange Earnings	29.67
(b) Total Foreign Exchange Outgo	1548.52

AUDITORS' REPORT

TO THE MEMBERS OF SHIVAM AUTOTECH LIMITED

We have audited the attached Balance Sheet of **Shivam Autotech Limited** as at 31st March, 2010 and also the Profit & Loss Account and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' Report) Order, 2003 as amended by the Companies (Auditors' Report) (Amendment) Order, 2004 (Collectively the Order) issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the 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 appears from our examination of those books;
- c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement, dealt with by this report, comply with the Accounting Standards referred to in sub - section (3C) of Section 211 of the Companies Act, 1956.
- e) On the basis of written representations received from the directors as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the Accounting policies and Notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - ii) In the case of Profit and Loss Account, of the Profit for the year ended on that date; and
 - iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

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

(ARUN K. TULSIAN)
Partner
M.No.89907

Place: New Delhi

Dated: 31st, July 2010

ANNEXURE TO AUDITORS' REPORT

(Annexure referred to in our report of even date)

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) Verification of the fixed assets is being conducted based on a phased programme by the management designed to cover all assets, which, in our opinion, is reasonable having regard to the size of the company and nature of its business. Discrepancies noticed on such verification as compared to book records were not material and have been properly adjusted in the books of account.
(c) Fixed assets disposed off during the year were not substantial.
2. (a) The inventory has been physically verified during the year by the management at all its locations at reasonable intervals. Further stocks in the possession and custody of third parties as at 31st March 2010 have been verified by the management with reference to confirmations or statement of account or correspondence of the third parties. In our opinion, the frequency of such verification is reasonable.
(b) The procedures for the physical verification of inventory followed by the management are, in our opinion, reasonable and adequate in relation to the size of the Company and nature of its business.
(c) In our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account.
3. (a) The Company has not granted any loan, secured or unsecured, to Companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956.
(b) The company has taken unsecured loan in the nature of advance against supplies, from a Company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding during the year was Rs 1900.00 lacs and year end balance was Rs 1700 lacs. Apart from this, the company has not taken any other loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
(c) In our opinion, other terms & conditions of such loan are prima facie, not prejudicial to the interest of the Company.
(d) In respect of the aforesaid loan, the company was regular in repayment of principal amount and interest due thereon as per the terms of the acceptance.
4. In our opinion, and according to the information and explanations given to us during the course of audit, there are adequate internal control systems commensurate with size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books & records of the company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control systems.
5. (a) Based upon the audit procedures applied by us and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
(b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rupees five lakhs or more in respect of each party have been made at prices which are reasonable having regard to market prices for such transactions, prevailing at the relevant time, where such market prices are available.
6. The Company has not accepted any deposits from the public within the meaning of section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 including the Companies (Acceptance of Deposits) Rules, 1975.
7. In our opinion, the Company has an internal audit system commensurate with the size & nature of its business.
8. 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 clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 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.

9. (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-Tax, Sales-Tax, Wealth-Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues have been generally regularly deposited with the appropriate authorities during the year and there are no such undisputed statutory dues outstanding as on the date of Balance Sheet for a period exceeding six months from the date they became payable as on the date of the balance sheet.
- (b) According to the information & explanations given to us and as per the books and records examined by us, there are no dues in respect of Excise Duty, Sales Tax, Wealth Tax, Custom Duty, Income Tax and Cess which have not been deposited on account of any dispute except the following dues of Service Tax along with the forum where the dispute is pending :

Name of the Statute	Nature of Dues	Year to which amount pertains	Forum	Amount (in Rs.)
Finance Act, 1994	Service Tax	2005-06 to 2007-08	Additional Commissioner Central Excise, Delhi- III	1437794.00

10. There are no accumulated losses of the Company as at the end of the financial year. There are no cash losses during the financial year and in the immediately preceding financial year.
11. According to the information and explanations given to us and as per the books and records examined by us, the Company has not defaulted in repayment of dues to any financial institution or bank.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company does not fall within the category of Chit fund / Nidhi / Mutual Benefit fund / Society and hence the related reporting requirements of the Order are not applicable.
14. The Company is not dealing in or trading in shares, securities, debentures, and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the company.
15. The company has not given any guarantees for loans taken by others from bank or financial institution.
16. In our opinion, and according to the information and explanations given to us, the term loans raised during the year by the Company have been applied for the purpose for which the said loans were obtained, where such end-use has been stipulated by the lender.
17. According to the information and explanations given to us and as per the books and records examined by us, on an overall examination of the Balance Sheet of the Company, *the funds raised by the Company on short-term basis have been applied for long-term investment to the extent of Rs. 2956.97Lacs. We understand from management that the company is in the process of arranging suitable long term funds to replace these short term funds.*
18. The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year nor has any outstanding debentures.
20. The Company has not raised any money by way of public issues during the year.
21. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company, noticed and reported during the year, nor have we been informed of such case by the management.

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

(ARUN K. TULSIAN)
Partner
M. No. 89907

BALANCE SHEET AS AT MARCH 31, 2010

		(Amount in Rs.)	
	Schedules	As at 31st March, 2010	As at 31st March, 2009
SOURCES OF FUNDS:			
(1) Shareholders' funds			
(a) Share Capital	1	100,000,000	100,000,000
(b) Reserves & Surplus	2	763,586,174	661,040,692
(2) Loan Funds			
(a) Secured Loans	3	1,701,706,826	1,432,864,392
(3) Deferred Tax Liability		52,991,777	58,245,556
<i>(Refer note 13 of Schedule 12)</i>			
		2,618,284,777	2,252,150,640
APPLICATION OF FUNDS:			
(1) Fixed Assets			
Gross Block	4	3,096,973,856	1,578,202,110
Less: Depreciation		748,123,901	561,582,356
Net Block		2,348,849,955	1,016,619,754
Capital Work in Progress		73,032,309	1,155,474,008
		2,421,882,264	2,172,093,762
(2) Current Assets, Loans & Advances			
(a) Inventories		335,616,009	180,984,723
(b) Sundry Debtors		320,421,789	129,685,075
(c) Cash & Bank Balances		106,008,413	5,954,828
(d) Loans & Advances		120,394,096	72,145,712
		882,440,307	388,770,338
Less: Current Liabilities & Provisions		6	
(a) Current Liabilities		663,621,137	283,030,148
(b) Provisions		22,416,657	25,683,312
Net Current Assets		196,402,513	80,056,878
TOTAL		2,618,284,777	2,252,150,640
Notes on Accounts & Accounting Policies		12	

As per our report of even date

for S.S. KOTHARI MEHTA & CO.
Chartered Accountants

ARUN K. TULSIAN
Partner
Membership No.89907

Place: New Delhi
Date: 31st July, 2010

For and of behalf of the Board

Neeraj Munjal	Managing Director
Bhagwan Dass Narang	Director
Surrinder Lal Kapur,	Director
Vinayshil Gautam,	Director
Anil Kumar Gupta	Director
Davendra Ujlayan	GM (Finance & Accounts) & Company Secretary
Sanjeev Chaba	DGM (Finance & Accounts)

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedules	As at 31st March, 2010	As at 31st March, 2009
(Amount in Rs.)			
INCOME			
Gross Sales		2,071,544,585	1,614,366,207
Less:- Excise duty		129,923,392	186,234,314
Net Sales		<u>1,941,621,193</u>	<u>1,428,131,893</u>
Other Income	7	713,205	502,278
Increase/(Decrease) in Stocks of Finished goods & WIP	8	56,365,067	13,898,732
		<u>1,998,699,465</u>	<u>1,442,532,903</u>
EXPENDITURE			
Raw Material & Components Consumed		632,203,783	494,843,450
Remuneration and Benefits to Employees	9	171,737,431	116,172,401
Manufacturing & Other Expenses	10	729,983,582	507,365,848
Interest & Other Financial Charges	11	167,669,876	51,315,705
Depreciation	4	186,592,909	117,964,529
		<u>1,888,187,581</u>	<u>1,287,661,933</u>
Profit/(Loss) for the year before taxation		110,511,884	154,870,970
Less: Provisions for-			
Income Tax-Current (MAT)		18,781,494	63,503,498
MAT credit entitlement		(18,651,005)	-
Deferred Tax		(5,253,779)	(6,441,063)
Wealth Tax		96,822	116,555
Fringe Benefit Tax		-	1,365,533
Profit after Tax		115,538,352	96,326,447
Add: Profit brought forward from previous year		313,573,055	264,795,857
Net Profit available for appropriation		429,111,407	361,122,304
Less: Appropriations			
Amount transferred to General Reserve		30,000,000	30,000,000
Proposed Dividend on Equity Shares		15,000,000	15,000,000
Provision for Dividend Distribution Tax		2,491,313	2,549,250
Balance carried over to Balance Sheet		<u>381,620,094</u>	<u>313,573,054</u>
Basic & Diluted Earning Per Share face value Rs.10/- each		11.55	9.63
Notes on Accounts & Accounting Policies	12		
As per our report of even date			
for S.S. KOTHARI MEHTA & CO. Chartered Accountants		For and of behalf of the Board	
ARUN K. TULSIAN Partner Membership No.89907		Neeraj Munjal Bhagwan Dass Narang Surrinder Lal Kapur, Vinayshil Gautam, Anil Kumar Gupta Davendra Ujlayan	Managing Director Director Director Director GM (Finance & Accounts) & Company Secretary DGM (Finance & Accounts)
Place: New Delhi Date: 31st July, 2010		Sanjeev Chaba	

		(Amount in Rs.)	
		As at 31st March, 2010	As at 31st March, 2009
C. Cash Flow from Financing activities			
Add			
Net Proceeds from Bank Borrowings		268,842,434	(2,500,000)
Sales Tax Subsidy Received		4,498,443	6,332,804
		<u>273,340,877</u>	<u>3,832,804</u>
Less			
Dividend paid (including Dividend Distribution Tax)		17,215,143	17,549,250
Interest paid		162,248,966	59,671,344
		<u>179,464,109</u>	<u>77,220,594</u>
Net Cash from Financing ActivitiesC	93,876,768	(73,387,790)
Net increase/(decrease) in Cash & Cash equivalents		100,053,585	(237,340,594)
Cash and Cash Equivalents at the beginning of the period		5,954,828	243,295,422
Cash and Cash Equivalents at the end of the period		106,008,413	5,954,828

Notes on Accounts
12
12

As per our report of even date

for S.S. KOTHARI MEHTA & CO.
Chartered Accountants

ARUN K. TULSIAN
Partner
Membership No.89907

Place: New Delhi
Date: 31st July, 2010

For and of behalf of the Board

Neeraj Munjal
Bhagwan Dass Narang
Surrinder Lal Kapur,
Vinayshil Gautam,
Anil Kumar Gupta
Davendra Ujlayan

Sanjeev Chaba

Managing Director
Director
Director
Director
GM (Finance & Accounts)
& Company Secretary
DGM (Finance & Accounts)

SCHEDULES TO THE FINANCIAL STATEMENTS

(Amount in Rs.)

	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE -1		
SHARE CAPITAL		
Authorised		
1,26,00,000 (Previous Year 1,26,00,000) Equity Shares of Rs.10/- each	<u>126,000,000</u>	<u>126,000,000</u>
	126,000,000	126,000,000
Issued, Subscribed & Paid Up		
1,00,00,000 (Previous Year 1,00,00,000) Equity Shares of Rs.10/- each fully paid up	100,000,000	100,000,000
	<u>100,000,000</u>	<u>100,000,000</u>
SCHEDULE -2		
RESERVES & SURPLUS		
(i) Capital Redemption Reserve		
Balance as per last year	500,000	500,000
Add:- Transfer from General Reserve		
Closing Balance	500,000	500,000
(ii) Sales Tax Subsidy from the Government of Haryana (Refer note 4 of Schedule 12)		
Balance as per last Year	50,105,802	43,772,998
Add:- During the Year	4,498,443	6,332,804
Closing Balance	<u>54,604,245</u>	<u>50,105,802</u>
(iii) General Reserve		
Balance as per last Account	296,861,835	266,861,835
Add:- Transferred from Profit & Loss account	30,000,000	30,000,000
Closing Balance	326,861,835	296,861,835
(iv) Surplus in Profit & Loss Account		
Total (i)+(ii)+(iii)+(iv)	<u>763,586,174</u>	<u>661,040,692</u>
SCHEDULE -3		
SECURED LOANS		
A. Term Loans- Gurgaon Plant		
<i>I. From Banks:</i>		
from IDBI Bank Ltd.	210,937,500	180,000,000
from Hong Kong & Shanghai Bank Ltd. (HSBC)		33,750,000
Sub Total:	<u>210,937,500</u>	<u>213,750,000</u>
A1. Term Loans- Haridwar Plant		
From Punjab National Bank	386,619,982	158,388,505
From ICICI Bank Ltd	303,532,866	404,710,488
From Hong Kong & Shanghai Bank Ltd. (HSBC)	253,531,250	354,943,750
Sub Total: Term Loans	<u>943,684,098</u>	<u>918,042,743</u>
B. Working Capital borrowings- Gurgaon Plant		
From IDBI Bank Limited	212,060,139	255,105,190
Sub Total:	<u>212,060,139</u>	<u>255,105,190</u>
B1. Working Capital borrowings- Haridwar Plant		
From Punjab National Bank	164,301,068	45,966,459
From IDBI Bank Ltd.	170,724,021	-
Sub Total: Working Capital Borrowing	<u>335,025,089</u>	<u>45,966,459</u>
Total:	<u>1,701,706,826</u>	<u>1,432,864,392</u>

Details of Securities:

1. (a) **Gurgaon Plant:** Term Loans availed from banks are secured by an exclusive charge on the machinery financed from the said loan.
- (b) **Haridwar Plant:** Terms loans availed for Haridwar plant are secured by way of pari passu charge over the entire Plant & Machinery installed at Haridwar both, present & future.
2. Amount due with in one year Rs.3254.02 lacs (Previous Year Rs.3194.65 lacs)
3. (a) Working Capital facilities availed from IDBI Bank Limited is secured by a first charge on inventories, receivables and all other current assets of the **Gurgaon Plant**
- (b) Working Capital facilities availed from PNB is secured by a first charge on inventories, receivables and all other current assets of the **Haridwar Plant**

SCHEDULE- 4 FIXED ASSETS PARTICULARS	(Amount in Rs.)											
	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As at 01.04.2009	Additions	Deduction/ Adjustment	As at 31.03.2010	As on 01.04.2009	For the Year 2009-10	Deduction/ Adjustment	Total Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009		
FIXED ASSETS												
LAND	332,461,924	-	-	332,461,924	-	-	-	-	332,461,924	332,461,924		
BUILDINGS	82,275,189	218,133,725	-	300,408,914	11,803,696	8,385,454	20,189,150	280,219,764	70,471,493	70,471,493		
PLANT & MACHINERY	1,106,022,838	1,376,538,910	86,286,795	2,396,274,953	569,676,001	173,327,875	43,696,444	1,696,967,521	580,107,208	580,107,208		
COMPUTERS	8,493,833	1,759,032	105,783	10,147,082	5,363,723	950,016	60,993	6,252,746	3,080,042	3,080,042		
OFFICE EQUIPMENTS	12,796,330	2,235,535	88,402	14,943,463	3,268,287	671,888	13,481	3,926,694	9,560,897	9,560,897		
FURNITURE & FIXTURE	8,114,241	4,072,518	103,975	12,082,784	3,017,096	602,263	8,672	3,610,687	5,097,146	5,097,146		
VEHICLES	19,565,001	2,426,996	588,010	21,403,987	5,222,845	1,912,949	136,295	6,999,499	14,345,559	14,345,559		
INTANGIBLE ASSET (Software & Licences)	8,472,754	777,995	-	9,250,749	7,095,229	742,464	-	7,837,693	1,495,485	1,495,485		
TOTAL	1,578,202,110	1,605,944,711	87,172,965	3,096,973,856	605,446,877	186,592,909	43,915,885	748,123,901	2,348,849,955	1,016,619,754		
Previous Year	1,535,912,434	53,403,419	11,113,743	1,578,202,110	447,825,749	117,964,529	4,207,922	561,582,356	1,016,619,754	1,088,144,704		
Capital Work in Progress									73,032,309	1,155,474,008		

Notes:-

- Capital Works in progress includes preoperatives expenditure pending allocation Rs. 16,11,193/- (Previous year Rs.16,78,85,706/-)
- Addition during the year in building includes leased assets of Rs. 28,31,391/- (Previous year Rs. Nil) which have been depreciated according to the lease terms.

SCHEDULE -5
CURRENT ASSETS, LOANS & ADVANCES

(Amount in Rs.)

	As at 31st March,2010	As at 31st March, 2009
A. Inventories <i>(As taken, valued and certified by management)</i>		
Raw Materials	108,039,461	49,414,216
Work in Process	95,291,887	44,076,313
Finished Goods	5,535,189	586,031
Consumable stores, spares dies & tools (including stock in transit Rs. 3,407,602/- (previous year Rs. Nil)	126,006,247	86,565,341
Packing Material	318,890	118,822
Scrap	424,335	224,000
	335,616,009	180,984,723
B. Sundry Debtors <i>(Unsecured, considered good unless otherwise stated)</i>		
Debts outstanding for a period exceeding six months	755,643	710,570
Other Debts	319,666,146	128,974,505
	320,421,789	129,685,075
C. Cash & Bank Balances		
Cash in hand	241,210	205,931
Balances with scheduled Banks:		
on current accounts	92,233,300	1,513,624
on fixed deposit accounts (towards margin money with bank against letter of credit)	13,533,903	4,235,273
	106,008,413	5,954,828
D. Loans & Advances <i>(Unsecured, considered good unless otherwise stated)</i>		
Loans & Advances to Employeess	864,466	473,967
Advances recoverable in cash or in kind or value to be received(including Capital advances of Rs.3,18,25,920/- Previous Year Rs.1,81,72,351/-)	60,806,279	38,423,110
Advance Tax & Tax deducted at source (net of income tax provision of Rs. 147,994,023/-) (net of fringe benefit tax provision of Rs.4,632,390/-)	1,147,225	-
Balance with Govt. Departments and others	29,566,550	24,505,714
Deposits & Security	9,358,571	8,742,921
MAT credit entitlement receivable	18,651,005	-
Total (D)	120,394,096	72,145,712
Total (A+B+C+D)	882,440,307	388,770,338

SCHEDULE - 6
CURRENT LIABILITIES & PROVISIONS
Current Liabilities

Sundry Creditors:*

Micro and Small Enterprises	-	-
Others	461,463,964	248,344,718

 * including creditors for Capital Supplies Rs.5,03,10,037/-
(Previous Year Rs.2,74,77,557 /-)

Total (A)	461,463,964	248,344,718
Advances From Customers	170,650,296	93,187
Due to Directors	252,765	201,405
Other Liabilities	5,226,863	3,218,849
Interest accrued but not due	24,726,875	30,147,785

	(Amount in Rs.)	
	As at 31st March, 2010	As at 31st March, 2009
Investor Education & Protection Fund*		
Unpaid dividend	1,300,374	1,024,204
Total (B)	202,157,173	34,685,430
Total (A+B)	663,621,137	283,030,148
* There is no amount due and outstanding to be credited to Investor Education and Protection Fund		
Provisions		
Proposed Dividend on equity shares	15,000,000	15,000,000
Provision for Taxation	2,491,313	6,537,520
(net of advance income tax and fringe benefit tax of Rs. 129,775,123/-)		
Retirement Benefits	4,925,344	4,145,792
	22,416,657	25,683,312
 SCHEDULE - 7		
OTHER INCOME		
Miscellaneous receipts	302,803	302,122
Interest (TDS Rs. 40,704/-, previous year Rs.5,296/-)	410,402	25,707
Cash Discount	-	54,876
Gain on Foreign Exchange Rate Fluctuations (net)	-	119,573
	713,205	502,278
 SCHEDULE - 8		
INCREASE/(DECREASE) IN STOCKS OF FINISHED GOODS & WORK IN PROCESS		
Closing Stocks		
Finished Goods	5,535,189	586,031
Work in Process	95,291,887	44,076,313
Scrap	424,335	224,000
	101,251,411	44,886,344
Opening Stock		
Finished Goods	586,031	1,520,446
Work in Process	44,076,313	29,180,966
Scrap	224,000	286,200
	44,886,344	30,987,612
Increase/ (Decrease)	56,365,067	13,898,732
 SCHEDULE - 9		
REMUNERATION & BENEFITS TO EMPLOYEES		
Salaries & Wages (Including Managerial Remuneration)	141,156,509	93,101,647
Contribution to Provident Fund and other Funds	11,195,941	8,251,223
Retirement Benefits	4,037,998	2,665,246
Staff & Labour Welfare Expenses	15,346,983	12,154,285
	171,737,431	116,172,401
 SCHEDULE - 10		
MANUFACTURING & OTHER EXPENSES		
Stores, Spares, Tools & Dies consumed	213,501,950	116,645,694
Power & Fuel	127,671,469	99,548,968
Packing Materials consumed	3,337,211	549,656

	As at 31st March, 2010	As at 31st March, 2009
		(Amount in Rs.)
Rent (including lease rent)	4,680,686	958,362
Repair & Maintenance:		
- To Building	4,832,056	4,283,546
- To Machinery	6,393,413	7,414,399
- To Others	1,695,629	1,274,191
Insurance	7,832,811	4,977,522
Rates & Taxes	751,890	28,193
Wages to contractors	76,307,437	36,342,097
Job work charges	228,995,770	196,854,091
Travelling & Conveyance	16,788,778	16,658,184
Auditors Remuneration		
- As Auditor Remuneration	250,000	275,750
- Limited Review	90,000	90,000
- Out of pocket expenses	42,109	32,567
- Certification Charges	-	1,685
Professional charges	3,295,829	3,847,984
Freight outward	6,085,386	3,216,480
Donation	37,100	120,000
Miscellaneous expenses	23,381,281	14,024,646
Loss on sale of Fixed Assets (net)	314,398	-
Security service charges	3,231,570	2,233,009
Excise duty difference on stocks of finished goods (Net)	466,809	(2,011,176)
	<u>729,983,582</u>	<u>507,365,848</u>

SCHEDULE - 11

INTEREST & FINANCIAL CHARGES

Interest :		
-On Fixed Loans	104,473,986	15,197,464
-On Others loans / working capital borrowings	54,026,162	35,131,794
Bank Charges	9,169,728	986,447
	<u>167,669,876</u>	<u>51,315,705</u>

SCHEDULE FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

SCHEDULE -12

SIGNIFICANT ACCOUNTING POLICIES, NOTES ON ACCOUNTS AND INFORMATION PURSUANT TO PROVISIONS OF SCHEDULE VI OF THE COMPANIES ACT, 1956

I. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which revaluation is carried out. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

- 1) **System of Accounting**
The Company follows mercantile system of accounting and recognises income & expenditure on accrual basis to the extent measurable and where there is certainty of ultimate realisation in respect of income.
- 2) **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 recognised in the period in which the results are known/ materialized.
- 3) **Fixed Assets**
 - a) All fixed assets are valued at cost and stated net of depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use and is net of Cenvat Credit and VAT credit.
 - b) Depreciation has been provided for on straight -line method in the manner and at the rates as prescribed in Schedule XIV of the Companies Act, 1956. Fixed Assets costing Rs.5000/- or less are fully depreciated in the year of acquisition
 - c) Depreciation on Intangible Assets, being expenditure on software, including licence fees and implementation cost is provided at the rate of 25% considering estimated life thereof.
 - d) **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.
- 4) **Inventories**
 - a) Raw material, stores and spares, packing materials, components, work in progress and finished goods are valued at cost or net realisable value, whichever is lower. Cost of purchases is ascertained on first in first out (FIFO) method.
 - b) Scrap is valued at estimated net realisable value.
 - c) Excise duty liability on Finished Goods lying in factory is accounted for and the corresponding amount is considered for the valuation thereof.
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.
- 5) **Tools & Dies**
The consumable Tools & Dies are charged to Profit & Loss Account in the year they are put to use.
- 6) **Sales & Purchases**
 - (i) Domestic sales are accounted for inclusive of excise duty but net of sales tax. Sales net of excise duty is also disclosed separately.
 - (ii) Sales are accounted for at the point of removal of goods from the factory.
 - (iii) The cost of purchase consists of purchase price including duties and taxes and other expenditure directly attributable to acquisition but net of Cenvat, Service Tax, Value Added Tax, trade discount and rebates.
- 7) **Employee Benefits**
Expenses and liabilities in respect of employee benefits are recorded in accordance with Revised Accounting Standard- AS-15 – Employee Benefits issued by the ICAI.
 - (a) **Provident Fund and Employee State Insurance**

The Company makes contribution to statutory provident fund and Employee State Insurance in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Employee State Insurance Act, 1952 respectively which is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.

(b) **Gratuity**

Gratuity is a post employment benefit and is in the nature of a defined benefit plan. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit/obligation at the balance sheet date less the fair value of plan assets, together with adjustment for unrecognized actuarial gains or losses and past service costs. The defined benefit/obligation is calculated at or near the balance sheet date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged or credited to the Profit and loss account in the year to which such gains or losses relate.

(c) **Compensated Absences**

Liability in respect of compensated absences becoming due or expected after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent Actuary using the projected unit credit method.

(d) **Other Short Term Benefits**

Expense in respect of other short term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

8) **Taxation**

The provision for Current Tax computed in accordance with the provisions of the Income Tax Act 1961 Deferred Tax is recognized, subject to the consideration of prudence, on timing differences, being the differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

9) **Foreign Currency Transactions**

Transactions denominated in foreign currency are recorded at the rate of exchange prevailing on the date of the transaction. Assets and liabilities denominated in foreign currency are converted into rupee at the closing rate of the last day of the financial year and the exchange rate difference is recognised as revenue / expenses for the year

10) **Impairment of Assets**

Specified assets are reviewed for impairment 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 assets 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 assets. 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, relating to assets other than goodwill, 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 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.

11) **Provisions and contingent Liabilities**

Provisions are recognized for present obligations of uncertain timing or amount arising as a result of a past event where a reliable estimate can be made and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Where it is not probable that an outflow of resources embodying economic benefits will be required or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of resources embodying economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain events, are also disclosed as contingent liabilities unless the probability of outflow of resources embodying economic benefit is remote.

12) **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 Profit and Loss account on a straight-line basis over the lease term.

Where the Company is the lessor

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

13) **Cash and Cash Equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

II. **NOTES TO ACCOUNTS**

1 **Details of Contingent Liabilities**

		(Rs. In lacs)	
		2009-10	2008-09
a)	Unexpired Letter of Credit	1,938.29	516.96
b)	Claims not acknowledged as debts by the company	102.20	93.03

2 Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances) - Rs. 412.31 lacs (Previous Year Rs. 883.38 lacs)

3 There are no present obligations requiring provision in accordance with the guiding principles as enunciated in Accounting Standard "AS 29" as it is not probable that an outflow of resources embodying economic benefits will be required.

4 The details of Pre-operative Expenditure pending allocation included in the Capital Work in Progress :

(Rs. In lacs)

	<u>2009-10</u>	<u>2008-09</u>
Amount Brought Forward from the Previous year	1,679.78	1,678.86
Add: Expenditure incurred during the year	-	-
Financial Charges	16.11	(61.03)
Admn. Charges	-	61.01
Depreciation	-	0.94
Less: Capitalised during the year	1,679.78	-
Amount carried forward under Capital Work In Progress	<u>16.11</u>	<u>1,679.78</u>

5 Details of Prior period items

	<u>2009-10</u>	<u>2008-09</u>
Expenses	-	9.08
Income	-	-
	<u>-</u>	<u>9.08</u>

6 Company has availed sales tax incentive amounting to Rs. 546.04 Lacs (Previous Year 501.05 lacs) by the end of 31st March, 2010 in the form of deferment, in accordance with the scheme of the Govt. of Haryana for development of Industries. Considering the nature of incentive and legal opinion taken by the company, the amount is treated as Capital Receipt and disclosed as such in the Balance Sheet.

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

8 **Micro, Small & Medium Enterprise Development Act,2006 -**

The Company is in the process of compiling information from its suppliers regarding their status under the above Act and hence disclosure, if any of the amounts unpaid as at the year end together with the interest paid/payable as required has been given to the extent of information available.

(Rs. In lacs)

	<u>2009-10</u>	<u>2008-09</u>
(a) The Principal amount and interest due	-	-
(b) Interest paid under MSMED Act, 2006	-	-
(c) Interest Due (Other than 8(b))	-	-
(d) Interest accrued and unpaid	-	-
(e) Interest due and payable till actual payment	-	-

9 **Managerial Remuneration**

(Rs. In lacs)

	<u>2009-10</u>	<u>2008-09</u>
Salaries	24.00	21.00
Commission	14.45	20.00
Contribution to PF and other Funds	2.88	2.52
Other Allowances	24.00	21.00
	<u>65.33</u>	<u>64.52</u>

10 **Computation of net profit in accordance with the provisions of Section 349 of the Companies Act, 1956**

(Rs. In lacs)

	<u>2009-10</u>	<u>2008-09</u>
Profit as per Profit & Loss before taxation	1,104.21	1,548.71
Add:		
Managerial Remuneration	65.33	64.52
Loss on sale/ discard of Fixed Assets	3.14	-

	<u>2009-10</u>	<u>2008-09</u>
Less:		
Profit on sale of investments	-	-
Profit on sale/ discard of Fixed Assets	-	-
Net Profit pursuant to Section 349 for the purpose of Director Remuneration	<u>1,172.68</u>	<u>1,613.23</u>
Director's Commission (restricted in terms of the agreements with reference to salaries ,allowances and limits prescribed under the Companies Act)		
1.25% of Net Profit to the Managing Director	14.45	20.45
Commission restricted to	14.45	20.00
0.30% of Net Profit to the four Non Executive Directors	<u>3.47</u>	<u>3.27</u>
	<u>17.91</u>	<u>23.27</u>
11 Earning Per Share (EPS) as per Accounting Standard -20		
	<u>2009-10</u>	<u>2008-09</u>
Net Profit After Taxation as per Profit & Loss Account	115,578,841	96,326,448
Basic/ Weighted Average Number of Equity Shares outstanding during the year	10,000,000	10,000,000
Nominal Value of Equity shares	10.00	10.00
Basic & Diluted Earnings Per Share	<u>11.56</u>	<u>9.63</u>
12 Disclosure as per AS 15		
The principal assumption used in actuarial valuation are given below:-		
	<u>2009-10</u>	<u>2008-09</u>
- Discount rate	8.00%	8.00%
- Expected rate of return on assets	9.00%	9.00%
- Expected rate of future salary increase	5.50%	5.50%
-Retirement age	58 years	58 years
	Gratuity (Funded)	Leave Encashment (Unfunded)
Change in present value of obligations		
- Present value of obligations at the beginning of the year	52.66	37.07
- Interest Cost	4.22	2.97
- Current Service Cost	15.72	14.36
- Benefits Paid	(2.60)	(5.19)
- Actuarial loss on obligations	(0.17)	0.04
Present value of obligations at the end of the year	<u>69.83</u>	<u>49.25</u>
Changes in fair value of plan assets		Not Applicable
- Fair value of plan assets at the beginning of the year	52.33	
- Acquisition adjustment	-	
- Expected return on plan assets	4.71	
- Contributions	28.14	
- Benefits paid	(2.60)	
- Actuarial gain/(loss) on plan assets	(4.71)	
Fair value of plan assets at the end of the year	<u>77.87</u>	
Liability recognized in Balance Sheet		
- Present value of obligations at the end of the year	69.83	49.25
- Fair value of plan assets as at the end of the year	77.87	-
- Funded Status / Difference	8.04	(49.25)
- Excess of actual over estimated	(4.71)	-
- Unfunded status	-	-
- Unrecognised Actuarial (Gain). Loss	-	-
- Net Assets/ (Liabilities) recognized in Balance Sheet	<u>8.04</u>	<u>(49.25)</u>
Expenses recognized in Profit and Loss Account		
- Current Service Cost	15.72	14.36

	<u>2009-10</u>	<u>2008-09</u>
- Past Service Cost	-	-
- Interest Cost	4.22	2.97
- Expected return on Plan assets	(4.71)	-
- Net Actuarial (Gain). Loss recognized during the year	4.54	0.04
Total Expenses	<u>19.77</u>	<u>17.37</u>

Gratuity & Leave encashment

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

Particulars	Gratuity				Leave Encashment			
	2009 - 10	2008 - 09	2007 - 08	2006 - 07	2009 - 10	2008 - 09	2007 - 08	2006 - 07
Defined benefit obligation	6,983,056	5,266,217	4,287,900	-	4,925,344	3,706,748	3,070,870	-
Plan Assets	7,786,657	4,827,173	3,702,049	-	-	-	-	-
Surplus/ (deficit)	803,601	(439,044)	(585,851)	-	(4,925,344)	(3,706,748)	(3,070,870)	-
Experience adjustment on plan assets	(470,969)	(333,184)	-	-	-	-	-	-
Experience adjustment on plan liabilities	16,697	(280,845)	-	-	(4,393)	(244,191)	-	-

Provident Fund and ESI

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. 111.96 lacs. (Previous year Rs. 82.51 lacs)

13 Deferred Tax Liabilities on taking into account the impact of timing differences between financial statements and estimated taxable income. The breakup of Deferred Tax Liabilities/ (Assets) (Net) is as under:

	<u>2008-09</u>		<u>2009-10</u>		
	Balance as on 01.04.2008	Charge (Credit) during the year to P & L	Balance as on 01.04.2009	Charge(Credit) during the Year to P & L	Balance as on 31.03.2010
(Rs. In lacs)					
A. Deferred Tax Liabilities					
Tax Effect of excess Net Block of Fixed assets as per the books of account over written down value as per the income tax computation	659.30	(62.75)	596.55	(51.78)	544.77
B. Deferred Tax Assets					
Retirement benefits *	(12.43)	(1.66)	(14.09)	(0.76)	(14.85)
Net Deferred Tax Liabilities (A-B)	646.87	(64.41)	582.46	(52.54)	529.92

* Net of deferred tax charge on transitional provision of revised AS-15 on Employee Benefits adjusted in opening reserves.

14 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" issued by the Institute of Chartered Accountants of India, are not applicable.

15 Related parties disclosure:

a) Key Managerial Personnel

Mr. Neeraj Munjal, Managing Director

b) Enterprises which are able to exercise significant influence over the company

Hero Cycles Limited

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

Hero Honda Motors Limited
Rockman Industries Limited
Puja Investments Private Limited
Anadi Investments Private Limited
Hero Investments Private Limited
Hero Corporate Services Limited
Munjal Auto Industries Ltd.
Satyam Auto Components Limited
Highway Industries Limited
Dayanand Munjal Investments Limited
Bahadur Chand Investments Private Limited
Thakurdevi Investments Private Limited
Bhagyoday Investments Private Limited
Munjal Investments Private Limited
Highway Industries Limited
Munjal Acme Packaging Systems Ltd.
Arrow Infrastructure Ltd.
Sunbeam Auto Ltd.

d) Transaction with the related parties during the year
i) Key Managerial Personnel

	<u>2009-10</u>	<u>2008-09</u>
To the Managing Director:		(Rs. In lacs)
Remuneration	50.88	44.52
Commisison	14.45	20.00
Total	65.33	64.52
To other Directors:		
As sitting Fee	10.50	8.30
Commission Paid/Payable	3.47	3.27
Total	14.27	11.57

ii) Enterprises which are able to exercise significant influence over the Company

	<u>2009-10</u>	<u>2008-09</u>
Purchase of Fixed Assets	-	-
Payment of rent	-	-
Miscellaneous Purchases and other Services	1.75	1.95
Balance outstanding at the end of the year payables	0.15	0.20

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

	<u>2009-10</u>	<u>2008-09</u>
Sale of Goods (inclusive of Excise Duty & Sales Tax)	20,117.96	16,142.51
Purchase of Goods (inclusive of Fixed Assets)	120.61	27.26
Miscellaneous Purchase and other Services	20.26	21.24
Advance against supplies	2,000.00	900.00
Interest paid on advances	97.26	72.31
Balance outstanding at the end of the year		(Rs. In lacs)
Receivables	3,064.03	1,246.36
Payables	19.32	16.27
Advances from Customer	1,700.00	-

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

	<u>2009-10</u>	<u>2008-09</u>
		(Rs. In lacs)
Not later than one year	36.11	36.11
Later than one year and not later than five years	144.44	144.44
Later than five years	105.32	141.43
	<u>285.87</u>	<u>321.98</u>

17 Unhedged Foreign Currency Exposures

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

Particulars	Foreign Currency	2009- 10		2008- 09	
		Amount in FC	Amount in INR	Amount in FC	Amount in INR
Accounts Payable	-	-	-	-	-
Accounts Receivable	EURO	31,020	1,769,965	-	-

18 Previous year figures have been regrouped/ rearranged wherever applicable, to facilitate comparsion.

III. ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF 3, 4C and 4D OF PART II OF SCHEDULE VI OF THE COMPANIES ACT,1956
1. Particulars in respect of licenced and installed capacities:

Class of Goods	Licensed Capacity		Installed Capacity	
	2009-10	2008-09	2009-10	2008-09
Forging Components	N.A.	N.A.	123,600,000	22,950,000
Gear Blank Machining	N.A.	N.A.	50,250,000	26,280,000
Gear Finishing	N.A.	N.A.	35,700,000	11,760,000

(i) The installed capacity is on annualised basis and is as certified by the management and relied upon by the auditors being a technical matter . The installed capacity is calculated on triple shift basis.

(ii) Actual production of Forging Components and Gear blanks Machining depends on exact specification of the product. The quantities are indicative of production ,with specifications, which are considered representative of estimated average product mix.

2. Particulars in respect of opening and closing stock of finished goods produced

Class of Goods	Opening Stock				Closing Stock			
	2009-10		2008-09		2009-10		2008-09	
Qty.(in Nos.)	Value	Qty.(in Nos.)	Value	Qty.(in Nos.)	Value	Qty.(in Nos.)	Value	
Gear Components	12594	5.67	34991	15.20	135243	55.35	12594	5.67

3. Details of Production and sales

Class of Goods	Production		Sales			
	2009-10	2008-09	2009-10		2008-09	
Qty.(in Nos.)	Qty.(in Nos.)	Qty.(in Nos.)	Value	Qty.(in Nos.)	Value	
Gear Components	33,235,234	23,815,778	33,053,050	20,715.45	23,838,175	16,143.66

*includes sales of Scrap of Rs. 255.22 lacs (Previous Year Rs.231.33 lacs) and Export Sales of Rs. 29.67 lacs (Previous Year Rs.8.67 lacs)

4. Raw Material, processing materials and components consumption:

Class of Goods	(Amt. In lacs)			
	2009-10		2008-09	
	Qty.	Value	Qty.	Value
Alloy Steel (Qty. in MT)	9,895	5,982.90	7,335	4,403.70
Bought out parts (Nos.)	1,373,861	339.14	2,194,227	544.73
		6,322.04		4,948.43

5. Value of Imported and Indigenous Raw Materials and Stores consumed and percentage thereof

Class of Goods	(Amt. In lacs)			
	2009-10		2008-09	
	Value	%age	Value	%age
<i>Raw Material and Components</i>				
Imported	1.89	0%	3.01	0%
Indigenous:	6,320.14	100%	4945.42	100%
	6,322.04		4,948.43	
<i>Stores, spares, Tools & Dies consumed</i>				
Imported	183.49	9%	200.55	17%
Indigenous	1,951.52	91%	965.91	83%
	2,135.02		1,166.46	

6. Expenditure in foreign Currency (on cash basis)

	2009-10	2008-09
Foreign Travelling	19.09	20.41
Consultancy Charges	7.16	12.88
	26.25	33.29

7. CIF Value of Imports

	2009-10	2008-09
Raw Materials, BOP & spares	310.25	219.34
Capital Goods	1,212.03	2,330.20
	1,522.27	2549.53

8. Earning in Foreign Exchange

	2009-10	2008-09
FOB value of Exports	29.67	8.67

As per our report of even date

for S.S. KOTHARI MEHTA & CO.

Chartered Accountants

ARUN K. TULSIAN

Partner

Membership No.89907

Place: New Delhi

Date: 31st July,2010

For and of behalf of the Board

Neeraj Munjal

Bhagwan Dass Narang

Surrinder Lal Kapur,

Vinayshil Gautam,

Anil Kumar Gupta

Davendra Ujlayan

Sanjeev Chaba

Managing Director

Director

Director

Director

Director

GM (Finance & Accounts)
& Company Secretary

DGM (Finance & Accounts)

ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956

Balance Sheet Abstracts and Company's General Business Profile

I. Registration Details
Registration No.

1	3	9	5	6	3
---	---	---	---	---	---

State Code

5	5
---	---

Balance Sheet Date

3	1	0	3	2	0	1	0
---	---	---	---	---	---	---	---

II. Capital raised during the year (Amount in Rs.'000)
Public Issue

N				L
---	--	--	--	---

Rights issue

N				L
---	--	--	--	---

Bonus Issue

N				L
---	--	--	--	---

Private Placement

N				L
---	--	--	--	---

III. Position of Mobilisation and Deployment of Funds (Amount in Rs.'000)
Total Liabilities

2	6	1	8	2	8	5
---	---	---	---	---	---	---

Total Assets

2	6	1	8	2	8	5
---	---	---	---	---	---	---

Sources of Funds
Paid up capital

1	0	0	0	0	0
---	---	---	---	---	---

Reserve & Surplus

7	6	3	5	8	6
---	---	---	---	---	---

Secured Loans

1	7	0	1	7	0	7
---	---	---	---	---	---	---

Unsecured Loans

N				L
---	--	--	--	---

Deferred Tax Liability

5	2	9	9	2
---	---	---	---	---

Application of Funds
Net Fixed Assets

2	4	2	1	8	8	2
---	---	---	---	---	---	---

Investments

N				L
---	--	--	--	---

Net Current Assets

1	9	6	4	0	3
---	---	---	---	---	---

Misc. Expenditure

N				L
---	--	--	--	---

IV. Performance of Company (Amount in Rs.'000)
Turnover

2	0	7	1	5	4	5
---	---	---	---	---	---	---

Total Expenditure

1	8	8	8	1	8	8
---	---	---	---	---	---	---

Profit Before Tax

1	1	0	5	1	2
---	---	---	---	---	---

Profit After Tax

1	1	5	5	3	8
---	---	---	---	---	---

Earning Per Share in Rs.

11.55

Dividend in %

15%

V. Generic Name of Three Principal Products of Company (as per monetary terms)
Item Code No.

8	7	1	4	1	9	0	0
---	---	---	---	---	---	---	---

Product description

M		O		T		O		R			C		Y			C			E			P			A			R			T			S
---	--	---	--	---	--	---	--	---	--	--	---	--	---	--	--	---	--	--	---	--	--	---	--	--	---	--	--	---	--	--	---	--	--	---

SHIVAM AUTOTECH LIMITED

Regd. Office : 303, 3rd Floor, Square One, District Centre,
Saket, New Delhi – 110 017

5th Annual General Meeting ATTENDANCE SLIP

Folio No. _____

No. of Share(s) Held: _____

Client ID.*

D.P ID.*

Name(s) in full

Father/Husband's Name

Address as registered with the company

1. _____
2. _____
3. _____

I/We hereby record my/our presence at the 5th Annual Meeting of the Company being held at The Tivoli Garden Resort, Near Chattarpur Mandir, Chattarpur Road, New Delhi - 110001 on Wednesday, the 29th September, 2010 at 11.00 A.M.

Signature of the Member(s)/Proxy

1. _____ 2. _____ 3. _____

*Applicable for member holding share(s) in electronic form

Notes:

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

SHIVAM AUTOTECH LIMITED

Regd. Office : 303, 3rd Floor, Square one, District Centre,
Saket, New Delhi – 110 017

5th Annual General Meeting PROXY FORM

Folio No. _____

No. of Share(s) Held: _____

Client ID.*

D.P ID.*

Name(s) in full

Father/Husband's Name

Address as registered with the company

1. _____
2. _____
3. _____

being a member(s) of Shivam Autotech Limited hereby appoint _____ of _____ or
falling him / her _____ of _____ as my / our proxy to vote for me / us on my / our
behalf at the 5th Annual General Meeting of the company* at 11:00 a.m. and any adjournment thereof.

Signature of the Member(s)

1. _____ 2. _____ 3. _____

*Applicable for member holding share(s) in electronic form

Notes:

1. The proxy should be deposited at the Registered Office of the Company Office Not later than 48 hours before the commencement of the meeting

Affix
1 Rupee
Revenue
Stamp