

August 31, 2024

The National Stock Exchange of India  
Listing & Compliance Department  
"Exchange Plaza" Bandra Kurla Complex,  
Bandra East,  
Mumbai - 400 051  
(Scrip Code - SHIVAMAUTO)

The BSE Limited  
Listing & Compliance Department  
Phiroje Jeejeebhoy Towers  
Dalal Street Fort  
Mumbai - 400 001  
(Scrip Code - 532776)

**Sub: Annual Report of the Company for the F.Y. 2023-24**

**Ref: Regulation 34 of SEBI ((Listing Obligation and Disclosure Requirements) Regulations, 2015**

Dear Sir/ Ma'am,

Pursuant to Regulation 34(1) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, attached please find herewith Annual Report of the Company for the financial year ended March 31, 2024.

The Annual Report of the Company for the F.Y. 2023-24 are being sent to the members of the Company through electronic mode and is also available on the website of the Company [www.shivamautotech.com](http://www.shivamautotech.com)

This is for your information on records.

Thanking you,

Yours faithfully,

For Shivam Autotech Limited



Shakti Mahana

Company Secretary & Compliance Officer  
M. No. A69273

SHIVAM AUTOTECH LIMITED [www.shivamautotech.com](http://www.shivamautotech.com)  
CIN: L34300HR2005PLC081531

Registered Office: 10, 1<sup>st</sup> Floor, Emaar Digital Greens, Tower A,  
Sector 61, Golf Course Extension Road, Gurugram, Haryana-122102

Tel: 0124-4698700  
Fax: 0124-4698798



**ANNUAL REPORT**  
2023-24



Annual  
Report  
2023-24

LEADING MANUFACTURER OF

Transmission, Gears, Shafts & Precision Engineering Components

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FROM THE DESK OF

## Managing Director

The rising indigenization and increased sourcing from India by global OEMs are making the country a preferred base for designing and manufacturing. All eyes are on India it is poised to become the global manufacturing hub.



### Dear Stakeholders,

I hope this letter finds you safe and in good health.

In the last fiscal year, the global economy continued to face multiple challenges and uncertainty due to prevailing geo-political events like the Ukraine war, non-availability of semi-conductors and sudden increase in sea freight charges resulting in a slowdown across the world. These events have had an adverse impact on demand across industries, including the automotive industry. The Company's financial performance was impacted by a subdued demand coupled with rising raw-material costs and indirect material costs. Now, the industry has made a recovery, with a strong demand pull from customers. The Indian Automotive market is now surpassing its pre-Covid volumes, with the Passenger Vehicle segment posting the highest ever domestic sales. The Indian two-wheeler industry recorded sales of 19.51 million units,

an 8% growth compared to the previous fiscal year's 18.01 million units. In FY24, the industry continued its upward trajectory, achieving 9.8% growth with a total sales volume of 21.43 million units. The overall volume growth in FY23 and FY24 was supported by the increasing demand for electric vehicles (EVs). In FY23, EV sales reached approximately 0.73 million units, accounting for 4.54% of total two-wheeler sales (compared to 1.87% in the previous year), reflecting a remarkable year-on-year growth of 188%; albeit on a low base. Continuing the positive trend, EV sales grew by ~30% in FY24 surpassing volume of 0.94 million units. India's auto component industry is experiencing robust growth as well. In FY23, the industry reached a record turnover of US\$ 70 billion and is projected to hit US\$ 200 billion by 2026, driven by strong export demand expected to grow at 23.9% annually,

The rising indigenization and increased sourcing from India by global OEMs are making the country a

preferred base for designing and manufacturing. All eyes are on India it is poised to become the global manufacturing hub and the third-largest automotive market by 2025.

Although there were setbacks, Shivam Autotech is re-energized to perform better, and we have emerged stronger than ever. In the last few years, the team at Shivam has worked tirelessly to diversify our product portfolio and to become a reliable partner for our valued customers' import substitution requirements. We take great pride in our indigenization efforts for 4W passenger vehicle components, saving precious foreign currency for our country.

Shivam continues to be a resilient company built on a solid foundation and strong values. We are poised to leverage the exciting opportunities and regain growth, further consolidating our market leadership position while maintaining fiscal discipline, optimizing our operations and further controlling costs to bolster our competitive edge and improve our financial performance.

We are committed towards our long-term strategy and are poised for exceptional growth in the coming years. We are expanding our foothold in the 2W higher CC models, expanding our EV and non-automotive business, increasing wallet share with existing customers and growing our in-house capabilities to position ourselves to harness the existing opportunities. The business diversification

strategy devised and implemented to manufacture components for new business verticals like off-road vehicles, steering components, industrial and renewable energy parts, among others, has been encouraging. Now we are in the process of launching differential axles for the three-wheeler e-rickshaw segment.

Although it has been a difficult and demanding year, it has been an immensely rewarding one. Our team have demonstrated to us that resilience, creativity, and collaboration can overcome the most challenging of situations. We remain focused on prioritizing sustainability, improving cost efficiency, and optimizing capacities to reach our full potential. I am confident that we can achieve our vision and create significant value for you, our stakeholders.

I would like to conclude by expressing my heartfelt gratitude to all our stakeholders for their continued dedication, hard work, guidance, and faith in us. I look forward to growing together with all of you and achieving our collective dream of being a leading global player in the auto-components industry and leaving behind a better world.

Stay Informed! Stay safe!

Thank you.

Neeraj Munjal  
Managing Director

## ABOUT THE Company



Shivam Autotech Limited, is one of the largest and most renowned manufacturers of transmission gears and shafts in India. The company has been serving a large number of automobile manufacturers as their strategic and supply chain partners for the past 20 years. Since inception, the Company has undergone a multi-phased development and evolution journey.

Being an integral part of the 'Make In India' initiative of the government, we see ourselves as a global manufacturing solution in the auto component segment, and on this note we are proud to mention that apart from 2 wheeler components, we diversified our manufacturing into various verticals and have developed and customized products for automobiles, off road vehicles, aerospace and initiated exports too.

Headquartered in Gurugram, Haryana, the company at present employs 3000+ people and qualifies its capabilities to grow and sustain in the fast changing auto component business environment.

The Company's principles: Respect, Integrity, Passion, and Excellence, form the core of its strong foundation and commitment. Being a Munjal Group entity, these principles act like the guiding light that have enabled the Company to widen its spectrum of offerings.

The Company strives to build a high-performance organization supported by the trust of all stakeholders and envisions strengthening its presence by solidifying its global footprints.

With experience and expertise par excellence, the company values its customers by delivering value for money both in the national and international auto component markets. Being a leader within the industry having profound experience of two decades, the company manufactures a comprehensive range of auto components and accessories that primarily include transmission gears, transmission shafts, alternator components, starter motor components, magneto components, steering components and various precision engineering components.

Today, the company's infrastructure spans pan India across 4 strategic locations including Gurgaon, Haridwar, Bengaluru and Rohtak. An IATF 16949, ISO 45001 & ISO 14001 Certified Company, Shivam Autotech's Unique Selling Proposition lies in the fact that it is among the very few auto component manufacturers in the country today that makes use of the Near Net Shape Technology for Cold and Warm Forging.

Shivam Autotech Limited employs a stringent quality policy that includes practices like 5S, Kaizen and Poka Yoke as an intrinsic part of its work culture. With robust in-house design and R&D capabilities and continuous collaboration with worldwide manufacturing leaders who are technologically advanced, we have been

able to build capacities and capabilities to create indigenous customized products to meet our customer's need.

All these unique attributes not only set the company apart in India, but also bring an international recognition to it.

## MANUFACTURING Locations



Binola

Bangalore



Rohtak

Haridwar





BUSINESS  
Verticals



Automotive



Non-Automotive

# PRODUCT Applications

Two Wheeler Segment

Transmission Gears and Shafts



Three Wheeler Segment

E-Rickshaw Axle



Commercial Vehicle Segment

Shafts and Pinions



PRODUCT

# Applications

**Non-  
Automotive**

**Power Tool Components**



**Industrial and Wind  
Turbine Gears**



**Aerospace Components**



**Home Appliances**



### Electronic Power Steering Components

Four Wheeler Segment



### Diesel Injection System Components



### Starter Motor and Alternator Components



# AWARDS & Certificates



OUR  
Customers



**BOSCH**

**DENSO**



**mitsuba**

**MUNJAL  
SHOWA**

**nexteer  
AUTOMOTIVE**



# Information

## CHAIRMAN

Shri Yogesh Chander Munjal, Non-Executive Director

## MANAGING DIRECTOR

Mr. Neeraj Munjal

## DIRECTORS

Dr. Anil Kumar Gupta, Independent Director  
Mrs. Charu Munjal, Executive Director  
Mr. Sunil Chinubhai Vakil, Independent Director  
Dr. Neetika Batra, Independent Director

## CHIEF FINANCIAL OFFICER

Mr. Devendra Kumar Goyal

## COMPANY SECRETARY

Shakti Kant Mahana

## STATUTORY AUDITORS

NSBP & Co.,  
Chartered Accountants,  
New Delhi  
Firm Registration No. 001075N

## INTERNAL AUDITORS

JHS & Associates LLP  
(Formerly known as N. Kochhar & Co.,)  
Chartered Accountants,  
New Delhi  
LLP Registration No. 133288W/W100099

## SECRETARIAL AUDITORS

Yogesh K & Associates  
Company Secretaries  
New Delhi  
COP No. 23576  
ACS No. 60866

## BANKERS

IDFC First Bank Limited  
Yes Bank Limited  
HDFC Bank Limited

## REGISTERED OFFICE

10, 1<sup>st</sup> Floor, Tower A, Emaar Digital Greens,  
Sector – 61, Golf Course Extension Road,  
Gurugram, Haryana – 122102

## BINOLA PLANT

58<sup>th</sup> Km. Stone, Delhi-Jaipur Highway  
Village: Binola-122413, Distt. Gurugram, Haryana

## HARIDWAR PLANT

Plot No. 3, Industrial Park-II, Phase-1,  
Village Salempur Mehdood,  
District Haridwar, Uttarakhand-249402

## BANGALORE PLANT

Plot No. 98, Vemmangal Industrial Area  
Kolar - 563101, Karnataka

## ROHTAK PLANT

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

## REGISTRAR & TRANSFER AGENT

MCS Share Transfer Agent Limited  
F-65, First Floor, Okhla Industrial Area,  
Phase 1, New Delhi - 110020

# NOTICE

Notice is hereby given that the **19<sup>th</sup> Annual General Meeting** of the Members of **SHIVAM AUTOTECH LIMITED** (**"the Company"**) will be held on *Thursday, the 26<sup>th</sup> day of September, 2024* at 12:00 Noon (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") for which purpose the Registered Office of the Company situated at 10, 1<sup>st</sup> Floor, Tower A, Emaar Digital Greens, Sector – 61, Golf Course Extension Road, Gurugram, Haryana – 122102 shall be deemed as the venue for the Meeting and the proceedings of AGM shall be deemed to be made thereat, to transact the following businesses:

## A. ORDINARY BUSINESS

1. **To receive, consider and adopt the Audited Financial Statements including Balance Sheet as at March 31, 2024, the Statement of Profit and Loss and Cash Flow Statement for the financial year ended on that date and the Reports of the Board of Directors' and Auditor's thereon.**

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

**"RESOLVED THAT** the Audited Financial Statements including Balance Sheet as at March 31, 2024 and the Statement of Profit and Loss and Cash Flow Statement for the financial year ended on that date along with the reports of the Board of Directors' and Auditor's thereon, as circulated to the members and now placed before the meeting be and are hereby considered and adopted."

2. **To appoint a director in place of Mr. Neeraj Munjal (DIN: 00037792), who retires by rotation and being eligible has offered himself for re-appointment.**

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

**"RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Neeraj Munjal (DIN: 00037792), who retires by rotation and being eligible, offers Himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

## B. SPECIAL BUSINESS

3. **Re-appointment of Mr. Sunil Chinubhai Vakil (DIN:02527630) as an independent director, not liable to retire by rotation, for a second term.**

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions of

the Companies Act, 2013 ("the Act") read with Schedule IV to the Act and the Rules made thereunder and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("the LODR Regulations") [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], and Articles of Association of the Company, approval and recommendation of the Nomination and Remuneration Committee, and that of the Board, Mr. Sunil Chinubhai Vakil (DIN: 02527630), who has held office as an independent director of the company since December 21, 2020 and had submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and the Rules made thereunder and Regulation 16(1) (b) of the SEBI Listing Regulations and who is eligible for re-appointment as an Independent Director of the Company, be and is hereby re-appointed as an independent director, not liable to retire by rotation, for further term commencing from December 21, 2024 to hold office for a term of 5 (Five) consecutive years, from the date of re-appointment.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its committee thereof) and Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors to give effect to the aforesaid resolution."

4. **To Consider and approve revision in Minimum Remuneration payable to Managing Director.**

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 197 & 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modifications or re-enactment thereof for the time being in force) and subject to such other necessary approvals, consents or permission as may be required, the board on the recommendation of Nomination and Remuneration Committee and Audit committee to pay minimum remuneration to the Neeraj Munjal, Managing Director for any financial year commencing from April 01, 2024 till March 31, 2026. All other terms & conditions of his appointment will remain unchanged. The minimum remuneration of Mr. Neeraj Munjal is set out in explanatory statement in cases where the Company does not earn any profits or earns inadequate profits as contemplated under the provisions of Schedule V to the Companies Act, 2013.



**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its committee thereof) and Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors to give effect to the aforesaid resolution."

5. **To consider and approve the Ratification and Re-appointment of Mrs. Charu Munjal (DIN: 03094545), as an executive director of the company.**

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of sections 152(6) 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, (hereinafter referred to as the 'Act') read along with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with Regulation 17 and other regulations applicable, if any of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('LODR') [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], and in terms of Articles of Association of the Company and based on the recommendation of Nomination and Remuneration Committee and Audit committee, subject to approval of the shareholders, the approval of the Board, be and is hereby accorded, to the ratification of the re-appointment of Mrs. Charu Munjal (DIN 03094545) as a Whole-time Director of the Company for another term of five years commencing from June 1, 2023, to May 31, 2028, liable to retire by rotation, upon the terms and conditions including remuneration as set out in the draft agreement to be entered into between the Company and Ms. Charu Munjal, which agreement, be and is hereby approved, with liberty to the Board of Directors or Committee thereof, to alter or vary the terms and conditions and remuneration including minimum remuneration as it may deem fit and in such manner as may be agreed to between the Board and her."

**RESOLVED FURTHER THAT** provisions of sections 196, 197 of the Companies Act, 2013 read with pursuant to Regulation 17(6)(e) of LODR and other applicable provisions of the Act read with rules made thereunder and other laws applicable, if any [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], the Board of Directors and subsequent approval of the shareholders at the ensuing Annual General Meeting of the Company, approval, be and is, hereby accorded, to the payment of remuneration to Mrs. Charu Munjal as a Whole-time Director on the terms and conditions as approved by the Board of Directors of the Company for the period of 3 years wef 1st June, 2023, to 31st May, 2026, notwithstanding:

The aggregate annual remuneration of all the Executive Directors exceeds 5 percent of the net profit of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013.

**RESOLVED FURTHER THAT** in case of no profit or inadequacy of profits in any financial year during the currency of her tenure, the remuneration as aforesaid will be paid as minimum remuneration.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its committee thereof) and Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors to give effect to the aforesaid resolution."

6. **To Consider and approve revision of the remuneration in respect to hold office or place of profit in the Company by Ms. Rhea Seth Munjal, being the related party as VP- (Business Strategy and Sustainability) of company.**

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of section 177 and 188(1)(f) and other applicable provisions, if any of the Companies Act, 2013 read with rules made thereunder and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 Ms. Rhea Seth Munjal, daughter-in-law, being related party of Mr. Neeraj Munjal, Managing Director and Ms. Charu Munjal, whole time director of the Company designated as VP- Business Strategy & Sustainability w.e.f 13th February, 2023.

**RESOLVED FURTHER THAT** as per the recommendation and approval of the Nomination and Remuneration Committee And Audit Committee in the meeting held on 12.08.2024, approval of the shareholders be and is hereby accorded to enhance the prescribed limit of remuneration to Ms. Rhea Seth Munjal, VP-Business Strategy & Sustainability of the Company and holding an office or place of profit in the company, as computed under applicable provisions of Companies Act, 2013 and its allied rules it is proposed to revise remuneration from Rs. 2,50,000/-p.m. to Rs. 3,50,000/-pm. and such other perquisites in accordance with the Company rule.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its committee thereof) and Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds and things and execute all such documents, instruments

and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors to give effect to the aforesaid resolution.”

**Place: Gurugram**

**Date: August 12, 2024**

**Registered Office:**

10, 1<sup>st</sup> Floor, Tower A, Emaar Digital Greens,  
Sector – 61, Golf Course Extension Road,

Gurugram, Haryana - 122102

CIN: L34300HR2005PLC081531

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

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

Tel: +91 124 4698700 Fax: +91 124 4698798

**By Order of the Board of Directors**

**For Shivam Autotech Limited**

**Sd/-**

**Shakti Kant Mahana**

**Company Secretary**

**Membership No. 69273**

#### **IMPORTANT NOTES:**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“the Act”) setting out material facts concerning the special business under Item No. 3, 4, 5,6 of the accompanying Notice, is annexed hereto.
2. The Ministry of Corporate Affairs (MCA), vide its General Circular Nos. 14/2020 dated 8<sup>th</sup> April, 2020, 17/2020 dated 13<sup>th</sup> April, 2020, 20/2020 dated 5<sup>th</sup> May, 2020, 02/2022 dated 5<sup>th</sup> May, 2022, the latest being 10/2022 dated 28<sup>th</sup> December, 2022 (collectively “MCA Circulars”) and Securities Exchange Board of India (SEBI) vide its Circular dated 12<sup>th</sup> May, 2020, 15<sup>th</sup> January, 2021, 13<sup>th</sup> May, 2022, and 5<sup>th</sup> January, 2023 (collectively “SEBI Circulars”), and other applicable provisions in this regard, have provided relaxation and allowed the companies to conduct AGM through VC/OAVM till 30<sup>th</sup> September, 2023 without physical presence of Members at a common venue. In accordance with the applicable provisions of the Act and the said Circulars of MCA and SEBI, the 19<sup>th</sup> AGM of the Company shall be conducted through VC/OAVM Facility, which does not require physical presence of members at a common venue.
3. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circulars and SEBI Circulars as issued from time to time.
4. The deemed venue for 19<sup>th</sup> AGM shall be the Registered Office of the Company.
5. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, in respect of director seeking appointment/re-appointment at this AGM forms an integral part of the Notice.
6. The Company has provided the facility to Members to exercise their right to vote by electronic means both through remote e-voting and e-voting during the AGM. The process of remote e-voting with necessary user id and password is given in the subsequent paragraphs. Such remote e-voting facility is in addition to voting that will take place at the 19<sup>th</sup> AGM being held through VC.
7. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
8. Members joining the meeting through VC, who have not already cast their vote by means of Remote E-Voting will be able to exercise their right to vote through E-Voting at the AGM. The Members who have cast their vote by Remote E-Voting prior to the AGM may also join the AGM through VC but shall not be entitled to cast their vote again.
9. The Company has appointed Mr. Yogesh kumar, Proprietor of M/s Yogesh k & Associates, Practicing Company Secretaries, (C.P. No. 23576 and ACS 60866), has been appointed as the Scrutinizer for scrutinize the e-voting process in a fair and transparent manner.
10. Pursuant to Section 113 of the Act, members of the Company under the category of Institutional Investors/ Corporate members are encouraged to attend and vote at the AGM through VC. Corporate members (i.e. other than individuals / HUF, NRI, etc.) are requested to send a certified copy (PDF/JPG Format) of its Board or governing body resolution/Authorization letter etc., to the Scrutinizer by email through its registered email address at [ypaandcompany@gmail.com](mailto:ypaandcompany@gmail.com) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com) and [cs@shivamautotech.com](mailto:cs@shivamautotech.com), authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting or through e-voting at the AGM.

11. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, MCS Share Transfer Agents Limited ("Registrar") for assistance in this regard.
12. The Securities and Exchange Board of India ('SEBI') has mandated submission of Permanent Account Number ('PAN') by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their DPs. Members holding shares in physical form are required to submit their PAN details to the Registrar.
13. Members are requested to direct notifications about changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, a scanned copy of the cancelled cheque bearing the name of the first member etc., to their DPs in case the shares are held by them in electronic form and to Registrar at email address [admin@mcsregistrars.com](mailto:admin@mcsregistrars.com) in case the shares are held by them in physical form.
14. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Registrar, the details of such folios together with the share certificates for consolidating their holdings in one folio to facilitate better service. A consolidated share certificate will be issued to such Members after making requisite changes.
15. Members are requested to file the nomination form with their respective DPs in case the shares are held by them in electronic form and to Registrar at email address [admin@mcsregistrars.com](mailto:admin@mcsregistrars.com) in case the shares are held in physical form.
16. All documents referred to in the Notice and explanatory statement and Statutory Registers i.e. Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which directors are interested maintained under Section 189 of the Act, will be available for inspection in electronic mode from the date of circulation of this Notice upto the date of AGM and will also be available for inspection during the AGM. Members may request the same by sending an email at [cs@shivamautotech.com](mailto:cs@shivamautotech.com) from their registered email addresses.
17. Members may note that the Notice and Annual Report 2023-24 will also be available on the Company's website [www.shivamautotech.com](http://www.shivamautotech.com), websites of the Stock Exchanges i.e. The BSE Limited and The National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
18. We urge members to support the 'Green Initiative' by choosing to receive the Company's communication through e-mail. Members who have not yet registered their e-mail addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Registrar by sending a scan copy of a signed request letter mentioning your Folio No., Name of shareholder, complete address, e-mail address to be registered along with scanned copy of the share certificate(s) (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) with subject as **"Shivam Autotech Limited – Member Email ID"** at [admin@mcsregistrars.com](mailto:admin@mcsregistrars.com) or at Company's e-mail ID: [cs@shivamautotech.com](mailto:cs@shivamautotech.com) in case the shares are held by them in physical form.
19. Members are requested to note that as per Section 124(6) of the Act, read with IEPF Rules as amended, all the shares in respect of which dividend has remained unpaid/unclaimed for seven consecutive years or more are required to be transferred to Demat Account of IEPF Authority. Consequently, the Company has transferred eligible equity shares during the financial year 2023-24 to Demat Account of IEPF Authority. Members are entitled to claim the same from IEPF by submitting an application in the prescribed online web based Form IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same duly signed, to the Nodal Officer of the Company along with the requisite documents enumerated in the Form IEPF-5. Members can file only one consolidated claim in a financial year as per the IEPF Rules.
20. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
21. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this EGM/AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the EGM/AGM through VC/OAVM and participate there at and cast their votes through e-voting.

22. The attendance of the Members attending the EGM/AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
23. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the EGM/AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the EGM/AGM will be provided by NSDL.
24. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the EGM/AGM has been uploaded on the website of the Company at 10, 1st Floor, Tower A, Emaar Digital Greens, Sector – 61, Golf Course Extension Road, Gurugram, Haryana – 122102. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the EGM/AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
25. EGM/AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No.

14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

**The remote e-voting period begins on Monday, September 23, 2024 at 09:00 A.M. and ends on Wednesday, September 25, 2024 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Thursday September 19, 2024 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Thursday September 19, 2024.**

**How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:*




**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> </ol>

Type of shareholders	Login Method
	<p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App "<b>NSDL Speede</b>" facility by scanning the QR code mentioned below for seamless voting experience.</p> <div style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p>    </div>
Individual Shareholders holding securities in demat mode with CDSL	<p>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</p> <p>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</p> <p>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800-21-09911

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.

b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a

request at [evoting@nsdl.com](mailto:evoting@nsdl.com) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

### **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

#### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [ypaandcompany@gmail.com](mailto:ypaandcompany@gmail.com) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their

Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on.: 022 - 4886 7000 or send a request to at [evoting@nsdl.com](mailto:evoting@nsdl.com)

#### **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [cs@shivamautotech.com](mailto:cs@shivamautotech.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to ([cs@shivamautotech.com](mailto:cs@shivamautotech.com)). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to [evoting@nsdl.com](mailto:evoting@nsdl.com) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-**

5. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
6. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
7. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
8. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH**

**VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (cs@shivamautotech.com). The same will be replied by the company suitably.
6. The scrutinizer shall immediately after the conclusion of e-voting at the Annual General Meeting, first download the votes cast during the AGM, and thereafter unblock the votes cast through remote e-voting and shall make a Consolidated Scrutinizer's Report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such report then shall be furnished to the Chairman of the Company or a person duly authorised by him within 48 hours of conclusion of the Annual General Meeting, who shall then countersign the same and declare the result of the voting forthwith.
7. The Results declared alongwith the Consolidated Scrutinizer's Report shall be placed on the Company's website [www.shivamautotech.com](http://www.shivamautotech.com) and on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com) after the result is declared by the Chairman or a person duly authorised by him. The Company shall simultaneously forward the results to The National Stock Exchange of India Limited and The BSE Limited, where the shares of the Company are listed.
8. The scrutinizer's decision on the validity of e-voting shall be final and binding.

**Place: Gurugram**  
**Date: August 12, 2024**

**Registered Office:**  
10, 1<sup>st</sup> Floor, Tower A, Emaar Digital Greens,  
Sector – 61, Golf Course Extension Road,  
Gurugram, Haryana - 122102  
CIN: L34300HR2005PLC081531  
e-mail: [info@shivamautotech.com](mailto:info@shivamautotech.com)  
website: [www.shivamautotech.com](http://www.shivamautotech.com)  
Tel: +91 124 4698700 Fax: +91 124 4698798

**By Order of the Board of Directors**  
**For Shivam Autotech Limited**  
Sd/-  
**Shakti Kant Mahana**  
**Company Secretary**  
**Membership No. 69273**



## ANNEXURE TO THE NOTICE

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

#### ITEM NO. 3

Re-appointment of Mr. Sunil Chinubhai Vakil as an Independent Director Mr. Sunil Chinubhai Vakil is an Independent Director on the Board of Shivam Autotech Limited. He joined the Board of Directors (the "Board") of the Company on December 21, 2020. Mr. Sunil Chinubhai Vakil due for retirement from his term as an Independent Director on December 22, 2024. In accordance with Section 149 (10) and (11) of the Act, an Independent Director can hold office for two consecutive terms of up to five years each on the Board of a Company, subject to shareholders approving the second term by passing a special resolution.

The Nomination and Remuneration Committee (NRC) of the Board of Directors, on the basis of the report of performance evaluation, has recommended re-appointment of Mr. Sunil Chinubhai Vakil, as Independent Director for a second term. With a view to comply with the requirements of the Companies Act in letter and in spirit and, the Board had adopted a policy whereby the tenure of all Independent Directors, current and prospective, would be calculated from the original date of joining the Board of Shivam Autotech Limited. In accordance with this Policy, the NRC has recommended the second term for Mr. Sunil Chinubhai Vakil, commencing from December 22, 2024 till performance evaluation and other requirements as required by law for re- appointment as an independent director to hold office for a term of 5 (Five) consecutive years, from the date of re-appointment.

Mr. Sunil Chinubhai Vakil, a member of the Institute of Chartered Accountants of India has a 40+ years of experience in corporate finance/business consultancy with large corporate houses and a multinational company (10 years in aggregate) and 20+ years in independent practice in finance/corporate strategy areas. Major spheres of expertise are delineated hereunder: -

#### Business Restructuring and Financial Engineering

This is one of the major domains of consultancy over last 20+ years in which 50 odd companies' – ranging from mid-size to large-size entities – engagements involving restructuring/rehabilitation have been undertaken under CDR and erstwhile SICA. Currently, involved in several structuring RESOLUTION PLANS for Corporate borrowers through NCLT mechanism under the governing legislations - Companies Act and IBC Code. Forensic Audit & Investigative Engagements Since year 2000, have been involved as a lead member of an elite group of Technical Advisors in ROTARY, undertaking Forensic Audit and Investigative Engagements to unearth and detect malpractices and financial irregularities in humanitarian service projects in various parts of the world like Philippines, Tanzania, Bangladesh, Kazakhstan, Sri Lanka and India involving millions of dollars of frauds and misdemeanors. An accredited advisor to Central Bureau of Intelligence (CBI), a premier investigation

agency in India on matters of national import involving economic crimes in cross border jurisdictions.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Sunil Chinubhai Vakil as an Independent Director. Accordingly, the Board recommends the passing of resolution set out in Item No. 3 as an Ordinary Resolution for the approval of members.

In the opinion of the Board, he fulfils the conditions specified in the said Act and is independent of the management. The Company has received a declaration from Mr. Sunil Chinubhai Vakil confirming that he meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As per the circular of BSE Limited and National Stock Exchange of India Limited relating to the 'Enforcement of SEBI Orders regarding appointment of Directors by the listed companies dated June 20, 2018, Mr. Sunil Chinubhai Vakil is not debarred from holding the office of Director pursuant to any SEBI order or any other such statutory authority.

Except for Mr. Sunil Chinubhai Vakil, no other Director, Key Managerial Personnel, or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said Resolution.

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

#### ITEM NO. 4

The Companies Act, 2013 specifies the limits for remuneration, which can be paid to the managerial personnel of the Company in case of inadequacy of profits or no profits and in view of the same, it is proposed to obtain shareholder's approval for payment of minimum remuneration to Managing Director Mr. Neeraj Munjal of the Company subject to the ceiling set out under Section II of Part II of Schedule V of the Companies Act, 2013 and subject to such other necessary approvals, consents or permission as may be required.

The Board of Directors, on the recommendations of Nomination and Remuneration Committee, in their meeting held on August 12, 2024 has approved the proposal for payment of minimum remuneration of Mr. Neeraj Munjal as Executive Director designated as "Managing Director", subject to the approval of the members in the Annual General Meeting. All other terms & conditions will remain unchanged. The minimum remuneration of Mr. Neeraj Munjal is set out as under:

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

- E. **Basic Salary:** Rs. 8,00,000/- (Rupees Eight Lacs only) per month.
- F. **Commission:** He will also be entitled to commission in addition to Basic Salary, Perquisites and any other

Allowances, benefits or amenities subject to the condition that the amount of commission shall not exceed 2.00% of the Net Profit of the Company in a particular financial year as computed in the manner referred to in Section 197 of the Companies Act, 2013.

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

c) **Allowances**

- House Rent Allowance 50.00% of Basic Pay
- Electricity Allowance 10.00% of Basic Pay
- Professional Development Allowance 10.00% of Basic Pay
- Child Education Allowance 5.00% of Basic Pay
- Furnishing Allowance 5.00% of Basic Pay
- Management Allowance 3.40% of Basic Pay

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

- i. Club Fees: Reimbursement of Actual Fees of Clubs.
- ii. Personal Accident Insurance: Actual premium to be paid by the Company.
- iii. Medical Reimbursement: Reimbursement of actual medical insurance premium and medical expenses incurred by him and his family.
- iv. Insurance of Household goods: Actual premium to be paid by the Company.
- v. Car: Facility of cars with drivers to be used for the business of the Company shall not be included in the computation of the ceiling of perquisites.
- vi. Telephone: Free telephone facility at residence including Mobile Phone to be used for the business of the Company shall not be included in the computation of the ceiling of perquisites.
- vii. Leave: One month's leave with full salary for every 11 months of service subject to the condition that leave accumulated but not availed will be encashed.
- viii. Reimbursement of expenses: Reimbursement of entertainment, travelling, hotel and other expenses actually and properly incurred by him in India and abroad for the business of the Company.
- ix. Contribution to Provident Fund, Super Annuation or Annuity Fund etc.: Company's Contribution to Provident Fund, Super Annuation or Annuity Fund etc. will be as per policy/rules of the Company to the extent

these either singly or put together are not taxable under the Income Tax Act.

- x. Gratuity: Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- xi. Leave Travel Concession: For the Managing Director and his family once in a year incurred in accordance with the policy/rules of the Company.
- xii. Spouse Travelling Expenses: Such traveling expenses of the spouse as may be required in connection with the business of the Company.
- xiii. Other allowances: As may be applicable from time to time as per policy/rules of the Company.

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

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

**Minimum Remuneration:** In any financial year during the currency of tenure of the Managing Director, the Company has no profits or its profits are inadequate, the minimum remuneration payable to the Managing Director shall be substantive salary and perquisites as mentioned above, subject to the ceiling set out under Section II of Part II of Schedule V to the Companies Act, 2013 for the remaining period effective from April 01, 2024 till March 31, 2026.

However, he shall not be entitled to any sitting fee for attending meetings of the Board or Committee thereof.

Explanation: For the aforesaid purposes "Family" means the spouse and the dependent children.

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

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

The terms of appointment and remuneration including minimum remuneration as detailed in the resolution read with Explanatory Statement may be regarded as an abstract of the terms of Appointment and Memorandum of Interest under section 190 of the Act.

In compliance with the provisions of Secretarial Standard 2 and SEBI Listing Regulations, the details of the director are attached with the notice as Annexure A.

Except Mr. Neeraj Munjal & Mrs. Charu Munjal, being spouse of Mr. Neeraj Munjal, none of the directors, Key Managerial Personnel (KMPs) and their relatives are concerned / interested either financially or otherwise in this Resolution.

As at date of this notice, Mr. Neeraj Munjal does not hold any shares in the Company. Information as required under Schedule V of the Companies Act, 2013 is enclosed as Annexure B.

Except for Mr. Neeraj Munjal and his relatives, no other Director, Key Managerial Personnel, or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said Resolution.

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

#### ITEM NO. 5

The present proposal is to seek the Members' approval for the Ratification of re-appointment of Mrs. Charu Munjal as Whole Time Director of the Company designated as "Executive Director" for a further period of 5 years on the existing remuneration, in terms of the applicable provisions of the Companies Act, 2013.

Mrs. Charu Munjal holds a Diploma in Textile Designing from Banaras Hindu University and has considerable exposure in creative designing and marketing field. Her experience and energetic approach in marketing related functions enables the Company to actively focus on Market development, product development and fund management. The Company has identified new marketing initiatives and strategies for new business developments with her guidance and support. She has made an effort to improvise all associated administration and system-driven operations.

Mrs. Charu Munjal was appointed as the Whole Time Director of the Company for a period of five years w.e.f. June 01, 2018 till May 31, 2023. The Board of Directors, on the recommendations of Nomination and Remuneration Committee, in their meeting held on August 12, 2024 has approved the ratification of the re-appointment of Mrs. Charu Munjal (DIN 03094545) as a Whole-time Director of the Company for another term of five years commencing from June 1, 2023, to May 31, 2028, liable to retire by rotation designated as "Executive Director" on the existing remuneration, subject to the approval of the members in the Annual General Meeting.

Shareholding in the Company: Nil

The existing remuneration of Ms. Charu Munjal is set out as under:

- A. **Basic Salary:** Rs. 4,00,000/- (Rupees Four Lacs only) per month.
- B. **Commission:** She will also be entitled to commission in addition to Basic Salary, Perquisites and any other

Allowances, benefits or amenities subject to the condition that the amount of commission shall not exceed 2.00% of the Net Profit of the Company in a particular financial year as computed in the manner referred to in Section 197 of the Companies Act, 2013.

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

a) **Allowances**

- House Rent Allowance 50.00% of Basic Pay
- Electricity Allowance 10.00% of Basic Pay
- Child Education Allowance 0.25% of Basic Pay
- Furnishing Allowance 5.00% of Basic Pay
- Management Allowance 1.53% of Basic Pay

- b) **Perquisites:** The Executive Director shall also be entitled to the following perquisites:

- i. Club Fees: Reimbursement of Actual Fees of Clubs.
- ii. Personal Accident Insurance: Actual premium to be paid by the Company.
- iii. Medical Reimbursement: Reimbursement of actual medical insurance premium and medical expenses incurred by him and her family.
- iv. Insurance of Household goods: Actual premium to be paid by the Company.
- v. Car: Facility of cars with drivers to be used for the business of the Company shall not be included in the computation of the ceiling of perquisites.
- vi. Telephone: Free telephone facility at residence including Mobile Phone to be used for the business of the Company shall not be included in the computation of the ceiling of perquisites.
- vii. Leave: One month's leave with full salary for every 11 months of service subject to the condition that leave accumulated but not availed will be encashed.
- viii. Reimbursement of expenses: Reimbursement of entertainment, travelling, hotel and other expenses actually and properly incurred by him in India and abroad for the business of the Company.
- ix. Contribution to Provident Fund, Super Annuation or Annuity Fund etc.: Company's Contribution to Provident Fund, Super Annuation or Annuity Fund etc. will be as per policy/rules of the Company to the extent these either singly or put together are not taxable under the Income Tax Act.

- x. Gratuity: Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- xi. Leave Travel Concession: For the Executive Director and her family once in a year incurred in accordance with the policy/rules of the Company.
- xii. Spouse Travelling Expenses: Such traveling expenses of the spouse as may be required in connection with the business of the Company.
- xiii. Other allowances: As may be applicable from time to time as per policy/rules of the Company.

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

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

- D. **Minimum Remuneration:** In any financial year during the currency of tenure of the Executive Director, the Company has no profits or its profits are inadequate, the minimum remuneration payable to the Executive Director shall be substantive salary and perquisites as above mentioned, subject to the ceiling set out under Section II of Part II of Schedule V to the Companies Act, 2013.

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

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

Except for Mrs. Charu Munjal and her relatives, no other Director, Key Managerial Personnel, or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said Resolution.

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

#### ITEM NO. 6

The Companies Act, 2013 aims to ensure transparency in the transactions and dealings with related parties of the Company. The provisions of Section 188(1)(f) of the Companies Act, 2013 that govern the related party's appointment to any office or place of profit in the company, its subsidiary company or associate company.

Ms. Rhea Seth Munjal, daughter-in-law, being related party of Mr. Neeraj Munjal, Managing Director and Ms. Charu Munjal, whole time director of the Company were appointed as VP- Business Strategy & Sustainability of company and holding a place of profit under Section 188(1) (f) and all other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder (including any statutory modifications(s) or re-enactment thereof, for the time being in force), it is proposed to revise remuneration form Rs. 2,50,000/-p.m. to Rs. 3,50,000/-pm. and such other perquisites in accordance with the Company rule.

Rhea Seth Munjal, working as VP of Business Development and Sustainability at Shivam Autotech Ltd., studied Economics with a minor in Business Administration from the Stephen M. Ross School of Business and a Sustainability Scholar certificate through the Graham Sustainability Institute at the University of Michigan. Rhea started her career at EY as a Financial Consultant in New York City, aiming to gain a holistic understanding of the financial services industry through the consulting lens. Having gained exposure to multiple businesses in the financial world – from investment banking to consumer banking – she then expanded her experience by moving to Automotive Consulting at EY in New Delhi to gain exposure of the Indian Automotive industry.

Except for Mrs. Rhea sesh Munjal and her relatives, no other Director, Key Managerial Personnel, or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said Resolution.

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

### Annexure – A

**Additional information on director recommended for appointment as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable secretarial standards.**

Name of Director	Mr. Neeraj Munjal	Ms. Charu Munjal	Mr.Sunil Chinubhai Vakil
<b>DIN</b>	00037792	03094545	02527630
<b>Date of Birth &amp; Age</b>	01-July-1967 57 years	04-June-1972 52 years	06-May-1956 68 years
<b>Date of first Appointment on the Board</b>	29-July -2005	28-May -2013	21-Dec-2020
<b>Qualification</b>	Bachelor's Degree in Commerce and specializes in Business Management from Bradford College, England.	Mrs. Charu Munjal holds a Diploma in Textile Designing from Banaras Hindu University.	Fellow Member of the Institute of Chartered Accountants of India
<b>Experience in Specific functional areas</b>	He has a vast experience of precision and value engineering, and Project Management, Global Business Leadership, Business Development and Business Operations. He has been responsible for conceptualizing near net shape forging technology in Shivam Autotech Limited employing cold, warm and hot forging.	Mrs. Charu Munjal has gained considerable experience in creative designing and in marketing field. Her experience and energetic approach in marketing related functions enables the Company to actively pursue and seize new Business Development opportunities.	40+ years of experience in corporate finance/business consultancy with large corporate houses and a multinational company (10 years in aggregate) and 20+ years in independent practice in finance/corporate strategy areas.
<b>Remuneration proposed to be paid</b>	Provided in Explanatory Statement of the Notice	Provided in Explanatory Statement of the Notice	NIL
<b>No. of years of Experience</b>	35 years	24 years	45 years
<b>Terms and Conditions of appointment/re-appointment</b>	He was re-appointed as the Managing Director of the Company w.e.f. from April 01, 2021 for a term of 5 years, That' March 31, 2026 liable to retire by rotation.  As per Nomination and Remuneration Policy of the Company as displayed on the Company's website <a href="http://www.shivamautotech.com">www.shivamautotech.com</a> . Details of the remuneration drawn is mentioned in the Corporate Governance Report.	She is re-appointed as the Executive Director of the Company for another term of five years commencing from June 1, 2023, to May 31, 2028, liable to retire by rotation  As per Nomination and Remuneration Policy of the Company as displayed on the Company's website <a href="http://www.shivamautotech.com">www.shivamautotech.com</a> . Details of the remuneration drawn is mentioned in the Corporate Governance Report.	He is being re-appointed as an Independent Director w.e.f. from September 26, 2024 for a term of 5 years, not liable to retire by rotation. Non - executive Directors do not draw any remuneration from the Company except Sitting Fee for attending the meetings of Board of Directors and Committees thereof.
<b>Relationship with other Directors/Key managerial Personnel (if any)</b>	Spouse of Mrs. Charu Munjal, Whole-Time Director of the Company and Son of Yogesh Chander Munjal Non-Executive Director of company	Spouse of Mr. Neeraj Munjal, Managing Director of the Company and Son in law of Yogesh Chander Munjal Non-Executive Director of company	None

<b>List of Companies in which outside Directorship held</b>	Dayanand Munjal Investments Private Limited	Munjal Showa Limited	<ol style="list-style-type: none"> <li>1. Woleco India Private Limited</li> <li>2. Amitysoft Technologies Private Limited</li> <li>3. International Hotel Supply (India) Private Limited</li> <li>4. Dinesh Remedies Limited</li> <li>5. Munjal Auto Industries Limited</li> </ol>
<b>Board Membership of Listed Companies as on March 31, 2024</b>	-	-	<ol style="list-style-type: none"> <li>1. Munjal Auto Industries Limited</li> <li>2. Shivam Autotech Limited</li> </ol>
<b>Chairman / Member of Committees of Board of directors of other companies in which he/she is a director*</b>	-	-	-
<b>No. of Board Meetings attended during the year</b>	Details mentioned in the Corporate Governance Report	Details mentioned in the Corporate Governance Report	Details mentioned in the Corporate Governance Report
<b>No of Shares held</b>	NIL	NIL	NIL

## Annexure B

### INFORMATION AS REQUIRED UNDER SCHEDULE V OF THE COMPANIES ACT, 2013

#### I. GENERAL INFORMATION

S.No.	Particular/Subject	Information
1.	Nature of industry	Manufacturer of Auto Components
2.	Date or expected date of commencement of commercial Production	Year 2005
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	NA
4.	Financial performance based on given indicators	In the Financial Year 2023-24, the Company made a turnover of Rs. 46966.42 lakhs and a loss of Rs. 5,018.56 lakhs after tax
5.	Foreign Investments or collaborators, if any	NIL

#### II. INFORMATION ABOUT THE APPOINTEE

S.No.	Particular/Subject	Ms. Charu Munjal	Mr. Neeraj Munjal
1.	Background Details	Mrs. Charu Munjal has gained considerable experience in creative designing and in marketing field. Her experience and energetic approach in marketing related functions enables the Company to actively pursue and seize new Business Development opportunities.	He specializes in Business Management from Bradford College, England, besides a Bachelor's Degree in Commerce. With his vast experience of precision and value engineering, he is proficient to lead a team of engineers to evolve solution to complex manufacturing problems
2.	Past remuneration	For the period from 01 April 2021 to 31 May 2023, Mr. Charu Munjal has drawn total remuneration of Rs.80.06 Lakhs.	For the period from 01 April 2021, to 31 March 2024 Mr. Neeraj Munjal has drawn total remuneration of Rs.176.06 Lakhs
3.	Job profile and his suitability	She has gained considerable experience in creative designing and in marketing field. Her experience and energetic approach in marketing related functions enables the Company to actively pursue and seize new Business Development opportunities.	He is working as a Managing Director of the Company.
5.	Remuneration proposed	Salary, other perquisites and other terms as fully set out in the explanatory statement of item no. 05 of the Notice and as per Schedule V of the Companies Act, 2013 in case of no profits/inadequate profits pursuant to the approval of the shareholders.	Salary, other perquisites and other terms as fully set out in the explanatory statement of item no. 04 of the Notice and as per Schedule V of the Companies Act, 2013 in case of no profits/inadequate profits pursuant to the approval of the shareholders.
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	Considering her knowledge of various aspects relating to the Company's affairs and long business experience, the Board of Directors is of the opinion that for smooth and efficient running of the business, the services of Mrs. Charu Munjal should be available to the Company	Keeping in view that Mr. Neeraj Munjal has rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time and further considering the size of the Company and responsibilities shouldered by him of the business activities of the Company, proposed remuneration is sought to be paid as appropriate remuneration and is commensurate with industry standards and Board level positions held in similar sized and similarly positioned businesses.

7.	Pecuniary relationship directly or indirectly with the Company personnel, if any	Mr. Charu Munjal does not have any pecuniary relationship with the Company other than the remuneration she received as Executive Director of the Company and she is Spouse of Mr. Neeraj Munjal, Managing Director of the Company and daughter in law of Yogesh Chander Munjal Non-Executive Director of company.	Mr. Neeraj Munjal does not have any pecuniary relationship with the Company other than the remuneration he received as Executive Director of the Company and he is Spouse of Ms. Charu Munjal, Executive Director of the Company and Son of Yogesh Chander Munjal Non-Executive Director of company.
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### III. OTHER INFORMATION

S.No.	Particular/Subject	Information
1.	Reason of loss or inadequate profits	Considerable slowdown in auto sector and COVID-19 Pandemic which have posed unprecedented challenges to the business operations of the Company due to the disruption caused by lockdowns and restriction on movement of vehicles and people.
2.	Steps taken or proposed to be taken for improvement	To mitigate the adverse impact, if any, the Company has planned profitability drive, both in the domestic and international markets using a strategy of differentiating itself by its intense customer relationships, product development capabilities and manufacturing excellence.
3.	Expected increase in the productivity and profits in measurable terms	It is difficult to forecast productivity and profitability in measurable terms. However, the Company expects that productivity and profitability may improve and would be comparable with the industry average. It has been aggressively pursuing and implementing its strategies to improve financial performance.

**Place: Gurugram**  
**Date: August 12, 2024**

**Registered Office:**  
10, 1<sup>st</sup> Floor, Tower A, Emaar Digital Greens,  
Sector – 61, Golf Course Extension Road,  
Gurugram, Haryana - 122102  
CIN: L34300HR2005PLC081531  
e-mail: [info@shivamautotech.com](mailto:info@shivamautotech.com)  
website: [www.shivamautotech.com](http://www.shivamautotech.com)  
Tel: +91 124 4698700 Fax: +91 124 4698798

**By Order of the Board of Directors**  
**For Shivam Autotech Limited**  
**Sd/-**  
**Shakti Kant Mahana**  
**Company Secretary**  
**Membership No. 69273**



# BOARD'S Report

Dear Members,

Your Directors are pleased to present before you, the 19<sup>th</sup> Annual Report on the business and operations of the Company together with the Audited Financial Statements of the Company for the Financial Year ended March 31, 2024.

## Financial Highlights

The Company's financial performance, for the year ended March 31, 2024 is summarized below:

Rs. In Lakhs

Particulars	Year Ended	
	March 31, 2024	March 31, 2023
Revenue from Operation	46966.42	47035.96
Other Income	394.19	286.66
<b>Total income</b>	<b>47360.61</b>	<b>47322.62</b>
Expenses		
(a) Cost of materials consumed	18409.30	17911.66
(b) Changes in inventories of finished goods and work in progress	(227.79)	338.37
(c) Consumption of stores & spares	4242.75	4013.73
(d) Employee benefits expense	5744.03	5635.69
(e) Depreciation and amortization expenses	3595.70	3523.45
(f) Job work charges	2115.90	1899.47
(g) Finance Cost	5770.35	4989.96
(h) Other expenses	12352.43	12293.73
<b>Total expenses</b>	<b>52002.67</b>	<b>50606.06</b>
<b>Profit / (Loss) before tax</b>	<b>(4,642.06)</b>	<b>(3,283.44)</b>
Total Tax Expense	376.50	188.30
<b>Net Profit / (Loss) after tax for the period</b>	<b>(5,018.56)</b>	<b>(3,471.74)</b>
Other Comprehensive Income	(50.36)	74.42
<b>Total comprehensive income / (Loss) for the period</b>	<b>(5,068.92)</b>	<b>(3,397.32)</b>
Earning per Share (Basic) (in INR)	(4.11)	(2.84)
Earning per Share (Diluted) (in INR)	(4.11)	(2.84)

## State of Company's Affairs and Future Outlook

During the financial year 2023-24, revenue from operations was Rs. 46,966.42/- lacs as compared to Rs. 47,035.96/- lacs in 2022-23, registering a decrease in 0.15%.

The Company remains optimistic about growth in the next financial year, as a credible recovery in the Indian economy and a positive momentum towards personal mobility is likely to further strengthen the demand for two-wheelers. The wide range of best-in-class products and consistent alignment of new technologies and services will also ensure Company's strong growth impetus.

Further, the Company is constantly working on new business models and aims to go beyond the automotive sector.

## Business Overview

Company's efforts to utilize its manufacturing facilities optimally have continued during the year. Aside from Hero Motocorp which continues to be the major customer of the Company, newly developed customers such as Hilti, Mando, Maruti, Denso and Others, their business has gained further traction during the year. Outlook for the coming year looks positive with further consolidation of Company's Business based on such wider pool of Customers.

By expanding the customer base company is de-risking the dependence on single customer. Four different plants in various parts of the country will enable company to cater its customer globally.

### Transfer to General Reserve

During the year under review, the Company has not transferred any amount to General Reserves.

### Dividend

Considering the state of economy and industry, the Board of Directors have not recommended any dividend for the financial year 2023-24.

### Holding Company

The promoters of the Company i.e. Dayanand Munjal Investments Private Limited (DMIPL) hold 9,14,17,272 equity shares of Rs. 2/- each which represents 74.80% of the paid up equity capital of the Company.

Your company continues to be a subsidiary company of DMIPL.

### Subsidiary Companies, Joint Ventures or Associate Companies

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

### Management Discussion and Analysis report

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

### Board of Directors

#### **a) Meeting of Board of Directors**

A calendar of Meetings is prepared and circulated in advance to the Directors. During the Financial Year 2023-24, 6 meetings of the Board of Directors of the Company were held on 25<sup>th</sup> May, 2023, 02<sup>nd</sup> July, 2023, 14<sup>th</sup> August, 2023, 09<sup>th</sup> November, 2023, 16<sup>th</sup> November, 2023 and 14<sup>th</sup> February, 2024. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 read with MCA General Circular No. 11/2020 dated March 24, 2020 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulations") read with SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/3 dated March 19, 2020 & SEBI/HO/CFD/CMD1/CIR/P/2020/110 dated June 26, 2020. For details of the meetings of the Board, please refer to the Corporate Governance Report, which forms part of this Annual Report.

#### **b) Appointment/re-appointment of Directors**

Mr. Neeraj Munjal, (DIN: 00037792) whole Time Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer herself for re-appointment. A resolution seeking shareholders' approval for her re-appointment forms part of the Notice.

The notice convening the meeting sets out the details of his re-appointment.

#### **c) Changes in Directors and Key Managerial Personnel**

During the year under review and between the end of the Financial Year and date of this report, the following are the changes in Directors and Key Managerial Personnel of the Company:

During the year under review, pursuant to the provisions of Section 2(51) and Section 203 of the Companies Act, 2013, Mrs. Preeti Sharma Company Secretary of the Company has resigned with immediate effect from August 16, 2023. The Board placed on record its appreciation for her invaluable contribution, guidance & support during her tenure with the Company. Further, based on the recommendation of Nomination and Remuneration Committee, Mr. Shakti Kant Mahana, has been appointed as the Company Secretary of the Company by the Board of Directors with effect from November 16, 2024.

None of the aforesaid Directors are disqualified under Section 164(2) of the Companies Act 2013. Further, they are not debarred from holding the office of Director pursuant to order of SEBI or any other authority as required under the Circular dated 20<sup>th</sup> June, 2018 issued by The BSE Limited and The National Stock Exchange of India Limited.

*However, Mr. Bhagwan Das Narang and Ms. Jyothi Prasad (Independent Directors of the Company) ceased to be the Directors of the Company SEBI vide order No. WTM/SM/MIRSD/MIRSD-SEC-4/26042/2023-24 dated April 28, 2023*

Brief resume and other details of directors who is proposed to be re-appointed as a Director of your Company, have been furnished in the Explanatory Statement to the Notice of the ensuing Annual General Meeting.

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

#### **Key Managerial Personnel**

Mr. Neeraj Munjal (DIN: 00037792), Managing Director & CEO, Mr. Devendra Kumar Goyal, Chief Financial Officer, and Mr. Shakti Kant Mahana, Company Secretary & Compliance Officer are the Key Managerial Personnel of your Company in accordance with the provisions of Section 2(51) and 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as on March 31, 2024.

#### **d) Committees of the Board**

The Company has several Committees which have been established in compliance with the requirement of the relevant provisions of applicable laws and statutes. As on March 31, 2024, the Board has three committees:

The Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee. A detailed note on the composition of the Board and its committees is provided in the Corporate Governance Report, which forms integral part of the Board's Report.

**e) Declaration by Independent Director**

The Company has received necessary declaration from all Independent Directors under Section 149 (7) of the Companies Act, 2013 and Regulation 25(8) of SEBI Listing Regulations that they meet the criteria of Independence laid down in Section 149(6) of Companies Act, 2013 and Regulation 16(1) (b) of SEBI Listing Regulations.

In the opinion of the Board, Independent Directors fulfil the conditions specified in the Act, Rules made thereunder and SEBI Listing Regulations and are independent of the management.

**f) Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and the Corporate Governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under the SEBI Listing Regulations, the Board is required to carry out an Annual Performance Evaluation of its own, Board's committees and Individual Directors on the criteria as recommended by the Nomination and Remuneration Committee of the Company.

The performance of the Board as a whole, it's Committee(s) and Individual Directors including the Chairman of the Board, was evaluated by a questionnaire formulated by the Company.

The questionnaire was formulated based on the following criteria:

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

As part of the evaluation process, the performance of Non-Independent Directors, the Chairman and the Board as a whole was conducted by the Independent Directors. The performance evaluation of the respective Committees and that of the Independent and Non-Independent Directors was done by the Board excluding the Director being evaluated. The performance evaluation was found satisfactory.

**g) Separate Meeting of Independent Directors**

In terms of requirements under Schedule IV of the Companies Act 2013 and SEBI Listing Regulations, a separate meeting of Independent Directors was held on March 11, 2024. In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors.

**h) Policy on Directors' remuneration and other details**

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

**Statutory Auditors and Auditor's Report**

Pursuant to Section 139 of the Act, read with the Companies (Audit and Auditors) Rules, 2014, the Members of the Company in 12<sup>th</sup> Annual General Meeting ("AGM") M/s NSBP & Co., Chartered Accountants, New Delhi (Firm Registration no. 001075N) were appointed as the Statutory Auditor of the Company for a second term of 5 consecutive years at the 17<sup>th</sup> Annual General Meeting of the Company to hold the office upto the conclusion of the 22<sup>nd</sup> AGM of the Company to be held in the financial year 2026-27.

**Explanation to Auditors' Remarks**

The observations of Statutory Auditors in their Report read with relevant Notes to Accounts are self-explanatory and therefore, do not require further explanation. The Auditors' Report does not contain any qualification, reservation or adverse remark. Further, there were no frauds reported by the Statutory Auditors to the Audit Committee or the Board under Section 143(12) of the Act.

**Share Capital**

During the year under review, the Issued, Subscribed and Paid-up Equity Share Capital as on March 31, 2024 was 12,22,22,222 Equity shares of Rs.2/- each amounting to Rs.24,44,44,444 Crores.

During the year the Company has increased its Authorised Share Capital from Rs. 25,00,00,000/- (Rupees Twenty-Five Crores) divided into 125000000 equity shares of Rs.2/- (Rupees Two) each to Rs.30,00,00,000/- (Rupees Thirty Crores only) divided into 150000000 equity shares of Rs.2/- (Rupees Two) each ranking pari-passu with the existing equity shares in the Company with the approval of shareholders through postal ballot dated August 09, 2023.

During the year under review, the Company has not issued any shares with differential voting rights nor granted any stock options or sweat equity shares. However, The Company has issued its meeting held on August 14, 2023 considered and approved the issue of Optionally Convertible Debentures on a Private Placement. Further, pursuant to the provisions of Sections 23, 42, 62(1)(c) and all other applicable provisions, and other applicable

provisions, if any, of the Companies Act, 2013 (the "Act") and in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (including any statutory modification(s) of re-enactments thereof for the time being in force on the terms and conditions as may be determined by the Board, a total amount of up to Rs. 25 crores (Rupees Twenty-Five Crores) by way of offer, issue and allot, on a preferential basis, by way of private placement up to 250 (Two Hundred Fifty) Secured Optionally Convertible Debentures ("OCDs") having face value of Rs.10,00,000/- (Rupees Ten Lakhs only) each to India Credit Opportunities Fund II, a category II alternate investment fund, with its investment manager being Modulus Alternatives Investment Managers Limited (formerly known as Centrum Alternative Investment Managers Limited)

The Investor has right entitled to exercise the conversion rights associated with OCDs at any time until the expiry of 18 (eighteen) months from the date of allotment of the OCDs in 1 (one) or more tranches but no later than 15 days prior to the expiry of 18 (eighteen) months from the date of allotment of the OCDs.

#### Deposits

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

#### Finance

Cash and cash equivalent as at March 31, 2024 was **60.68** lakhs

The Company continues to focus on judicious management of its working capital. Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

#### Transfer to Investor Education and Protection Fund

During the Financial Year under review, your Company has transferred unpaid/ unclaimed dividend, amounting to Rs.6,71,127.00 for financial Year 2015-16 to the Investor Education and Protection Fund (IEPF) of the Central Government of India.

#### Secretarial Auditor and Secretarial Audit & Compliance Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Yogesh K & Associates, a proprietorship firm of Company Secretaries to undertake the Secretarial Audit of the Company for the financial year 2023-24. Secretarial Audit Report in prescribed format MR-3 are annexed as **Annexure – D** to this Board's Report.

Further, pursuant to SEBI Circular CIR/CFD/CMD1/27/2019 dated February 08, 2019, the Company has obtained Secretarial Compliance Report from Practising Company Secretary on compliance of all applicable SEBI (Listing Obligations and Disclosure requirements), Regulations 2015 and circulars/guidelines issued thereunder and the copy of the same has been submitted with the Stock exchanges within the prescribed due date.

#### Explanation to Secretarial Audit Report

<p>1.</p>	<p><b>COMPOSITION OF BOARD:</b></p> <p>As per Regulation 17(1) of SEBI (LODR), 2015, the Composition of Board must contain at least 6 Directors. As per Corporate Governance Report for Quarter-1, there were five Directors in the Board Namely, 1. Shri. Yogesh Munjal, 2. Mr. Neeraj Munjal, 3. Mrs. Charu Munjal, 4. Mr. Sunil Chinu Bhai Vakil, 5. Mr. Anil Kumar Gupta (due to cessation of Mr. Bhagwan Dass Narang (Chairman &amp; Independent Director) and Mrs. Jyothi Prasad (Independent Director) of the Company ceased to be Directors on the Board pursuant to SEBI Order WTH/SM/MIRSD/MIRSD-SEC-4-26042/2023-24 dated 28th April, 2023.). Company was not in compliance with the requirements pertaining to the composition of the Board for the quarter ended June 2023. Further composition has completed as 02.07.2023 after appointing Ms. Neekita Batra. Furthermore there must be at least six directors in the company and in current scenario at least 1/2 must be independent directors.</p> <p>Further, the notice from BSE and NSE received on 21-08-2023, cost imposed by stock exchanges are as follows: 1. BSE-Rs. 218,300/- (Rupees Two Lakhs Eighteen Thousand Three Hundred Only/-) 2. NSE-Rs. 218,300/- (Rupees Two Lakhs Eighteen Thousand Three Hundred Only/). As per information provided to us the company has paid these cost (ie. fines/ penalties) on 16th of September, 2023 and 26th of September, 2023 respectively. Further also As per regulation 30 (6) read with para A of part A of Schedule III of SEBI (LODR), 2015, Action taken by stock exchanges need to disclosure to stock exchanges, no intimation was given to stock exchanges.</p>	<p>As per Reg.17 (1E) of SEBI (LODR),2015 Any casual vacancy in the office of a director shall be filled by the company at the earliest and in any case not later than three months from the date such vacancy.</p> <p>The Company has complied with the same within three months. Further with reference to the fine imposed by the stock exchange, the same has been paid by the company.</p>
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2	<p><b>COMPOSITION OF NOMINATION AND REMUNERATION COMMITTEE (NRC):</b></p> <p>During the period starting from 28th April, 2023, due to cessation of office of *Mr. Bhagwan Dass Narang (Chairman &amp; Independent Director) and *Mrs. Jyothi Prasad (Independent Director) of the Company ceased to be Directors on the Board pursuant to SEBI Order WTH/SM/MIRSD/MIRSD-SEC-4- 26042/2023-24 dated 28th April, 2023. Following were the members of Nomination and remuneration Committee namely 1. Mr. Sunil Chinubhai Vakil and 2. Dr. Anil Kumar Gupta. As per requirement of Regulation 19 of SEBI (LODR), 2015, the Committee shall comprised at least three directors and all directors of the Committee shall be non-executive directors out of them at least two third (2/3) shall be independent directors.</p> <p>Further as per minutes of the Nomination and remuneration committee meeting held on 25th of May, 2023 there were two Directors as members of Committee Namely 1. Mr. Sunil Chinubhai Vakil as Chairperson and Dr. Anil Kumar Gupta being Non-Executive Director as on date as member.</p> <p>In Board meeting held on 25th of May, 2023, Mr. Yogesh Chander Munjal was appointed as new member of nomination and remuneration committee and designation of Dr. Anil Kumar Gupta was changed from non- executive to nonexecutive and independent director. So after new appointed and change in designation there were three members in Committee namely 1. Mr. Sunil Chinubhai Vakil as Chairperson, Dr. Anil Kumar Gupta as member and Mr. Yogesh Chander Munjal as member.</p> <p>* Mr. Bhagwan Das Narang, Din- 00826573 (Chairman &amp; Independent Director) and Mrs. Jyothi Prasad, Din- 06947488 (Independent Director) of the Company ceased to be Directors on the Board pursuant to SEBI Order WTH/SM/MIRSD/MIRSD -SEC-4-26042/2023-24 dated 28th April, 2023. Both ceased to act as director with effect from 28th of April, 2023. However intimation for their cessation was originally given on 9th May, 2023. Further as per our understanding intimation should be given with in specified as per regulation 30 (6) read with para A part A of Schedule II of Listing regulations.</p>	<p>As per Reg.17 (1E) of SEBI (LODR),2015 Any casual vacancy in the office of a director shall be filled by the company at the earliest and in any case not later than three months from the date such vacancy.</p> <p>The Company has complied with the same within three months. Further with reference to the fine imposed by the stock exchange, the same has been paid by the company.</p>
3	<p><b>RECONCILIATION OF SHARE CAPITAL AUDIT REPORT:</b></p> <p>Reconciliation of Share Capital Audit Report for quarter ended 30th September, 2023 was filed on 1st of November, 2023. The last date of intimation was 30th October, 2023.</p>	<p>Due to technical issues encountered the Company has filled the Reconciliation of share capital Audit with stock exchanges lately.</p>
4	<p><b>DISCLOSURE OF RELATED PARTY TRANSACTIONS (RPTs):</b></p> <p>As per Regulation 23 (9) of SEBI (LODR), 2015, the Company is required to disclose RPTs on in every 6 Months basis within specified time from closure of board meeting in which financial were approved.</p> <p>The Company has approved the half yearly financial statement on 9th of November, 2023. Disclosure should be given in specified time from 9th November, 2023 Board Meeting. Intimation was given on 15th of November, 2023.</p> <p>As per information provide to us, Listed entity has paid cost (ie. Fine/penalty) for the same to both stock exchanges. Further also As per regulation 30 (6) read with para A of part A of Schedule III of SEBI (LODR), 2015 , Action taken by stock exchanges need to disclosure to stock exchanges, no intimation was given to stock exchanges.</p>	<p>Reference to this fine impose by stock exchange paid by the company.</p>

5	<p>IN-PRINCIPLE APPROVAL UNDER REGULATION 28 (1) OF SEBI (LODR) REGULATIONS, 2015 READ WITH REGULATION 163 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018</p> <p>The Company has issued optionally convertible debentures on a private placement basis during the period under review, in principle approval from stock exchanges remains to be obtained.</p> <p>The Listed Entity although applied for in-principle approval to BSE and NSE but both the stock exchanges asked for details of identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottees. The entity did not provide the requisite information to both the stock exchanges.</p> <p>NSE has rejected the application. Further also As per regulation 30 (6) read with para A of part A of Schedule III of SEBI (LODR), 2015 , Action taken by stock exchanges need to disclosure to stock exchanges, no intimation was given to stock exchanges.</p>	<p>The company has filled the application timely with stock exchanges for taking In principal approval, but as company was unable to clarify observations.</p> <p>The company is following up with the stock exchanges to consider the company reply and grant of In-principle approval.</p>
6	<p>CLOSURE OF TRADING WINDOW: pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015:</p> <p>For September, 2023 quarter, Closure of trading window intimation was given on 4th October, 2023, the last date of intimation was 30th September, 2023.</p>	<p>Due to nonavailability of signatories, the company has filled the Intimation with stock exchanges lately.</p>
7	<p>INTIMATION UNDER REGULATION 29 OF SEBI (LODR), 2015:</p> <p>Prior intimation of Board Meeting held on 2nd of July, 2023 was not on time, the intimation was given on 29th of June, 2023. It should be given specified days in advance.</p> <p>As per information provide to us, Listed entity has paid cost (ie. Fine/penalty) for the same to both stock exchanges. Further also As per regulation 30 (6) read with para A of part A of Schedule III of SEBI (LODR), 2015, Action taken by stock exchanges need to disclosure to stock exchanges, no intimation was given to stock exchanges.</p>	<p>Due to some technical issues company has filled the Notice with stock exchanges lately.</p> <p>Further with reference to this fine impose by stock exchange paid by the same.</p>
8.	<p>The Company has, during the year under review, filed various e-forms beyond the due dates and with additional fee (ad valorem cost) as detail under:</p> <p>E-form MGT-7, E-form AOC-4XBRL, E-form MGT-14 for approval of financial statements and Board report for year ended 31st March, 2023, E-form DIR-12 filed for appointment of Yogesh Chand Munjal and Change in designation of Anil Kumar Gupta dated 25th May, 23, form filed on 06/20/2023, E-form MGT-14 for appointment of Secretarial Auditor for 23-24 and Company Secretary, DIR-12 for cessation of office of Bhagwan das and Jyoti Prasad, E-form CHG-9 filed vide SRN no. AA6099631, in relation to Non-Convertible Debentures, e-form CHG-9 filed vide SRN no. AA6099643, in relation to Optimally Convertible Debentures.</p>	<p>Due to technical glitch on the MCA portal and delayed due to administrative process. All forms duly filled, however additional fees has been paid.</p>
9.	<p>MAINTENANCE AND DISCLOSURES ON WEBSITE:</p> <p>Followings has not been updated on website:</p> <ol style="list-style-type: none"> <li>I. Annual return (MGT-9) was not available for the period under review.</li> <li>II. Revision in credit rating was not updated, last updated on September 26, 2022.</li> <li>III. Disclosure under regulation 30 of SEBI (LODR), 2015</li> </ol>	<p>The Company is in compliance of the requirement of website updation as on date.</p>

10.	ADVERTISEMENT IN NEWSPAPERS: Public notice by way of advertisement in newspapers before sending notice of Annual general meeting and copies of the financial statements, etc., was not found in records.	The company has given Newspaper Advertisement regarding Notice to the Members for 18th Annual General Meeting and E-voting Information and for completion of dispatch of Annual Report on 09th September, 2023.
11.	AS per records checked by us, Mrs. Charu Munjal was re-appointed as Whole-Time Director under section 196, 197 of the Companies Act, 2013 read with other provisions of Companies Act, 2013 including rules made thereunder, from 1st June, 2018 for a term of five years that ( i.e. from 1st June, 2018 till 31st may, 2023). From 1st June, 2023 onward, appropriate compliances and approval was not found in record as per required under section 196 of the companies Act, 2023 read with other provisions of the Companies Act, 2013 including rules made thereunder and read with SEBI LODR.	Based on the recommendation of Nomination and Remuneration Committee and Audit committee, the company in its forthcoming Annual General Meeting, ratify of the re-appointment of Mrs. Charu Munjal (DIN 03094545) as a Whole-time Director for another term of five years commencing from June 1, 2023, to May 31, 2028.

### **Audit Committee**

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

Mr. Sunil Chinubhai Bakil	:	Chairperson
Dr. Anil Kumar Gupta	:	Member
Mr. Yogesh Chander Munjal *	:	Member
Mr. Neetika Batra**	:	Member

\*Appointed as Non-Executive Director w.e.f. May 25, 2023

\*\*Appointed as Independent Director w.e.f. July 02, 2023

The terms of reference of the Audit Committee are wide enough to cover the matters specified for the Audit Committee under Listing Regulations as well as Section 177 of the Companies Act, 2013; the detailed terms of reference are as mentioned in the **Annexure B** to this Board Report.

**During the year under review, the Board has accepted all recommendation of Audit Committee** and accordingly no disclosure is required to be made in respect of non-acceptance of the recommendation of the Audit Committee by the Board.

### **Nomination and Remuneration Committee**

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

Mr. Sunil Chinubhai Vakil	:	Chairperson
Dr. Anil Kumar Gupta	:	Member
Mr. Yogesh Chander Munjal*	:	Member
Ms. Neetika Batra**	:	Member

\*Appointed as Non-Executive Director w.e.f. May 25, 2023

\*\* Appointed as Independent Director w.e.f. July 02, 2023

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

### **Nomination and Remuneration Policy and Remuneration to the Directors**

The Board on the recommendation of the Nomination & Remuneration Committee has framed a policy for selection and appointment of Directors, Senior Management Personnel including Key Management Personnel and affixing their remuneration. The salient features of the Nomination and Remuneration Policy and the details of remuneration under Section 197 of the Companies Act, 2013 paid to Directors are provided in Corporate Governance Report which forms integral part of this Report.

### **Business Risk Management**

The Company has in place a robust risk management framework that identifies and evaluates business risks and opportunities. The Company recognises that these risks need to be handled effectively and mitigated to protect the interests of the shareholders and stakeholders, to achieve business objectives and create sustainable value and growth. The Company's risk management processes focus on ensuring that these risks are promptly identified and a mitigation action plan is developed and monitored periodically to ensure that the risks are being addressed accordingly. The Company's risk management framework operates with the following objectives:

- Proactively identify and highlight risks to the right stakeholders
- Facilitate discussions around risk prioritisation and mitigation
- Provide a framework to assess risk capacity and appetite;

- develop systems to warn when the appetite is getting breached

With a multi-sourcing strategy plan, your Company was able to successfully manage this risk.

The Company has maintained Debt Equity Ratio at 6.90 as compared to 4.03 from previous year

#### **Further the Board has also identified the following risks:**

Over dependence on few customer base, imposition of strict environmental / safety / regulatory regulations intensifying competition, declining margins, increase in raw material prices, economic downturn, inappropriate addressing of customer grievances, and risk of natural or manmade disasters.

In order to mitigate these risks, the Company has adopted the implementation of the risk management policy focusing on the elements of risks which in the opinion of the Board may threaten the existence of the company. We through qualitative products, regular improvement in productivity, controls over overhead and Labour cost, internal audit of environmental safety and regulatory compliance, IATF 16949 certification, TPM certification, capturing customer complaints and response to them, have effective risk mitigating plans.

Further, pursuant to Regulation 21(5) of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015, the Company has dissolved the Risk Management Committee, and the Risk Management System/policy of the Company is then to be looked after by the Audit Committee. The details of the same are mentioned in the **Annexure B** to this Board's Report.

#### **Disclosure on Establishment of a Vigil Mechanism**

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors has formulated a vigil mechanism through Whistle Blower Policy for directors and employees to deal with instances of unethical behaviour, actual or suspected, fraud or violation of Company's code of conduct or ethics policy and to report their genuine concerns or grievances to the Vigilance and Ethics Officer. Your Company hereby affirms that no Director/ Employee have been denied access to the Chairman of the Audit Committee. The policy is available on the company's website [www.shivamautotech.com](http://www.shivamautotech.com).

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

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

Your Company was able to raise the short-term/long term funds needed for its working capital related requirements at reasonable rates. By efficient management of working capital, the Company has been able to reduce some interest cost. The Company continues to focus on judicious management of its working capital.

#### **Significant or Material Orders passed by the Regulators**

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

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

There is no change in the nature of the business of the Company during the Financial Year 2023-24.

#### **Annual Return**

In terms of provisions of Section 92(3), 134(3)(a) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, annual return of the Company for the Financial Year ended March 31, 2024 is available under the 'Investors' section of the Company's website [www.shivamautotech.com](http://www.shivamautotech.com).

#### **Business Responsibility Report**

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, mandates the top 1000 Listed Companies by market capitalisation to include Business Responsibility Report ("BR Report") in their Annual Report.

Your Company falls under the top 2000 Listed Companies by market capitalisation. Accordingly, a BR Report describing the initiatives taken by the Company from an environmental, social and governance perspective, does not forms part of this Report.

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

The Company has neither given any loans/guarantees / provided security nor have any investments been made by the Company under the provision of Section 186 of the Companies Act, 2013.

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

All contracts /arrangements/transactions entered by the Company during the financial year with the related parties were in the ordinary course of business and on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. Hence, requirement of Form AOC-2 as required under Section 188(1) of the Act is not applicable to the Company.

All related party transactions are placed before the Audit Committee for its approval. During the year under review, the Audit Committee approved transactions through the



omnibus mode in accordance with the provisions of the Act and SEBI Listing Regulations.

During the year under review, the Company had not entered into any contracts /arrangements/transactions with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. Suitable disclosure as required by the IND AS 24 has been made in the notes to the Financial Statements.

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

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

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

The Company believes that Internal Control is one of the key pillars of governance, which provides freedom to the management within a framework of appropriate checks and balances. The Company has a robust internal control framework, which has been instituted considering the nature, size and risks in the business.

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

The Company has robust ERP systems based on SAP platform. This ensures high degree of systems-based checks and controls. The systems and processes are continuously improved by adopting best-in-class processes and automation and implementing the latest IT tools.

The Company also has an internal audit system which is conducted by an independent firm of Chartered Accountants. The same has also been verified by the statutory auditors who have reported that all the material internal financial controls exist during the financial year 2023-24. The internal audit plan is dynamic and aligned to the business objectives of the Company which is reviewed by the Audit Committee each quarter. Further, the Audit Committee monitors the adequacy and effectiveness of your Company's internal control framework.

Most importantly, the senior management sets the tone at the top of no tolerance to non-compliance and promotes a culture of continuous innovation and improvement.

#### **IATF 16949/ISO 14001/ISO 45001 Accreditation**

Your Company's manufacturing facilities are located at Binola, Haridwar, Kolar and Rohtak and we continue to maintain and uphold the prestigious IATF 16949:2016, ISO 14001:2015 and ISO 45001:2018 (Occupational Health & Safety Assessment Series) certifications from reputed leading Indian and International Certification Institutions. These certifications help in continuous improvements, besides emphasis being laid on prevention of defects, reduction of wastes, prevention of near misses and to ensure maximized customer delight.

#### **Listing**

Pursuant to Clause C(9)(d) of Schedule V of SEBI Listing Regulations, 2015, the shares of your Company are listed at The National Stock Exchange of India Limited and The BSE Limited, and pursuant to the SEBI Listing Regulations, the Annual Listing fees for the year 2024-25 have been paid to them well before the due date i.e. April 30, 2024. The Company has also paid the annual custodian fees for the year 2024-25 in respect of Shares held in dematerialized mode to National Securities Depository Limited (NSDL) & Central Depository Services Limited (CDSL).

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

#### **Corporate Governance**

Your Company is committed to follow the highest standards and principles of Corporate Governance with all integrity and fairness. The Company always places major thrust on managing its affairs with diligence, transparency, responsibility and accountability thereby upholding the important dictum that an organisation's corporate governance philosophy is directly linked to high performance. It has put in place an effective Corporate Governance system which ensures that provisions of the Act and SEBI Listing Regulations are duly complied with, not only in form but also in substance.

A certificate from the Practising Company Secretary regarding the compliance of the conditions of Corporate Governance by the Company as stipulated under Chapter IV of SEBI Listing Regulations is also attached to this Report.

Separate detailed chapters on Corporate Governance, additional Shareholder information and Management Discussion and Analysis are attached herewith and form part of this Report. Declaration by CEO that the Board Members and Senior Management Personnel have complied with the Code of Conduct for the financial year 2023-24 is annexed with this report.

### Disclosures for Maintenance of Cost Records

Your company is not covered under subsection (1) of Section 148 of Companies Act, 2013 for maintenance of Cost records and accordingly such accounts and records are not required to be made and maintained.

### Prevention of Sexual Harassment Cases

The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act) and the Rules thereunder. All women associates (permanent, temporary, contractual and trainees) as well as any women visiting the Company's office premises or women service providers are covered under this Policy.

The Company has constituted an "Internal Complaints Committee" under the POSH Act which is responsible for redressal of complaints related to sexual harassment. The Company aims at providing a workplace that enables employees to work without gender bias and sexual harassment.

The necessary disclosure in terms of requirements of SEBI Listing Regulations in this regard is given below:

- a) Number of complaints filed during the financial year – Nil
- b) Number of complaints disposed of during the financial year – N.A.
- c) Number of complaints pending as at the end of the financial year – N.A.

Various workshops and awareness Programmes w.r.t. prevention of sexual harassment has been carried out during the FY 2023-24.

### Directors' Responsibility Statement

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

- (i) That in preparation of annual accounts for the financial year ended March 31, 2024, the applicable accounting standards have been followed along with proper explanation relating to the material departures;
- (ii) That the directors of the company have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2024 and of the losses of the Company for the financial year ended March 31, 2024;

(iii) That the directors of the company have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

(iv) That the directors of the company have prepared the annual accounts on a going concern basis.

(v) That the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

(vi) That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### Managerial Remuneration

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

### Particulars of Employees

The information required under Section 197 of the Act read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is attached as **Annexure - E** to this Board's Report.

### Environment, Health & Safety

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources.

The Company has taken an initiative to preserve environment by indulging in paper recycling activity. The paper recycling pertains to the processes of reprocessing waste paper for reuse. Recycling paper preserves trees and forests. Recycled paper serves as an environmental friendly resource for paper manufacturers, saving costs and energy. **The Company has recycled approx. 1430 kgs of waste paper till March 31, 2024, contributing in saving 24 nos. of trees.**

The Company is committed to adhere to the highest standards of health and safety. It strives to provide its employees with a safe and healthy workplace. The Company continuous to focus on deploying behaviour based safety programmes and global safety standards across its locations. Its manufacturing units are certified with ISO-45001 (International Occupational health &

safety management system and standards), abiding by the highest standards of safety.

The Company regularly conducts counselling and safety review meetings for the workers to appraise and educate them on the adoption of safety measures and avoidance of unsafe practices. Safe operating procedures, standards and systems have been laid down at all manufacturing locations. Prompt medical assistances are provided to its employees.

### **Human Resource Development**

The Company believes that people who feel truly associated with the organisation are the ones who perform to their peak capability. As a core part of our business strategy, it is committed to providing an environment where all of its employees feel enabled and have a sense of belonging. The Company believes in greater diversity within the business will maximise collective capability, allowing leveraging the diversity of thought, and better reflecting and understanding the diverse customer base. This should, in turn, lead to better decision making and higher shareholder value.

The Company takes pride in the commitment, competence and dedication of its employees in all areas of the business. The Company has a structured induction process at all locations. Objective appraisal systems based on key result areas (KRAs) are in place for staff members.

Your Company treats its “human resources” as one of its most important assets. Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. The Company’s thrust is on the promotion of talent internally through job rotation and job enlargement. A significant effort has also been undertaken to develop leadership as well as technical/ functional capabilities in order to meet future talent requirement.

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

<b>Policy</b>	<b>Web link</b>
Code of Conduct	<a href="http://www.shivamautotech.com/pdf/Code_of_Conduct_for_Board_Members_and_Senior_Mangement.pdf">http://www.shivamautotech.com/pdf/Code_of_Conduct_for_Board_Members_and_Senior_Mangement.pdf</a>
Prohibition of Insider Trading	<a href="http://www.shivamautotech.com/Uploads/image/157imguf_ProhibitionofInsidertrading.pdf">http://www.shivamautotech.com/Uploads/image/157imguf_ProhibitionofInsidertrading.pdf</a>
Payment to Non- Executive Directors	<a href="http://www.shivamautotech.com/pdf/Payment_to_Non-Executive_Directors.pdf">http://www.shivamautotech.com/pdf/Payment_to_Non-Executive_Directors.pdf</a>
Nomination and Remuneration Policy	<a href="http://www.shivamautotech.com/Uploads/image/163imguf_15.nrc.pdf">http://www.shivamautotech.com/Uploads/image/163imguf_15.nrc.pdf</a>
Board Diversity Policy	<a href="http://www.shivamautotech.com/pdf/Board_Diversity_Policy.pdf">http://www.shivamautotech.com/pdf/Board_Diversity_Policy.pdf</a>
Records and Archives Policy	<a href="http://www.shivamautotech.com/pdf/records_and_archives_policy.pdf">http://www.shivamautotech.com/pdf/records_and_archives_policy.pdf</a>
Related Party Transaction Policy	<a href="http://www.shivamautotech.com/Uploads/image/261imguf_related-party-policy-shivam-autotech-limited-30-03-2022.pdf">http://www.shivamautotech.com/Uploads/image/261imguf_related-party-policy-shivam-autotech-limited-30-03-2022.pdf</a>
Anti-Harassment Policy	<a href="http://www.shivamautotech.com/pdf/anti-harassment-policy.pdf">http://www.shivamautotech.com/pdf/anti-harassment-policy.pdf</a>
Risk Management Policy	<a href="http://www.shivamautotech.com/pdf/Risk_Management_Policy.pdf">http://www.shivamautotech.com/pdf/Risk_Management_Policy.pdf</a>
Whistle Blower Policy	<a href="http://www.shivamautotech.com/Uploads/image/295imguf_WhistleBlowerPolicy.pdf">http://www.shivamautotech.com/Uploads/image/295imguf_WhistleBlowerPolicy.pdf</a>
Familiarization Policy	<a href="https://www.shivamautotech.com/Uploads/image/321imguf_familiarization-program-fy-2023-24.pdf">https://www.shivamautotech.com/Uploads/image/321imguf_familiarization-program-fy-2023-24.pdf</a>
Policy on Determination and Disclosure of Materiality of Events	<a href="http://www.shivamautotech.com/Uploads/image/269imguf_policy-on-determination-of-material-events.pdf">http://www.shivamautotech.com/Uploads/image/269imguf_policy-on-determination-of-material-events.pdf</a>

### **Board Diversity Policy**

The Company recognizes and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us, retain our competitive advantage. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors.

### **Proceeding Under Insolvency and Bankruptcy Code, 2016**

The Company has not made any application or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) (“IBC Code”) during the year. Further, at the end of the year, Company does not have any proceedings related to IBC Code.

### **The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the banks or financial institutions along with the reasons thereof**

During the year under review, the Company has not made one-time settlement therefore, the same is not applicable.

### **Policies**

We seek to promote and follow the highest level of ethical standards in all our business transactions guided by our value system. The SEBI Listing Regulations mandated the formulation of certain policies for all listed companies. All our corporate governance policies are available on our website [www.shivamautotech.com](http://www.shivamautotech.com).

### Secretarial Standards

During the year under review, your Company had complied with all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

### Acknowledgments

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

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

The Board would like to reiterate its commitment to continue to build the organization into a truly world-class enterprise in all aspects.

**Place: Gurugram**  
**Date: August 12, 2024**

**For and on behalf of the Board**  
**Sd/-**  
**Neeraj Munjal**  
**Managing Director**  
**DIN: 00037792**

**For and on behalf of the Board**  
**Sd/-**  
**Charu Munjal**  
**Whole Time Director**  
**DIN:03094545**

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### Industry Overview

According to SIAM (Society of Indian Automobile Manufacturers), total vehicle sales soared by 12.5%, reaching a staggering 23.8 million units, compared to 21.2 million units in the previous fiscal year. Notably, the passenger vehicle sector achieved its highest sales figures, showcasing an impressive annual growth rate of 8.4% to 42,18,746 units from 38,90,114 units recorded in FY23. For the first time, India surpassed Japan in auto sales last year to become the third largest auto market in the world.

According to the FADA (Federation of Automobile Dealers Associations) report, The Indian Auto Retail sector witnessed a growth of 3.14% YoY, with significant growth of 5% and 17% in the 2W and 3W segments in FY24. Two-wheelers, Three-wheelers, Passenger Vehicles, Commercial Vehicles witnessed growth rates of 9%, 49%, 8.5%, and 8% respectively. The industry looks forward to FY'25 with optimism, focusing on new product launches, especially in EVs and leveraging economic growth, favourable government policies and expected good monsoon to fuel demand, despite facing challenges like competition and the need for strategic market engagement.

### Automobile Domestic Sales Trends

Category	(In Numbers)					
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Passenger Vehicles	33,77,389	27,73,519	27,11,457	30,69,523	38,90,114	42,18,746
Commercial Vehicles	10,07,311	7,17,599	5,68,559	7,16,566	9,62,468	9,67,878
Three Wheelers	7,01,005	6,37,065	2,19,446	2,61,385	4,88,768	6,91,749
Two Wheelers	2,11,79,847	1,74,16,432	1,51,20,783	1,35,70,008	1,58,62,087	1,79,74,365
Quadricycles	627	942	-12	124	725	725
Grand Total	2,62,66,179	2,15,45,551	1,86,20,233	1,76,17,606	2,12,04,162	2,38,53,463

### Government Initiatives

The Government of India encourages foreign investment in the automobile sector and has allowed 100% FDI under the automatic route. Some of the recent initiatives taken by the Government of India are:

- Under Electric Mobility Promotion Scheme 2024 government aims to support 3,72,215 EVs including EV-2W (3,33,387) and EV-3W (38,828 including 13,590 rickshaws & E-carts and 25,238 e-3W in L5 category).
- Ministry of Heavy Industries, Government of India with the approval of Department of Expenditure has launched Electric Mobility Promotion Scheme 2024 to further accelerate the adoption of EVs in the country which is a fund limited scheme with a total outlay of Rs. 500 crore for the period of 4 months, from 1st April 2024 to 31st July 2024.
- The Indian government has planned US\$ 3.5 billion in incentives over five years until 2026 under a revamped scheme to encourage the production and export of clean technology vehicles.

### Market Size

The Indian automobile industry has historically been a good indicator of how well the economy is doing, as the automobile sector plays a key role in both macroeconomic expansion and technological advancement. The two-

wheelers segment dominates the market in terms of volume, owing to a growing middle class and a huge percentage of India's population being young. Moreover, the growing interest of companies in exploring the rural markets further aided the growth of the sector. The rising logistics and passenger transportation industries are driving up demand for commercial vehicles. Future market growth is anticipated to be fuelled by new trends including the electrification of vehicles, particularly three-wheelers and small passenger automobiles.

India enjoys a strong position in the global heavy vehicles market as it is the largest tractor producer, second-largest bus manufacturer, and third-largest heavy truck manufacturer in the world. India has a strong market in terms of domestic demand and exports. India is a prominent auto exporter and has strong export growth expectations for the near future. In addition, several initiatives by the Government of India such as the Automotive Mission Plan 2026, scrappage policy, and production-linked incentive scheme are expected to make India one of the global leaders in the two-wheeler and four-wheeler markets.

### Company Performance

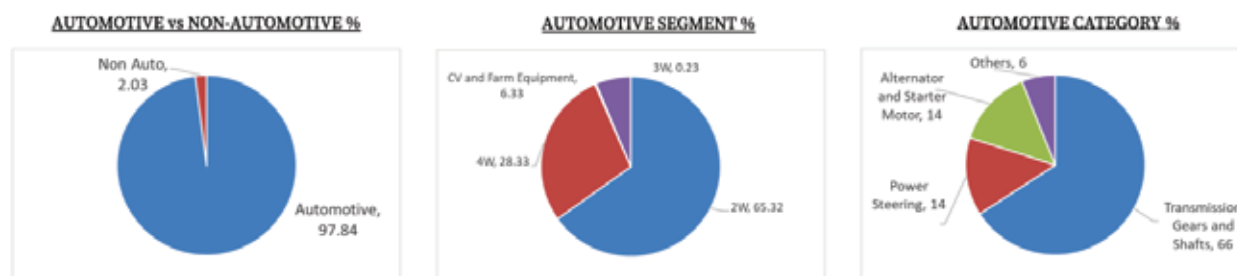
#### Segmental Performance

The company primarily operates in the Automotive segment. ~98% of the revenue is derived from auto

components across different segments such as two-wheeler, three-wheeler, passenger vehicles, commercial vehicles and tractors, and categories like Transmission Gears and Shafts, Steering parts, and Starter Motor & Alternator parts. The non-automotive business includes Aerospace, Industrial & Renewable Energy and Power & Construction tools.

**INPUT DATA OF GROWTH COMPARING GROWTH ACROSS SEGMENTS IN FT23 VS 24 & THE REVENUE BREAKUP GRAPH FROM CORP PRESENTATION.**

**DIVERSIFIED REVENUE MIX**



**Gears**

The Company produces a diverse array of gear and transmission technologies, including ring gears, pinions, transmission gears, shafts, differential gears, and sub-assemblies, primarily for automotive applications. This business contributed 66% of the total revenue for FY24. Shivam Autotech provides a comprehensive range of automotive components in addition to gears. These include Steering parts, and Starter Motor & Alternator parts for the Passenger Vehicle application, and Axles for the e-Rickshaw segment. These components are supplied to major Tier 1s & OEMs in India and abroad for various automobile segments.

**SWOT Analysis**

**Strengths**

- World class technology and infrastructure
- Fully vertically integrated manufacturing facilities
- Established market presence
- Diverse product portfolio

**Weaknesses**

- Large interest repayment obligations
- High debt to equity ratio

**Opportunities**

- Growing domestic demand
- Market potential balanced across all existing product categories and automotive segments
- Make in India initiative for nascent manufacturing sectors such as Defence, Aerospace and Railways
- Global supply chain shift towards India as a preferred manufacturing hub, with large export potential

- Aluminium forged parts owing to shifting mobility requirements towards electric vehicles

**Threats**

- Rising geopolitical tensions may disrupt supply chain reliability
- Rising input, raw material and logistics costs
- Climate change related events may hamper production activities

**Safety first**

The Company has implemented stringent safety measures across all manufacturing facilities, including the use of safety parameters in systems and processes. Hazardous materials like kerosene and asbestos are prohibited in all the plants, and employees are provided with protective gear and uniforms to prevent health hazards. Safety measures include internal safety audits and reviews, employee awareness programmes, machine selection based on compatibility with the '5S System', and following Kaizen principles to maintain a safe work environment. Monthly safety committee meetings and audits, quarterly fire drills, mock drills, training in firefighting and first aid are conducted. Safety is the top management's utmost priority and our commitment to Environment, Health and Safety (EHS) is integral to our operations. We are focused on creating a safe and enabling working environment at all our manufacturing plants.

**Internal Control System and its Adequacy**

Your Company has exhaustive internal control systems that are aligned to its business requirements. The Company regularly monitors the risks and has in place focused risk mitigation strategies. Internal and external audit teams

continuously monitor the adequacy and effectiveness of the internal control environment across the Company and the status of compliance with operating systems, internal policies and regulatory requirements.

The Internal Auditor reports directly to the Board through the Audit Committee. The Internal Auditor has been assigned with the tasks for setting up of Inventory norms, Inventory optimization, scrap reconciliation, common spare management, BOM correction and verification. The Internal Auditor presents the detailed analysis of the tasks assigned to them in every meeting of the Audit Committee. The Audit Committee meets periodically to review the adequacy and efficacy of the internal control systems.

### Human Resources & Industrial Relations

Human Resources continued to play a pivotal role in managing, guiding and motivating the Company's workforce. Your company has skilled and unskilled workforce to give a competitive edge in an ever-changing industry landscape. With well-developed, well-founded strategies and established policies, standards and systems, such as recruitment, on-boarding, training, performance

management, mediation, legal compliance, and compensation administration, your company keeps a focus on its Human Resources and continues to invest in a wide variety of HR activities for its sustainable growth and social objectives.

### Discussion on Financial Performance with respect to Operational Performance

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Indian Accounting Standards financial statements (Ind AS) that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies Rules, 2015, as amended, and other accounting principles generally accepted in India. The financials have been prepared considering the above requirements of applicable laws.

During the financial year 2023-24, revenue from operations was Rs. 46,966.42/- lacs as compared to Rs. 47,035.96/- lacs in 2022-23, registering a decrease in 0.15%.

### Key Financial Ratios

In accordance with the SEBI LODR (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to give details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios.

S. No.	Ratio	FY 2023-24	FY 2022-23	% Change
(i)	Debtor Turnover Ratio	5.26	5.33	-1.47
(ii)	Inventory Turnover Ratio	5.97	5.58	6.99
(iii)	Debt Service Coverage Ratio	0.36	0.44	-19.34
(iv)	Current Ratio	0.56	0.74	-24.67
(v)	Debt to Equity Ratio	6.90	4.03	71.32
(vi)	Return on Equity Ratio	-0.90	-0.33	171.91
(vii)	Net Profit Margin (%)	-10.69	-7.38	44.77
(viii)	Return on Investment (%)	-0.15	-0.10	58.55
(ix)	Return on Capital Employed	-0.25	-0.10	156.63
(x)	Trade Payable Turnover Ratio	2.85	2.43	17.54
(xi)	Net Capital Turnover Ratio	5.86	3.87	51.57

### Road Ahead

The role of industry bodies and the government could be a critical differentiator in the recovery of the automotive sector. For instance, the government could enhance cost effectiveness in automotive manufacturing by reducing logistics and energy costs. Meanwhile, sustaining the momentum on the ongoing policy shifts and investing in innovation could assure growth for the entire sector. The auto component industry will grow by catering to shifting mobility needs and consumer sentiment. Focusing on local manufacturing, investing in innovation and collaboration with the government and automotive industry bodies will ensure that the segment emerges stronger and more resilient, ready to flourish.

Shivam Autotech will focus on organic growth by expanding wallet share from its existing domestic and export customers by leveraging longstanding relationships. The company will prioritise diversification into new products and markets, and continue to innovate by using our in-house design & development capabilities.

The adoption of BSVI standards and stricter emissions regulations will drive automobile companies to adopt technologies that limit emissions, leading to greener transportation. Additionally, the mandatory upgrade of safety features and enhanced premiumisation in mass-market cars will spur the automotive sector's evolution. This is an exciting opportunity for Shivam Autotech as

the company is working diligently to optimise energy consumption, reduce wastes and enhance renewable energy capacities. The company is committed to integrating sustainability into its operations and strategic choices, aiming to create both a robust business and a more eco-friendly world.

#### **Cautionary Statement**

Certain Statements in the Management Discussion and Analysis describing the company's objectives, projections,

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

**Place: Gurugram**  
**Date: August 12, 2024**

**For and on behalf of the Board**  
**Sd/-**  
**Neeraj Munjal**  
**Managing Director**  
**DIN: 00037792**

**For and on behalf of the Board**  
**Sd/-**  
**Charu Munjal**  
**Whole Time Director**  
**DIN: 03094545**



## REPORT ON CORPORATE GOVERNANCE

The Directors have pleasure in presenting the Corporate Governance Report of Shivam Autotech Limited ("the Company") for the year ended March 31, 2024.

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

We believe that Corporate Governance signifies ethical highest standards of transparency, integrity and accountability towards all its stakeholders. These ethical standards can be ingrained in the character of the organization through tradition, value systems and commitment to the later as much as the spirit of laws and regulations. Corporate Governance is the cornerstone of Shivam Autotech Limited governance philosophy of the trusteeship, transparency, accountability and ethical corporate citizenship.

The Company believes that sound Corporate Governance is critical to enhance and retain investors' trust. This is demonstrated in shareholder returns, high credit ratings, governance processes and an entrepreneurial, performance focused work environment. Our customers have benefited from high quality products delivered at the most competitive prices. The basic ingredients of corporate governance require professionals to raise their competency and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics.

*The Corporate Governance mechanism is further strengthened with adherence to the Shivam Autotech Business Excellence Model, as a means to drive excellence and the Balanced Scorecard methodology, for tracking progress on long-term strategic objectives and the adoption of the Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices ('Prevention of Insider Trading Code'), pursuant to the provisions of Regulations 8 and 9 under the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Company has also adopted the Governance Guidelines on Board Effectiveness based on the best practices from both within and outside the Shivam Autotech Limited.*

In our endeavor to adopt the best Corporate Governance and disclosure practices, the Company complies with all the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations").

Pursuant to Regulation 34 read with Part C of Schedule V of the Listing Regulations, the Company hereby

presents a Report on Corporate Governance to its members for the Financial Year 2023-24.

### 2. BOARD OF DIRECTORS

The Board of Directors provides leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company while adhering to the highest standards of good corporate governance. The Independent Directors are trustees of good corporate governance. Combined, they truly safeguard the rights and interests of the shareholders of the Company. The Board of the Company comprises of a diverse and fine blend of experienced and responsible Executive and Independent Directors

#### 2.1 Composition of the Board

The Board of Directors of the Company has optimum combination of Executive and non – executive Directors who has in depth knowledge of business, in addition to expertise in their areas of operation. As on 31<sup>st</sup> March 2024, the strength of the Board of Directors was Six Directors, of which four are non–executive Directors including three Independent Directors. The Composition of Board is in conformity with Regulation 17 of the Listing Regulations.

Mr. Neeraj Munjal, Managing Director belongs to the promoter family. Dayanand Munjal Investments Private Limited is holding Company under promoter category and owns 74.80% equity in the Company. Mrs. Charu Munjal is Whole Time Director of the Company designated as "Executive Director". Mr. Neeraj Munjal, Managing Director and Mrs. Charu Munjal, Whole Time Director being spouse are related to each other. Apart from these, the Board constitutes of Independent Directors namely Dr. Anil Kumar Gupta, Ms. Neetika Batra & Mr. Sunil Chinubhai Vakil and Non-Executive and Non-Independent Director namely, Mr. Yogesh Chander Munjal. These directors bring to the Board wide range of experience & skills.

#### 2.2 Board / Committee Meetings

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company. The Board Meetings are pre-scheduled and a tentative annual calendar of the Board Meeting is circulated

to the Directors well in advance to facilitate them to plan their schedules accordingly. In case of business exigencies, the Board's approval is taken through circular resolutions. The circular resolutions are noted at the subsequent Board Meeting.

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

During the Financial Year 2023-24, 6 (Six) meetings of the Board of Directors of the Company were

held on May 25, 2023, July 02, 2023, August 14, 2023, November 09, 2023, November 16, 2023 and February 14, 2024. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 read with MCA General Circular No. 11/2020 dated March 24, 2020 and Listing Regulations read with SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/3 dated March 19, 2020 & SEBI/HO/CFD/CMD1/CIR/P/2020/110 dated June 26, 2020 and the Secretarial Standards issued by the Institute of Company Secretaries of India.

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

Name of Directors	Category of directorship	Board Meetings held during Financial Year 2023-24		Attendance at last AGM	No of Directorship in listed entities	No. of Member ships in Committee(s)
		Held	Attended			
Mr. Yogesh Chander Munjal*	Non-Executive - Non Independent Director	6	5	Yes	2	3
Mr. Neeraj Munjal	Executive Director	6	6	Yes	1	1
Mrs. Charu Munjal	Executive Director	6	6	Yes	2	1
Dr. Anil Kumar Gupta*	Non-Executive - Independent Director	6	6	Yes	2	3
Ms. Neetika Batra**	Non-Executive - Independent Director	6	4	Yes	2	3
Mr. Sunil Chinubhai Vakil	Non-Executive - Independent Director	6	6	Yes	1	3

\*Appointed as an Non-Executive and Non-Independent director on the Board w.e.f. May 25, 2023.

\* Change of designation form Non-Executive to Independent Director

\*Appointed as an Independent director on the Board w.e.f. July 02, 2023

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

### **2.3 Independent Directors**

During the year, a separate meeting of the Independent Directors was held on March 11, 2024. All the Independent Directors were present at the Meeting and reviewed among other matters,

- the performance of non-independent Directors and the Board as a whole;
- the performance of the Chairperson of the Company after considering the views of Executive and Non-Executive Directors;

- assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.
- competition strategy, leadership, strengths and weaknesses, governance, compliance, human resource matters etc.

All the Independent Directors have given their view on the above-mentioned points to the Company in their performance evaluation report.

### **Independent Directors confirmation by the Board**

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations.

In the opinion of the Board, the Independent Directors, fulfil the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations.

#### **Independent Director Databank Registration**

Pursuant to a notification dated October 22, 2019 issued by the Ministry of Corporate Affairs, all directors have completed the registration with the Independent Directors' Databank. Requisite disclosures have been received from the Directors in this regard.

#### **Number of Independent Directorships**

Pursuant to Regulation 17A of the Listing Regulations, Independent Directors of the Company do not serve as Independent Director in more than seven listed companies. Further, the Managing Director and Whole Time Director of the Company does not serve as an Independent Director in any listed entity.

### **2.4 Re - Appointment of Directors**

In accordance with the Companies Act, 2013 and the Articles of Association of the Company, Mr. Neeraj Munjal, Non-Executive Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer herself for re-appointment.

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

### **2.5 Performance Evaluation of Board Members**

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of its Committees. A structured parameter has been prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of Independent Directors has been done by the entire Board of Directors, and on the basis of that, it was determined whether to extend or continue the term of appointment of the Independent Director.

The Board has carried out an exercise to evaluate

the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company etc. The performance evaluation of the Directors was carried out by the entire Board except the director being evaluated.

The Nomination and Remuneration Committee has formulated the criteria for evaluation of Independent Directors based on the following specifications:

- a. Participation at Board/ Committee Meetings;
- b. Managing Relationship;
- c. Knowledge and Skill;
- d. Personal Attributes;
- e. Initiative and Resourcefulness;
- f. Judgment, Adaptability & Decisiveness;
- g. Innovation and Creativity;
- h. Leadership;
- i. Interpersonal Relationship;
- j. Oral & Written Communication;
- k. Job knowledge and skills;
- l. Learning Ability & Evaluating subordinates;
- m. Self-Management etc.

### **2.6 Availability of Information to Board Members**

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

- Annual operating plans and budget, capital budgets and updates.
- Quarterly results of the Company
- Minutes of meeting of Audit, Nomination and Remuneration, Stakeholders Relationship, Risk Management and Corporate Social Responsibility Committees and abstracts of circular resolution passed.
- General notices of interest received from directors.
- Dividend Data including unpaid dividend figures for previous years.

- Information on recruitment and remuneration of senior officers just below the level of board of directors.
- Materially important litigations, show cause, demand and penalty notices.
- Any issues that involves possible public or product liability claims of a substantial nature.
- Significant labour problems and their proposed solutions. Any significant development involving human resource management
- Details of foreign exchange exposure and the steps taken by the management to limit risks of adverse exchange rate movement.
- Non Compliance with any regulatory, statutory or listing requirements.
- Any material default in financial obligations to and by the listed entity, or substantial non-payment for goods sold by the listed entity.

## 2.7 Familiarization programmes for Board Members

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board and Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and

## 2.9 Core Skills/Expertise/Competencies of the Board of Directors

We have vibrant Board of Directors with vast range of skills, expertise and experience from various fields and sectors as required. Below is the chart of skills/expertise/competence identified by the Board of Directors in context of the Company's businesses and sectors for it to function effectively and actually available with the Board:

Name of Director	Core Skills/Expertise/Competencies
<b>Mr. Yogesh Chander Munjal</b>	Mr. Yogesh Chander Munjal, aged 83 years, is an eminent personality in the corporate world. He graduated in the field of Architecture from the IIT, Roorkee. Ever since he finished his formal education, he was associated with many of the Hero Group companies in the capacity of CEO and contributed for making the companies as world leaders. He was Chairman of CII, TPM Club of India, Founder Chairman of QCFI- Delhi Chapter, President of Gurgaon Industrial Association, Chairman of Confederation of Indian Industry (Haryana Committee), Regional Council Member of Confederation of Indian Industry, an Executive Committee Member of Automotive Component Association of India, President of the Rotary Club of Delhi Southend during the year 1991-92 & Vice Chairman of Rotary Education Foundation R.I. District-3010 and was on the Board of PANIIT Alumni Association.

risks involved. Detailed presentations on the Company's business segments were made at the Board Meetings.

Quarterly updates on relevant statutory changes encompassing important laws are regularly circulated to the Directors. Site visits to various plant locations are organized for the Directors to enable them to understand the operations of the Company. The details of such familiarization programmes for Independent Directors are posted on the website of the Company.

[https://www.shivamautotech.com/Uploads/image/321imguf\\_familiarization-program-fy-2023-24.pdf](https://www.shivamautotech.com/Uploads/image/321imguf_familiarization-program-fy-2023-24.pdf)

### Familiarization programmes for Independent Directors

The Program aims to provide insights into the Company to enable the Independent Directors to understand its business in depth and contribute significantly to the Company.

### Details of Familiarization sessions held during the FY 2023-24 pursuant to the Policy are as follows:

- Business overview and an outline of Corporate Plan and Annual targets
- Orientation on Statutory compliances as a Board Member
- Discussion on recent budget & Future Plan of Action

Name of Director	Core Skills/Expertise/Competencies
<b>Mr. Neeraj Munjal</b>	<p>He has a vast experience of precision and value engineering, and Project Management, Global Business Leadership, Business Development and Business Operations.</p> <p>He has been responsible for conceptualizing near net shape forging technology in Shivam Autotech Limited employing cold, warm and hot forging.</p> <p>He is proficient to lead a team of engineers to evolve solution to complex manufacturing problems. He also held Chairmanship of CII, Haryana Chapter.</p>
<b>Mrs. Charu Munjal</b>	<p>She has an exposure in creative designing and Sales, Marketing field and International Business, Business Development and Business Operations.</p> <p>She leads the team of marketing personnel and guides them to identify new marketing initiatives/forged strategies for new business developments and control all associated administration and system-driven operations.</p>
<b>Dr. Anil Kumar Gupta</b>	<p>He is a well-respected Engineer cum Scientist, capable of creating value addition and complex sub- systems / systems, having in-depth knowledge of mechanical and metallurgical engineering with special expertise in Metal Forming Processes, including technology development of light weighted materials and composites, and has technical Expertise. He held the Vice President, Materials Research Society of India (MRSI), and was also the Chairman, Materials Research Society of India, Delhi &amp; Bhopal Chapters.</p> <p>He has guided PhD (Engineering) Scholars during his 35 years carrier in CSIR and published large number of National and International Scientific Publications.</p>
<b>Ms. Neetika Batra</b>	<p>Senior Academic &amp; Corporate leader, and Professor of Finance. Experienced professional with a demonstrated history of working in the higher education industry and in Investment Banking. Balanced academic-industry work experience of thirty years. Skilled in Business Planning, Strategy designing &amp; Implementation, Team Leadership, Research, and Teaching (Finance, management). Strong education background with a PhD in Finance &amp; Banking, MBA degree from Delhi University, and graduation from SRCC.</p> <p>Freelance Consulting Role (June 2022 till date) Adjunct Faculty &amp; Program Chair, Finance, SOIL: Responsibilities include mainly finance track curriculum design, monitoring its delivery, teaching finance courses, student mentoring, research. Research projects: Listed under Ongoing projects in the section of Research Work appearing later in this document. Most of this pertains to my prime area of interest in Finance Sustainability, including ESG and SDGs. Her Ph.D. work also revolved around the same.</p>
<b>Mr. Sunil Chinubhai Vakil</b>	<p>Major spheres of expertise are Business Restructuring and Financial Engineering, Corporate Advisory and Financial Management, Forensic Audit &amp; Investigative Engagements.</p> <p>Since year 2000, have been involved as a lead member of an elite group of Technical Advisors in ROTARY, undertaking Forensic Audit and Investigative Engagements to unearth and detect malpractices and financial irregularities in humanitarian service projects in various parts of the world like Philippines, Tanzania, Bangladesh, Kazakhstan, Sri Lanka and India involving millions of dollars of frauds and misdemeanours.</p> <p>An accredited advisor to Central Bureau of Intelligence (CBI), a premier investigation agency in India on matters of national import involving economic crimes in cross border jurisdictions. Involved in representing Hunter Amenities' Indian Entity – as an independent director – to advise, counsel all legal and statutory compliances and contract drafting plus taxation and Foreign Exchange Regulation Management compliances.</p>

### Key Board Skills, Expertise and Competencies:

As on March 31, 2024, the Board comprised of qualified members who bring in the required skills, competence and expertise to enable them to effectively contribute in deliberations at Board and Committee meetings. The below matrix summarizes a mix of skills, expertise and competencies expected to be possessed by our individual Directors, which are key to corporate governance and Board effectiveness.

Name of Director(s)	Automotive/ Mobility/ Technology/ R&D/Product Development	Strategic planning, Business Development, Business Operations	Human Resources/ People Management	Accounting & financial expertise	Sales and Customer Management
Mr. Yogesh Chander Munjal*	✓	✓			
Mr. Neeraj Munjal	✓	✓		✓	✓
Mrs. Charu Munjal			✓		✓
Dr. Anil Kumar Gupta	✓	✓			
Ms. Neetika Batra**			✓	✓	
Mr. Sunil Chinubhai Vakil		✓		✓	

#### 2.10 Disclosure in terms of Regulation 34 (3) read with Schedule V Part C of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

There are interpersonal relationships between the board members, Mr. Neeraj Munjal and Mrs. Charu Munjal, who are spouses, AND Mr. Yogesh Chander Munjal Father of Mr. Neeraj Munjal (Managing director) and Father in Law of Mrs. Charu Munjal, Whole Time Director of the Company.

#### 2.11 Committees of the Board

With a view to have a more focused attention on business and for better governance and accountability, committees viz. Audit Committee, Stakeholders' Relationship Committee and Nomination and Remuneration Committee were constituted. The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairman of the Committee, who also informs the Board about the summary of discussions held in the Committee Meetings. The Minutes of the Committee Meetings are sent to the respective members of the Committees and tabled at the next consecutive Board Meeting for the noting of Board Members.

The Board of Directors had accepted all the recommendations as and when received from its Committees on different matters.

### 3. AUDIT COMMITTEE

Audit Committee of the Board of Directors ("the Audit Committee") is entrusted with the responsibility to supervise the Company's financial reporting process and internal controls. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of the Listing Regulations.

All members of the Audit Committee are financially literate and bring in expertise in the fields of Finance, Taxation, Economics, Risk and International Finance and have insight to interpret and understand financial statements. It functions in accordance with its terms of reference that defines its authority, responsibility and reporting function.

#### 3.1 Composition of the Audit Committee and attendance of members

The Audit Committee comprises mainly of Independent Directors and the composition is in conformity with the Listing Regulations. During the Financial Year 2023-24, 4 (four) meetings of the Audit Committee were held on May 25, 2023, August 14, 2023, November 09, 2023 and February 14, 2024. The requisite quorum was present at all the Meetings. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 read with MCA General Circular No. 11/2020 dated March 24, 2020 and Listing Regulations read with SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/3 dated March 19,

2020 & SEBI/HO/CFD/CMD1/CIR/P/2020/110 dated June 26, 2020 and the Secretarial Standards issued by the Institute of Company Secretaries of India.

*The Audit Committee assures to the Board the adherence of adequate internal controls and financial disclosures and other acts conforming to the requirements of SEBI Listing Regulations. The quarterly/ half yearly/annual financial results/statements of the Company are reviewed by the*

*Audit Committee before submission to the Board for approval.*

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

The Company Secretary of the Company acts as the Secretary of the Committee. The Statutory Auditors and Chief Financial Officer generally attend the meetings on invitation by the Chairman.

The Table below provides the attendance of the Audit Committee members during the FY 2023-24

Name	Designation	Category of Directorship	No. of Meetings attended
Mr. Sunil Chinubhai Vakil	Chairperson	Independent Director	4
Mr. Anil Kumar Gupta	Member	Independent Director	4
Ms. Neetika Batra	Member	Independent Director	3
Mr. Yogesh Chander Munjal	Member	Non-Executive Director	4

### 3.2 Terms of Reference

The terms of reference of the Audit Committee are wide enough to cover the matters specified for the Audit Committee under Regulation 18(3) read with Part C of Schedule II of the Listing Regulations as well as Section 177 of the Companies Act, 2013 are as follows:

- (i) Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (ii) Recommending to the Board, the appointment, remuneration and terms of appointment of the statutory auditors.
- (iii) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (iv) Reviewing with the management, the annual financial statements and auditor's report thereon 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 (c) of sub-section (3) of Section 134 of the Companies Act, 2013.
  - 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) Modified opinion(s) in the draft audit report.
- (v) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (vi) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- (vii) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process

- (viii) Approval or any subsequent modification of transactions of the company with related parties;
- (ix) Scrutinizing inter-corporate loans and investments;
- (x) Considering valuation of undertakings or assets of the company, wherever it is necessary;
- (xi) Evaluating internal financial controls and risk management systems;
- (xii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (xiii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (xiv) Discussion with internal auditors of any significant findings and follow up thereon;
- (xv) 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;
- (xvi) 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;
- (xvii) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (xviii) to review the functioning of the whistle blower mechanism;
- (xix) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (xx) Carrying out any other function as is mentioned in the terms of reference of the audit committee;
- (xxi) Monitoring the end use of funds raised through public offers and related matters;
- (xxii) Reviewing Foreign Exchange Exposure of the Company;
- (xxiii) Review of statement of significant related party transactions, submitted by management;
- (xxiv) Reviewing management letters / letters of internal control weaknesses issued by the statutory auditors;

- (xxv) Reviewing the appointment, removal and terms of remuneration of the internal auditor;
- (xxvi) reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
- (xxvii) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

The Audit Committee, while reviewing the Annual Financial Statements also reviews the applicability of various Accounting Standards (AS) referred to in Section 133 of the Companies Act, 2013. The compliance of the Accounting Standards as applicable to the Company has been ensured in the preparation of the Financial Statements for the year ended March 31, 2024.

The Audit Committee bridges the gap between the Internal Auditors and the Statutory Auditors. The Statutory Auditors are responsible for performing Independent audit of the Company's Financial Statements and Company's internal financial control over financial reporting in accordance with the generally accepted auditing practices and issuing reports based on such audits, while the Internal Auditors are responsible for the internal risk controls.

Besides the above, Chief Financial Officer, the representatives of the Statutory Auditors and the Internal Auditors are also invitees to the Audit Committee Meetings. The Company follows best practices in financial reporting. The Company has been reporting on quarterly basis, the Un-audited and Audited Financial Statements as required by the Regulation 33 of the Listing Regulations. The Company's quarterly Un-audited and Audited Financial Statements are made available on the website [www.shivamautotech.com](http://www.shivamautotech.com).

### 3.3 Internal Controls and Governance Processes

The Company continuously invests in strengthening its internal control and processes. The Audit Committee along with CFO formulates a detailed plan for the Internal Auditors for the year, which is reviewed at the Audit Committee Meetings. The Internal Auditors attend the Meetings of the Audit Committee at regular basis and submit their recommendations to the Audit Committee and provide a road map for the future.



The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory/regulatory compliances. The Company's business processes are on SAP-ERP platforms and have a strong monitoring and reporting process resulting in financial discipline and accountability.

#### 4. NOMINATION AND REMUNERATION COMMITTEE

The "Nomination and Remuneration Committee" has been constituted as per Section 178(1) of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

The Nomination and Remuneration Policy is available on the website of the Company at:

[http://www.shivamautotech.com/Uploads/image/163imguf\\_15.nrc.pdf](http://www.shivamautotech.com/Uploads/image/163imguf_15.nrc.pdf)

##### 4.1 Terms of Reference

The constitution and terms of reference of the Committee are in consonance with the provisions of Section 178 of the Act and Regulation 19(4) read with Schedule II of Listing Regulations. The terms of reference of the NRC, include the following:

- i) to formulate criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors the Company's policies, relating to the remuneration for the Directors, Key Managerial Personnel and other employees,
- ii) to formulate criteria for evaluation of performance of Independent Directors and the Board;
- iii) to devise a policy on Board diversity;
- iv) to identify persons who are qualified to become directors and who may be appointed

in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;

- v) whether to extend or continue the term of appointment of the Independent Director on the basis of the report of performance evaluation of Independent Directors
- vi) to recommend to the Board, all remuneration, in whatever form, payable to senior management;
- vii) to ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- viii) to ensure relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- ix) to ensure remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
- x) to assist the Board in fulfilling responsibilities.

##### 4.2 Composition of the Nomination and Remuneration Committee and attendance of members

The Nomination and Remuneration Committee comprises mainly of Independent Directors. During the Financial Year 2023-24, 3 (three) meeting of the Nomination and Remuneration Committee were held on May 25,2023, July 02,2023 and November 16,2023. The requisite quorum was present at all the Meetings.

The table below provides the composition and attendance of the Nomination and Remuneration Committee members:

Name	Designation	Category of Directorship	No. of Meetings attended
Ms. Sunil Chinubhai Vakil	Chairman	Independent Director	3
Mr. Anil Kumar Gupta	Member	Independent Director	3
Ms. Neetika Batra	Member	Non-Executive Director	1
Mr. Yogesh Chander Munjal	Member	Independent Director	3

### 4.3 Remuneration of Directors

#### A. Pecuniary relationship/transaction with Non-Executive directors

During the year under review, there was no pecuniary relationship/transaction with any Non-Executive Directors of the Company.

#### B. Remuneration to Non-Executive Directors (including Independent Directors)

The Non-Executive Directors are paid remuneration by way of Sitting Fees and Commission. The Non-Executive Directors do not draw any remuneration from the Company except sitting fees of Rs. 30,000/- for each meeting of the Board and Rs. 30,000/- for each meeting of the Audit Committee, Stakeholders' Relationship Committee and Nomination and Remuneration Committee and Independent Directors' Meeting attended by them.

#### Details of Remuneration Paid to Non-Executive Directors (For the Financial Year 2023-24)

Name of Non-Executive Directors	Sitting fees		Independent Director's Meeting	Commission	Total
	Board Meetings	Committee Meetings			
Mr. Sunil Chinubhai Vakil	180,000	2,40,000	30,000	-	4,50,000
Dr. Anil Kumar Gupta	180,000	2,40,000	30,000	-	4,50,000
Ms. Neetika Batra	120,000	1,50,000	30,000	-	3,00,000
Mr. Yogesh Chander Munjal	-	-	-	-	-

#### C. Remuneration to Executive Directors

The appointment and remuneration of Executive Directors i. e. Managing Director and Whole-Time Directors is governed by the recommendation of the Nomination and Remuneration Committee, Resolutions passed by the Board of Directors and Shareholders of the Company and Agreement executed between them and the Company. 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 package of Managing Director and Whole-Time Directors comprises of salary, perquisites and allowances, and contributions to Provident

and other Retirement Benefit Funds as approved by the shareholders at the General Meetings. Annual increments are linked to performance and are decided by the Nomination and Remuneration Committee and recommended to the Board for approval thereof.

The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent. The Nomination and Remuneration Policy as amended by the Board in its meeting held on May 27, 2019 is displayed on the Company's website viz. [www.shivamautotech.com](http://www.shivamautotech.com)

Presently, the Company does not have a stock options scheme for its Directors.

#### Details of Remuneration Paid to Managing Director and Executive Directors

(Amount in Rs. Lacs)

Executive Director(s)	Salary	Commission	Perquisites & Allowances	Contribution to PF Fund	Total
Mr. Neeraj Munjal	96.00	-	80.06	7.5	183.56
Mrs. Charu Munjal	48.00	-	32.06	5.76	85.82

#### Notes:

- The agreement between the Company and the Managing Director is for a period of five years. Either party is entitled to terminate the Agreement by giving not less than 180 days' notice in writing to the other party.
- Commission is payable @2.00% of the net profits of the Company computed in accordance with the provisions of the Companies Act, 2013. However, Commission has not been paid to Mr. Neeraj Munjal and Mrs. Charu Munjal for the year 2023-24. There are no severance fees paid to the directors.

- c) Presently, the Company does not have Stock Option Scheme.

#### 4.4 Performance Evaluation Criteria for Independent Directors:

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has carried out the annual evaluation of its own performance, its Committees and all Directors individually. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. The report of performance evaluation was then discussed and noted by the Board.

The performance evaluation of the Chairman, Managing Director and Executive Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

#### 4.5 Policy for Selection and Appointment of Directors and their Remuneration

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a

policy for selection and appointment of Directors, Senior Management personnel and their components of remuneration. The Nomination and Remuneration Policy is displayed on the website of the Company.

### 5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Board has Stakeholders' Relationship Committee pursuant to Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations. The Stakeholders Relationship Committee oversees, inter-alia, Redressal of shareholder and investor grievances, transfer/transmission of shares, issue of duplicate shares, and exchange of new design share certificates, recording dematerialization of shares and other related matters. The roles and responsibilities of the Stakeholders Relationship Committee are as prescribed under Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations.

#### 5.1 Composition of the Stakeholders' Relationship Committee and number of meetings held

During the Financial Year 2023-24, 1(one) meeting of the Stakeholders' Relationship Committee were held on November 09, 2023. The requisite quorum was present at all the Meetings. The requisite quorum was present at all the Meetings.

The composition of the Stakeholders' Relationship Committee is as follows:

Name of the Member	Designation	Category of Directorship	No. of Meetings attended
Mr. Anil Kumar Gupta	Chairman	Independent Director	1
Ms. Neetika Batra	Member	Independent Director	1
Mr. Neeraj Munjal	Member	Executive Director	1
Mr. Charu Munjal	Member	Executive Director	1
Mr. Sunil Chinubahi Vakil	Member	Independent Director	1
Mr. Yogesh Chander Munjal	Member	Non-Executive Director	1

#### Compliance Officer

Mr. Shakti Kant Mahana, Company Secretary of the Company acts as the Compliance Officer of the Company and any request / complaint can be forwarded to the Company at e-mail Id [cs@shivamautotech.com](mailto:cs@shivamautotech.com).

#### 5.2 Scope of the Committee

The Committee looks into the matters of Shareholders/ Investors grievances along with other matters listed below:

- to consider and resolve the grievances of security holders of the Company including

complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.;

- to review measures taken for effective exercise of voting rights by shareholders.
- to review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- to review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and

ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the Company;

- to consider and approve demat/ remat of shares/split/consolidation/sub-division of share certificates;
- to consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc;

- to oversee and review all matters connected with the transfer of the Company's securities;
- to carry out any other function as prescribed under the Listing Regulations, the Companies Act, 2013 and other Applicable Law as amended from time to time;
- to carry out any other duties that may be delegated to the Committee by the Board of Directors from time-to-time.

**5.3 As of date, there are no complaints pending regarding the share transfers pertaining to the year under review. Details relating to the number of complaints received and redressed during the Financial Year 2023-24 are as under:**

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

The Company and the Registrar and Transfer Agent, MCS Share Transfer Agent Limited attend to all grievances of the shareholders received directly or through SEBI (SCORES), Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Shareholders are requested to furnish their updated telephone numbers and e-mail addresses to facilitate prompt action.

**6. INDEPENDENT DIRECTORS' MEETING**

During the year under review, the Independent Directors met on March 11, 2024, inter alia, to:

- Evaluate performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluate performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- Evaluation of the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The details of the meetings attended by Independent Directors are given below:

Name	Designation	Category of Directorship	No. of Meetings attended
Mr. Sunil Chinubhai Vakil	Chairman	Independent Director	1
Ms. Anil Kumar Gupta 1	Member	Independent Director	1
Mr. Neetika Batra	Member	Independent Director	1

## 7. RELATED PARTY TRANSACTIONS (RPT)

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and SEBI Listing Regulations during the financial year 2023-24 were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013.

All transactions with related parties were placed before Audit Committee and Audit committee has given omnibus approval for repetitive and foreseen transactions. The Company has not entered into any materially significant transactions with the related parties that may have potential conflict with the interests of the Company at large. The details of related

party transactions are given in note 37 of Financial Statements.

The Company has developed a policy on Related Party Transactions. The policy on related party transactions as approved by the Board is uploaded on the Company's website. The link of such policy is given below:

[http://www.shivamautotech.com/Uploads/image/261imguf\\_related-party-policy-shivam-autotech-limited-30-03-2022.pdf](http://www.shivamautotech.com/Uploads/image/261imguf_related-party-policy-shivam-autotech-limited-30-03-2022.pdf)

None of the Directors has any pecuniary relationships with the Company.

During the year, there were no materially significant related party transactions that may have potential conflict with the interests of listed entity at large.

## 8. GENERAL BODY MEETINGS

### a) Annual General Meeting

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

For the Year	Location	Day and Date	Time	No. of Special Resolutions passed
2022-2023	Deemed Venue-Shivam Autotech Limited, 10, 1 <sup>st</sup> Floor, Emaar Digital Greens, Tower A, Sector 61, Golf Course Extension Road, Gurugram, Haryana-122102	Saturday, September 30,2023	12:00 Noon through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	01
2021-2022	Deemed Venue-Shivam Autotech Limited, 10, 1 <sup>st</sup> Floor, Emaar Digital Greens, Tower A, Sector 61, Golf Course Extension Road, Gurugram, Haryana-122102	Wednesday, September 28,2022	12:00 Noon through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	01
2020-2021	Deemed Venue-Shivam Autotech Limited, 10, 1 <sup>st</sup> Floor, Emaar Digital Greens, Tower A, Sector 61, Golf Course Extension Road, Gurugram, Haryana-122102	Tuesday, September 29,2021	12:00 Noon through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	02

### (b) Resolutions passed last year through Postal Ballot:

During the Financial Year 2023-24, a Special Resolution was passed by the shareholders of the Company by e-voting through Postal Ballot process for the following resolutions.

Postal Ballot Resolution passed on 05<sup>th</sup> July 2023:-

1. Appointment of Mr. Yogesh Chander Munjal (DIN 00003491) as Non-Executive Director

designated as Chairman of the Company for a term 5 years commencing from 25<sup>th</sup> May, 2023.

2. Change in Designation of Mr. Anil Kumar Gupta (DIN:02643623) from Non-Executive Director to Independent Director of the Company, for a term 5 Years commencing from 25<sup>th</sup> May, 2023.

Postal Ballot Resolution passed on 10<sup>th</sup> August 2023:-

1. Appointment of Dr. Neetika Batra (DIN: 10219725) as an Independent Director of the Company for a period of 5 (five) consecutive years w.e.f. 2<sup>nd</sup> July, 2023.
2. Increase in Authorized Capital of the Company and alteration in the Capital Clause of Memorandum of Association of the Company.
3. Borrowing of Monies by way of Term Loan(s) or Issuance of Secured, Unrated, Unlisted, Redeemable, Non-Convertible Debentures on a Private Placement Basis.
4. Borrowing of Monies by way of issuance of Secured, Optionally Convertible Debentures on a Private Placement Basis.

**(c) Extraordinary General Meeting (EGM)**

No EGM was held during the Financial Year 2023-24.

**9. MEANS OF COMMUNICATION**

- a. The Company interacts with its Investors through multiple forms of corporate and financial communications such as annual reports, result announcements and media releases. The Quarterly/half yearly/nine months/Annual Financial Results of the Company are uploaded on NSE Electronic Application Processing System (NEAPS) and BSE Listing in accordance with the Listing Regulations, immediately after these are approved by the Board. The Quarterly/half yearly/nine months/Annual Financial results are also published within forty-eight hours in widely circulating national and local newspapers such as the Business Standard in English and Business Standard in Hindi.

The Company's results are displayed on the Company's website i.e. [www.shivamautotech.com](http://www.shivamautotech.com). The website also displays the compliances done pursuant to Listing Regulations.

The Company also informs by way of intimation to BSE and NSE all price sensitive matters or such other matters, which in its opinion are material and of relevance to the members.

In compliance with the Listing Regulations, the quarterly financial results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Limited and the National Stock Exchange of India Limited (NSE) are filed electronically on BSE's online portal through website [www.listing.bseindia.com](http://www.listing.bseindia.com) and with NSE through NSE Electronic Application Processing System ('NEAPS') portal.

No presentations were made to the institutional investors or to the analysts.

**10. GENERAL SHAREHOLDER INFORMATION**

**10.1 Annual General Meeting**

The ensuing Annual General Meeting will be held on Tuesday, September 26, 2023 at 12:00 Noon through video conferencing or other audio visual means at the Registered Office of the Company at 10, 1<sup>st</sup> Floor, Emaar Digital Greens, Tower A, Sector-61, Golf Course Extension Road, Gurugram, Haryana-122102

**10.2 Financial Calendar for FY 2024-25**

Financial Year - April 1 to March 31

- i) First Quarter Results – on or before August 14, 2024
- ii) Second Quarter Results – on or before November 14, 2024
- iii) Third Quarter Results – on or before February 14, 2025
- iv) Fourth Quarter Results – on or before May 30, 2025
- v) Audited Results for the year ended March 31, 2024 – on or before May 30, 2025
- vi) Annual General Meeting for the year ended March 31, 2025 – on or before September 30, 2025

**10.3 Listing on Stock Exchanges**

The BSE Limited

The National Stock Exchange of India Limited

The Annual Listing Fees for 2024-25 have been paid to both the Stock Exchanges.

**10.4 Stock Code**

532776 – The BSE Limited

SHIVAMAUTO – The National Stock Exchange of India Limited

**10.5 Company Identification Number (CIN):**  
L34300HR2005PLC081531

**Permanent Account Number (PAN):**  
AAJCS7372M

**Face value of the Equity Share:** Rs.2/- per share

**10.6 Details of Public Funding obtained in the previous three years:** The Company has raised fund through Rights Issue during the Financial year 2021-22.

### 10.7 Demat ISIN Number for NSDL and CDSL

INE637H01024

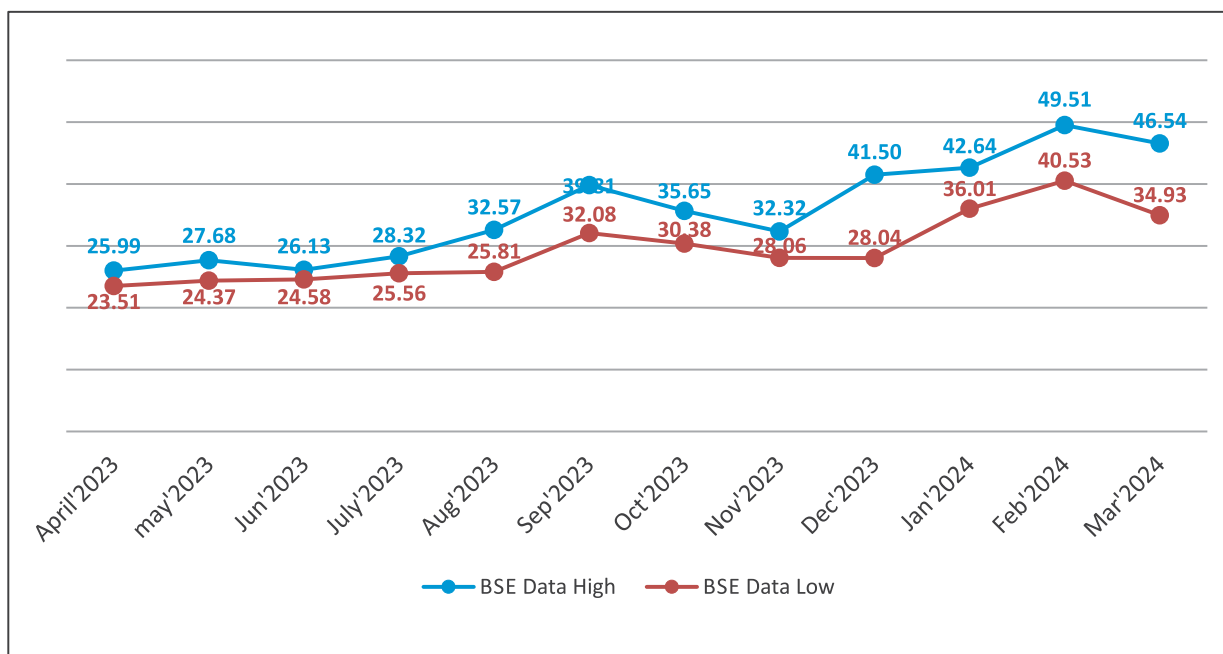
### 10.8 Market Price Data

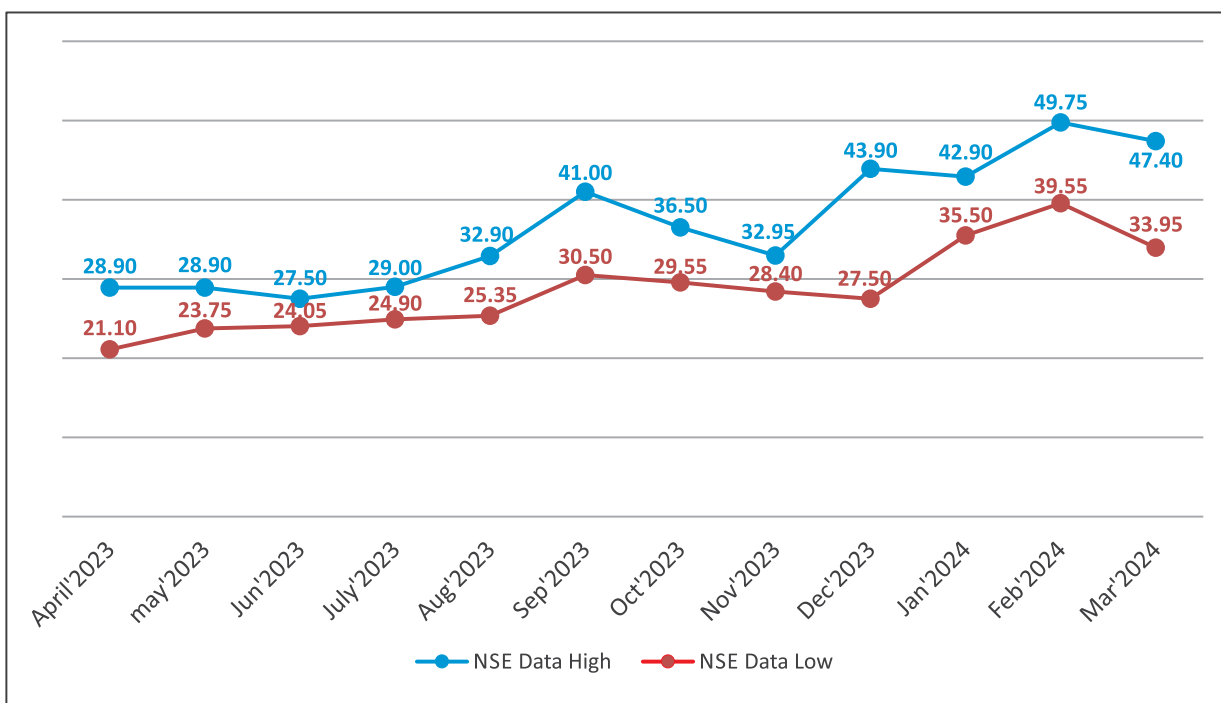
The **monthly** high and low quotations as well as the volume of shares traded on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) are as follows:

### 10.9 Performance in comparison to broad-based indices

The Charts below depicts the comparison of monthly Company’s share price with BSE SENSEX and NIFTY 50:

High Low data at BSE & NSE								
Month	BSE LIMITED (BSE)				National Stock Exchange (NSE)			
	High (Rs.)	Date	Low (Rs.)	Date	High (Rs.)	Date	Low (Rs.)	Date
April'2023	25.99	28-Apr-23	23.51	3-Apr-23	28.90	28-Apr-23	21.10	3-Apr-23
may'2023	27.68	5-May-23	24.37	29-May-23	28.90	8-May-23	23.75	29-May-23
Jun'2023	26.13	15-Jun-23	24.58	1-Jun-23	27.50	27-Jun-23	24.05	1-Jun-23
July'2023	28.32	6-Jul-23	25.56	4-Jul-23	29.00	7-Jul-23	24.90	3-Jul-23
Aug'2023	32.57	22-Aug-23	25.81	3-Aug-23	32.90	22-Aug-23	25.35	3-Aug-23
Sep'2023	39.81	8-Sep-23	32.08	4-Sep-23	41.00	11-Sep-23	30.50	1-Sep-23
Oct'2023	35.65	12-Oct-23	30.38	31-Oct-23	36.50	3-Oct-23	29.55	26-Oct-23
Nov'2023	32.32	6-Nov-23	28.06	30-Nov-23	32.95	8-Nov-23	28.40	30-Nov-23
Dec'2023	41.50	19-Dec-23	28.04	4-Dec-23	43.90	19-Dec-23	27.50	5-Dec-23
Jan'2024	42.64	31-Jan-24	36.01	24-Jan-24	42.90	12-Jan-24	35.50	25-Jan-24
Feb'2024	49.51	27-Feb-24	40.53	15-Feb-24	49.75	27-Feb-24	39.55	14-Feb-24
Mar'2024	46.54	2-Mar-24	34.93	19-Mar-24	47.40	4-Mar-24	33.95	14-Mar-24





### 10.1 Registrar and Transfer Agents

#### MCS Share Transfer Agent 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@mcsregistrars.com

Members are requested to ensure that correspondence for change of address, change in bank details, processing of unclaimed dividend, sub-division of shares, renewals / split / consolidation of share certificates, issue of duplicate share certificates should be signed by the first named Member as per the specimen signature registered with the Company. The Company may also, with a view to safeguard the interest of its Members and that of the Company, request for additional supporting documents such as certified copies of PAN Cards and other proof of identity and/ or address. Members are requested to indicate their Ledger Folio number in their correspondence with the Company and also to provide their email addresses and

telephone numbers/FAX numbers to facilitate prompt response from the Company.

Members who hold shares in dematerialized form should correspond with the Depository Participant with whom they maintain Demat Account/s, for their queries relating to shareholding, change of address etc. However, queries relating to non-receipt of dividend, non-receipt of annual reports, or on matters relating to the working of the Company should be sent to the Company.

#### Nomination Facility

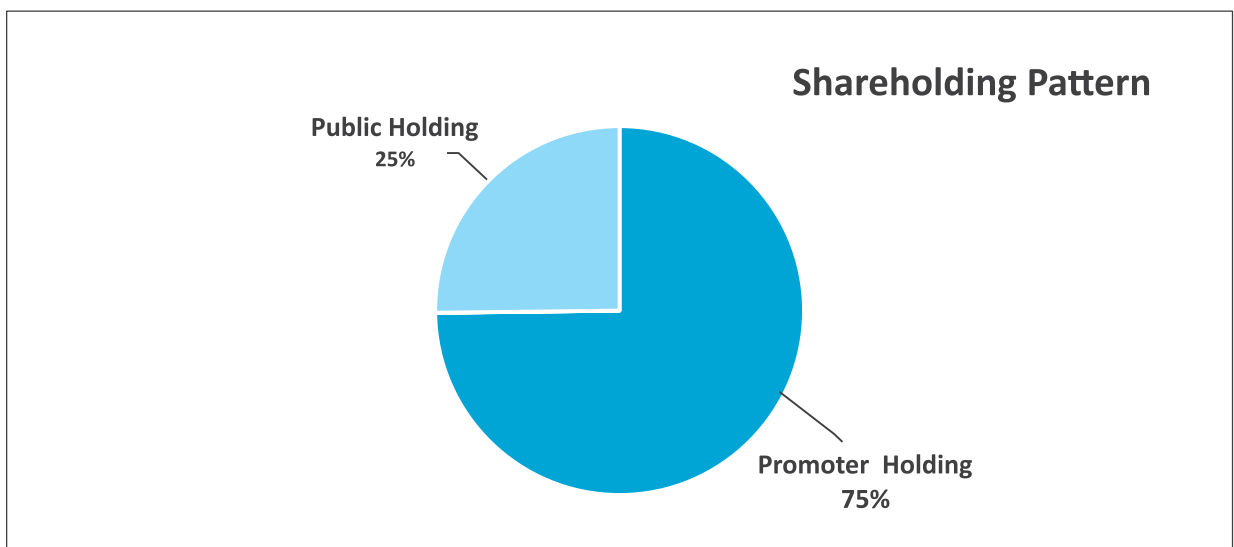
The Company offers facility of nomination. The facility is made available folio-wise and for the entire shares registered under the folio. The members holding shares in dematerialized form may contact and consult their respective Depository Participant (DP) for availing the nomination facility. Members holding shares in physical form may contact Registrar & Transfer Agent (RTA) of the Company.

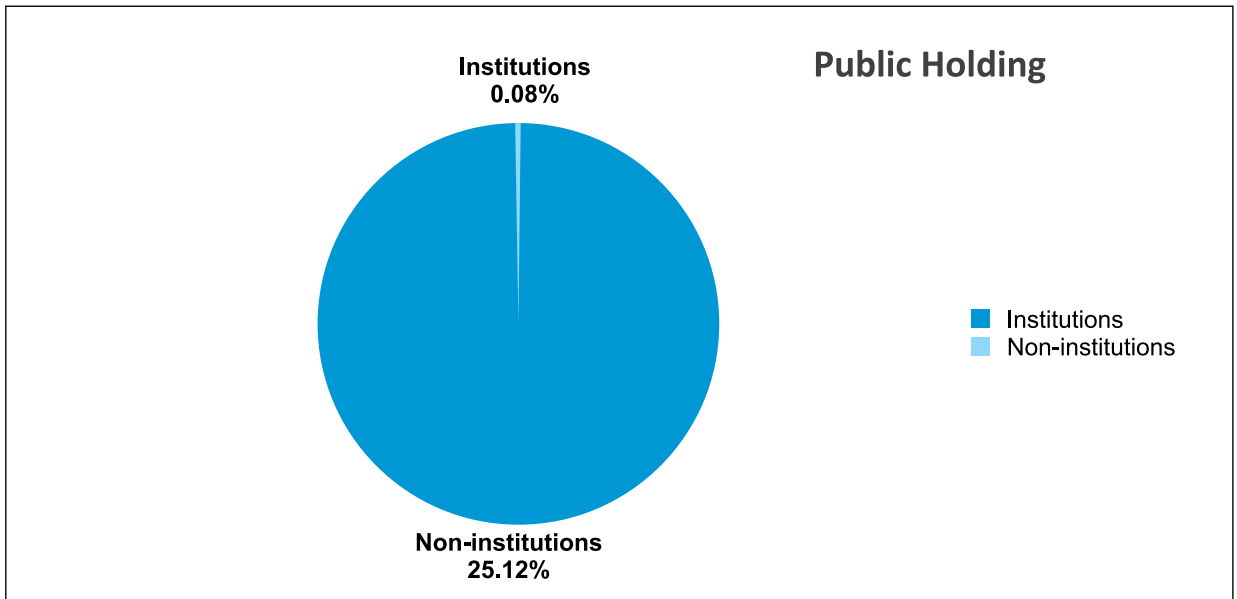
### 10.12 Distribution of Shareholding as on March 31, 2024

Range	No. of Shares		No. of Shareholders	
	Number	%	Number	%
1 - 500	3195170	2.61	20687	74.58
501 - 1000	2549534	2.09	3031	10.93
1001 - 2000	2749311	2.25	1786	6.64
2001 - 3000	1903105	1.56	738	2.66
3001 - 4000	1230016	1.01	342	1.23
4001 - 5000	1744265	1.43	363	1.31
5001 - 10000	3256478	2.66	427	1.54
10001- And Above	105594343	86.40	363	1.31
<b>Total</b>	<b>122222222</b>	<b>100</b>	<b>27737</b>	<b>100</b>



S No.	Category	No. of shareholders	No. of shares	% Shareholding	In Demat
<b>A</b>	<b>Promoter Holding</b>				
	DAYANAND MUNJAL INVESTMENTS PVT LTD	1	91417272	74.80	91417272
	<b>Total Promoter Holding</b>	<b>1</b>	<b>91417272</b>	<b>74.80</b>	<b>91417272</b>
<b>B</b>	<b>Public Holding</b>				
<b>i</b>	<b>Institutions</b>				
	Mutual Funds	2	17500	0.01	17500
	Banks	2	4000	0	-
	Foreign Portfolio Investors Category I	3	85245	0.07	85245
	<b>Sub Total</b>	<b>7</b>	<b>106745</b>	<b>0.08</b>	<b>102745</b>
<b>ii</b>	<b>Non-institutions</b>				
	Individuals holding nominal share capital upto Rs. 2 lacs	26628	21694838	17.75	20853258
	Individuals holding nominal share capital in excess of Rs. 2 lacs	13	3046159	2.49	3046159
	NRI	259	726387	0.59	640887
<b>iii</b>	<b>Others</b>				
	Other Bodies Corporate	147	2162894	1.78	2135894
	Unclaimed or Suspense or Escrow Account	1	766041	0.63	766041
	HUF	661	1423470	1.16	1423470
	IEPF	19	315047	0.26	315047
	Clearing Members	1	563369	0.46	563369
	<b>Sub Total</b>	<b>27729</b>	<b>30698205</b>	<b>25.12</b>	<b>29744125</b>
	<b>Total Public Holding</b>	<b>27736</b>	<b>30804950</b>	<b>25.20</b>	<b>29846870</b>
	<b>Grand Total</b>	<b>27737</b>	<b>122222222</b>	<b>100.00</b>	<b>121264142</b>





### 10.13 Share Transfer System

SEBI has mandated that, effective April 1, 2019, no share can be transferred in physical mode. Hence, the Company has stopped accepting any fresh lodgement of transfer of shares in physical form. The Company had sent communication to the shareholders encouraging them to dematerialise their holding in the Company. The communication, inter alia, contained procedure for getting the shares dematerialised. Shareholders holding shares in physical form are advised to avail the facility of dematerialisation.

The Stakeholders' Relationship Committee is authorized to approve issuance of duplicate certificates and all such issuance are completed within statutory time limit from the date of request, provided the documents meet the stipulated requirement of statutory provisions in all respects. The documents received from shareholders are scrutinized by the Company's RTA and all work related to share registry, is handled by RTA. In compliance of the provisions of SEBI Listing Regulations, the share transfer system of the Company is audited yearly by a Practicing Company Secretary and a certificate to that effect is issued by him.

The Board of Directors has delegated the authority to approve the share transfers/

transmissions etc. to the Company Secretary who attend the same within the prescribed period and in case of any dispute / difference, forward the same to the Stakeholders' Relationship Committee for their approval.

### 10.14 Dematerialisation of Shares and Liquidity

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

The Company has arrangements with National Securities Depository Ltd. (NSDL) as well as the Central Depository Services (India) Ltd. (CDSL) for demat facility. As on March 31, 2024, 99.22% of the total Equity Capital is held in the demat form with NSDL and CDSL.

#### Physical and Demat Shares:

	As on March 31, 2023	%
No. of Shares held by NSDL	10,74,72,358	86.46
No. of Shares held by CDSL	1,34,24,324	12.76
Physical Shares	13,25,540	0.78
<b>TOTAL</b>	<b>12,22,22,222</b>	<b>100.00</b>

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

The Board of Directors in its meeting held on August 14, 2023 considered and approved the issue of Optionally Convertible Debentures on a Private Placement. Further, pursuant to the provisions of Sections 23, 42, 62(1)(c) and all other applicable provisions, and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (including any statutory modification(s) of re-enactments thereof for the time being in force on the terms and conditions as may be determined by the Board, a total amount of up to Rs. 25 crores (Rupees Twenty-Five Crores) by way of offer, issue and allot, on a preferential basis, by way of private placement up to 250 (Two Hundred Fifty) Secured Optionally Convertible Debentures ("OCDs") having face value of Rs.10,00,000/- (Rupees Ten Lakhs only) each to India Credit Opportunities Fund II, a category II alternate investment fund, with its investment manager being Modulus Alternatives Investment Managers Limited (formerly known as Centrum Alternative Investment Managers Limited)

The Investor has right entitled to exercise the conversion rights associated with OCDs at any time until the expiry of 18 (eighteen) months from the date of allotment of the OCDs in 1 (one) or more tranches but no later than 15 days prior to the expiry of 18 (eighteen) months from the date of allotment of the OCDs

### 10.16 Foreign Exchange Risk and Commodity Hedging Activities

The Company is consulting foreign exchange experts on day-to-day basis for hedging / booking the import bill to manage the foreign exchange risks.

### 10.17 Plant Locations with address

- **Binola Plant** – 58 Km Stone, Delhi - Jaipur Highway, Village - Binola, Gurugram – 122413, Haryana.
- **Haridwar Plant** - Plot No. 3, Industrial Park 2, Phase I, Village Salempur, Tehsil Mehdood, Haridwar - 249401, Uttarakhand.

- **Bengaluru Plant** - Plot No. 98, Vemagal Industrial Area, Kolar – 563101, Karnataka.
- **Rohtak Plant** - Plot No. 9, Sector-30A, IMT Rohtak, District: Rohtak -124001, Haryana.

### 10.18 Address for correspondence

Mr. Shakti Kant Mahana

Company Secretary  
10, 1<sup>st</sup> Floor, Emaar Digital Greens, Tower A,  
Sector-61, Golf Course Extension Road,  
Gurugram, Haryana-122102  
Tel. No.: 0124-4698700  
Fax: - 0124-4698798  
[cs@shivamautotech.com](mailto:cs@shivamautotech.com)

### Queries relating to the Financial Statements of the Company may be addressed to-

Mr. Devendra Kumar Goyal

Chief Financial Officer

10, 1<sup>st</sup> Floor, Emaar Digital Greens, Tower A,  
Sector-61, Golf Course Extension Road,  
Gurugram, Haryana-122102  
Tel. No.: 0124-4698700  
Fax: - 0124-4698798  
[dkgoyal@shivamautotech.com](mailto:dkgoyal@shivamautotech.com)

### 10.19 Credit Rating

For our bank facilities and other debt programs CARE has provided us a long-term rating of 'BB-' and a short-term rating of 'CARE A4'.

### 10.20 Compliance with Secretarial Standards

The Institute of Company Secretaries of India, a Statutory Body, has issued Secretarial Standards on Board and General meetings. The Company has complied with all the applicable provisions of the Secretarial Standards on Board and General meetings.

### 10.21 Secretarial Audit

- a) Yogesh k & Associates, Company Secretaries have conducted a Secretarial Audit of the Company for the year 2023-24. Their Audit Report (except observations, remarks, qualifications as stated in the report) confirms that the Company has complied with the applicable provisions of the Companies Act, 2013 and the Rules made there under, Listing Agreements with the Stock Exchanges, applicable Listing

Regulations and other laws applicable to the Company. The Secretarial Audit Report forms part of the Board's Report.

- b) Pursuant to Regulation 40(9) of the Listing Regulations, certificates have been issued on yearly basis, by Yogesh k & Associates, Company Secretaries, certifying due compliance of share transfer formalities by the Company.

#### **10.22 Reconciliation of Share Capital Audit**

As stipulated by SEBI, Yogesh k & Associates, Company Secretaries conducts the Reconciliation of Share Capital Audit of the Company for the purpose of reconciliation of total admitted capital with the depositories, i.e. NSDL and CDSL, and the total issued and listed capital of the Company.

Yogesh k & Associates, Company Secretaries conducts such audit in every quarter and issues a Reconciliation of Share Capital Audit Certificate to this effect to the Company. A copy of such audit report is submitted to the stock exchanges, where the Company's shares are listed and is also placed before the Board.

#### **10.23 Unclaimed dividend**

In terms of Section 124(5) of the Companies Act, 2013 ("Act") if a member does not claim the dividend amount for a consecutive period of seven years or more, the unclaimed amount shall be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.

During the year, the Company has transferred Rs.67,11,27/- lying unclaimed in Unpaid Dividend Account in respect of Dividend for the year 2015-16 to the said Fund on January 10, 2024.

### **13. DISCLOSURES**

**13.1 All transactions entered into with related parties** as defined under the Act and Regulation 23 of the Listing Regulations during the Financial Year 2023-24 were in the ordinary course of business and on arm's length pricing basis and do not attract provisions of Section 188 of the Act. There were no materially significant transactions with the related parties during the Financial Year which were in conflict with the

interest of Company. Suitable disclosures as required by Accounting Standard (AS 18) have been made in the Financial Statements.

#### **13.2 Vigil mechanism / Whistle Blower Policy**

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. A Vigil mechanism / Whistle Blower Policy as defined under Regulation 22 of the Listing Regulations provides a channel to the employees and Directors of the Company to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors of the Company to avail the mechanism and also provide for direct access to the Managing Director/Chairman of the Audit Committee in exceptional cases. This neither relieves employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations against people in authority and / or colleagues in general.

None of the personnel of the Company has been denied access to the Audit Committee.

#### **Name and Address of the Vigilance & Ethics Officer**

*Mr. Sunil Dutt (GM-HR&A)  
Shivam Autotech Limited  
10, 1<sup>st</sup> Floor, Emaar Digital Greens, Tower A,  
Golf Course Extension Road, Gurugram,  
Haryana-122102  
0124-4698700  
E-mail- [sunildutt@shivamautotech.com](mailto:sunildutt@shivamautotech.com)*

#### **Name and Address of Managing Director**

*Mr. Neeraj Munjal  
Shivam Autotech Limited  
10, 1<sup>st</sup> Floor, Emaar Digital greens, Tower A,  
Golf Course Extension Road, Gurugram,  
Haryana-122102  
0124-4698700  
Email- [neeraj@shivamautotech.com](mailto:neeraj@shivamautotech.com)*

### **Name and Address of the Chairman of Audit Committee**

Ms. Sunil Chinubhai Vakil

Shivam Autotech Limited  
10, 1<sup>st</sup> Floor, Emaar Digital greens, Tower A,  
Golf Course Extension Road, Gurugram,  
Haryana-122102  
0124-4698700  
Email- [admn@shivamautotech.com](mailto:admn@shivamautotech.com)

Pursuant to Section 177 of the Companies Act, 2013, the SEBI Listing Regulations and the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company had adopted its Whistle Blower Policy. The website link of Vigil Mechanism / Whistle Blower Policy is given below:

[http://www.shivamautotech.com/Uploads/image/295imguf\\_WhistleBlowerPolicy.pdf](http://www.shivamautotech.com/Uploads/image/295imguf_WhistleBlowerPolicy.pdf)

**13.3** The Company has complied with the mandatory requirements specified in Listing Regulations relating to Corporate Governance.

### **13.4 Material Subsidiaries**

The Company does not have any material subsidiary.

**13.5** The Board has approved a policy for related party transactions which can be accessed at the Company's website link

[http://www.shivamautotech.com/Uploads/image/261imguf\\_related-party-policy-shivam-autotech-limited-30-03-2022.pdf](http://www.shivamautotech.com/Uploads/image/261imguf_related-party-policy-shivam-autotech-limited-30-03-2022.pdf)

**13.6** The Company is not exposed to commodity price risks and commodity hedging activities.

### **13.7 Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)**

The Company has not raised funds through preferential allotment or qualified institutions placement during the year.

Particulars	Demat	
	Number of Shareholders	Number of equity shares
Aggregate Number of shareholders and the outstanding shares in the Suspense Account lying as on April 01, 2023	1367	765,870
Number of shareholders who approached the Company for transfer of shares and shares transferred from Suspense Account during the year	0	0
Aggregate Number of shareholders and the outstanding shares in the Suspense Account lying as on March 31, 2024	1367	765,870

### **13.8 Certificate from Practicing Company Secretary**

The Company has received a certificate from a Practising Company Secretary to the effect that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of the Company by the Ministry of Corporate Affairs or any other statutory authority. The same is attached as **Annexure-F** which forms part of this report.

### **13.9 Audit Fees paid to Statutory Auditors**

The details of total fees for all services paid to the Statutory Auditors M/S. NSBP & Co., Chartered Accountants (Firm Registration No.001075N) during the year ended March 31, 2024 are as below:

Particulars	Amount (Rs. In Lakhs)
Audit Fees	13.50
Limited reviews	10.50
Certifications/other services	3.25
Out of Pocket Expenses	2.45
<b>Total</b>	<b>29.70</b>

### **13.10 Policy to prevent and deal with sexual harassment**

The Company has in place a policy on Prevention of Sexual Harassment at workplace. For further details in this regard, please refer to the Board's Report forming part of this Annual Report.

### **13.11 Unclaimed / Undelivered Shares to Suspense Account**

In terms of Regulation 39 of the Listing Regulations, the Company reports the following details in respect of equity shares lying in the Unclaimed Suspense Account which were issued in demat form:

The voting rights on the shares in the suspense account shall remain frozen till the rightful owners claim the shares.

### **13.12 Transfer of Unpaid / Unclaimed Amounts and Shares to Investor Education and Protection Fund**

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 ("Act") read with Rule 6 of Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended from time to time) ("Rules"), members whose dividend amount has not been paid or claimed for seven consecutive years or more, shares held by them shall be credited to the demat Account of the Investor Education and Protection Fund Authority (IEPFA). During FY 2023-24, 1677817 equity shares of Rs. 2/- each held by aforesaid members, were transferred to the demat Account of IEPF Authority constituted in accordance with the Rules.

These details have also been uploaded on the website of the IEPF Authority ([www.iepf.gov.in](http://www.iepf.gov.in)). All the corporate benefits accruing on these shares like bonus, splits etc. also will be credited to the said "Demat Account" of the IEPF Authority and the voting rights on these shares shall remain frozen until the rightful owner has claimed the shares.

The Company has initiated necessary action for transfer of shares in respect of which dividend has not been paid or claimed by the members consecutively since 2015-16. During the financial year 2023-24, notices were sent to the concerned shareholders whose shares were liable to be transferred to IEPF Demat Account under the said Rules for taking appropriate action and full details of such shareholders and shares due for transfer to IEPF Authority's Demat Account have also been uploaded on Company's website at [www.shivamautotech.com](http://www.shivamautotech.com).

### **10.13 Prevention of Insider Trading**

The Company has adopted a Code of internal procedures and Conduct for regulating, monitoring and reporting of trading by designated persons with a view to regulate trading in securities by the designated persons of the Company applicable from April 01, 2019 as per SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2019. This Code is applicable to all Board Members / Officers /

Designated Employees. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the designated persons while in possession of unpublished price sensitive information in relation to the Company and during the period when the trading window is closed.

The Company has also adopted a Code of Practice and Procedure for Fair Disclosure of Unpublished Price Sensitive Information in pursuance of Regulation 8(1) of the SEBI (Prohibition of Insider Trading) Regulation, 2015. The Chief Financial Officer of the Company is designated as Chief Investor Relations Officer in pursuance of such code. The Company Secretary is responsible for implementation of the Code.

### **13.14 Code of Conduct for Directors and Senior Management Personnel**

The Company has in place a comprehensive Code of Conduct ('the Code') applicable to the Directors and Senior Management Personnel. The Company's Board of Directors and Senior Management Personnel are responsible for and are committed to setting the standards of conduct contained in this Code and for updating these standards, as appropriate, to ensure their continuing relevance, effectiveness and responsiveness to the needs of investors and all other stakeholders as also to reflect corporate legal and regulatory developments.

The Code is applicable to Non-Executive Directors including Independent Directors to such an extent as may be applicable to them depending on their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law. The Code reflects the core values of the Company viz. Customer Value, Ownership Mindset, Respect, Integrity, One Team and Excellence. A copy of the Code has been put up on the Company's website and can be accessed at:

[http://www.shivamautotech.com/pdf/Code\\_of\\_Conduct\\_for\\_Board\\_Members\\_and\\_Senior\\_Management.pdf](http://www.shivamautotech.com/pdf/Code_of_Conduct_for_Board_Members_and_Senior_Management.pdf)

The Code has been circulated to Directors and Management Personnel, and its compliance is affirmed by them annually. A declaration signed by the Managing Director of the Company is published in this Report.

### 13.15 Review of legal compliance reports under SEBI Listing Regulations

The Board periodically reviews compliance reports with respect to the various laws applicable to the Company, as prepared and placed before it by the Management.

### 13.16 Compliances by the Company

The Company has duly complied with Corporate Governance requirements as specified under Regulation 17 to 27, Regulation 46 (2) clause (b) to (i) and Schedule V of the Listing Regulations.

Quarterly reports on compliance with Corporate Governance as per Regulation 27 of the Listing Regulations were duly filed with the stock exchanges within the stipulated time and same are also available on website of the Company.

### 13.17 Compliance certificate from practicing company secretary regarding compliance of conditions of corporate governance

In compliance with Regulation 34 and Schedule V of Listing Regulations, Company has received a Certificate from Practicing Company Secretary M/s. YKA & Associates, Company Secretaries on compliance of the Corporate Governance norms. The same forms part of this report.

### 13.19 Chairman

The Company has appointed Mr. Yogesh Chander Munjal as the Chairman of the Company w.e.f. May 25, 2023. He is a Non-executive and Non-Independent Director of the Company.

### 13.20 CEO & MD / CFO Certification

The MD and the CFO have issued certificate

pursuant to Regulation 17(8) of Listing Regulations certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs for the financial year ended March 31, 2024. The said certificate forms integral part of the Annual Report.

### 13.21 Public Issues/Preferential Issues

The Company has raised money through Rights issue during the Financial year 2021-22. However, Company has not raised any money/funds from Public issues and preferential allotment or qualified institutional placements as specified under Regulation 32(7a) of the SEBI Listing Regulations during the financial year 2023-24.

## B. NON-MANDATORY REQUIREMENTS

### Adoption of Non- mandatory Requirements

In adherence with Regulation 27 (1) of Listing Regulations, the Company has voluntarily complied with following non-mandatory requirements:

**Shareholders' Rights:** The quarterly and year to date financial results/statements are published in newspapers and posted on Company's website i.e. [www.shivamautotech.com](http://www.shivamautotech.com).

**Modified Opinion(s) in Audit Report:** The Company continues to adopt best practices to ensure regime of Unmodified Opinion.

**Reporting of Internal Auditor:** The Internal Auditors have direct access to the Audit Committee and the Internal Auditors' presents their Audit Observations to the Audit Committee of Board.

**The Board:** The Chairman of the Company is a Non-Executive Non-Independent Director.

For and on behalf of the Board

For and on behalf of the Board

Sd/-  
Neeraj Munjal  
Managing Director  
DIN: 00037792

Sd/-  
Charu Munjal  
Whole Time Director  
DIN: 03094545

Place: Gurugram  
Date: August 12, 2024

## CEO & CFO CERTIFICATE

### We hereby certify to the Board that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2024, 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: Gurugram**  
**Date: 27<sup>th</sup> May, 2024**

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

**Sd/-**  
**(DEVENDRA KUMAR GOYAL)**  
**Chief Financial Officer**  
**PAN: AGNPG1981F**

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## 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 2023-24.

**Place: Gurugram**  
**Date: 27<sup>th</sup> May, 2024**

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



## CERTIFICATE OF CORPORATE GOVERNANCE

To,  
**The Members of  
Shivam Autotech Limited.**

We have examined the compliance of conditions of Corporate Governance by Shivam Autotech Limited ("the Company") for the financial year ended on 31<sup>st</sup> March 2024, as per the Regulation 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Officers and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Regulations, as applicable during the Financial Year ended 31<sup>st</sup> March, 2024.

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 YKA & Associates  
(Company Secretaries)**

**Place: New Delhi  
Date: 12.08.2024**

**Yogesh Kumar  
Proprietor  
M. No. A60866  
C.P. No. 23576  
PR 4659/2023  
UDIN: A060866F001057785**

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

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

### A) CONSERVATION OF ENERGY:

#### I. Steps taken or impact on conservation of energy:

Shivam's management places utmost priority on energy conservation initiatives and energy efficient technologies, reflecting the company's commitment to enhancing its bottom line and contributing positively to the environment. Shivam is dedicated to minimizing waste and optimizing energy consumption through continuous, innovative efforts. Key energy initiatives implemented over the past year include:

Energy Projects & activities taken up:

- ❖ Green Infrastructure: Implementing sustainable building practices and technologies.
- ❖ Digital Energy Monitoring Systems (EMS): Using EMS platform for electricity and power optimization.
- ❖ Timers for Equipment: Utilizing timers to automatically stop machines and hydraulic power packs during idle times.
- ❖ LED Lighting Upgrades: Ongoing deployment and replacement of conventional lights with energy-efficient LED lights across all plants.
- ❖ Induction Heater Automation: Integrating auto-run features with press cycles to optimize heating processes.
- ❖ Auto Air Blast: Implementing automatic air blasts in CNC turning centers to improve efficiency.
- ❖ Optimized Energy Usage Planning: Developing strategies for both direct and indirect energy sources to manage costs effectively.
- ❖ Enhanced Training: Providing training to identify and implement energy efficiency improvement projects.
- ❖ Management Review Meetings: Conducting focused meetings to review and enhance energy efficiency.

- ❖ Interplant Comparisons: Analyzing energy efficiency across different plants to identify best practices.
- ❖ Air Leakage Prevention: Regularly checking and fixing air leakages to prevent energy losses.
- ❖ Coil Cooler for DG Sets: Installing coil coolers to enhance the efficiency of diesel generators.
- ❖ Green Fuels: Switching to greener fuels like PNG and LPG.
- ❖ Temperature Settings: Setting chillers, air conditioners, and panel ACs to the minimum necessary temperature.
- ❖ Energy-Efficient Pumps: Providing energy efficient pumps for ETP/STP, water supply, and fire systems.
- ❖ Waste Recycling: Utilizing recycled waste materials effectively.
- ❖ Onsite Wastewater Treatment: Treating and reusing wastewater on-site.
- ❖ Rainwater Harvesting: Implementing systems to collect and use rainwater.
  - Paper Recycling: Recycling of 1550 kgs of paper, saving 27 trees.
  - Plantation Drives: 1500 trees planted across all manufacturing units as part of an Environmental Day plantation drive.

#### II. Steps taken by the Company for utilizing alternate sources of energy

Company has installed rooftop solar power systems at its Binola and Rohtak plants, resulting in significant reductions in electricity costs. The company is working on expanding solar rooftops in all plants with a projected installed capacity of 2 MW and a compact Hydroelectric powerplant at Haridwar plant with capacity of 1 MW. The company continues to advance its sustainability goals through effective waste management, including the recycling of steel and wood scrap, and optimizing the use of wastewater.

### B) TECHNOLOGY ABSORPTION

#### Efforts made towards Technology Absorption

Technology leadership is at the core of all Research & Development activities of the Company. Your company values Technology as a key pillar to support business growth and believes that leadership in technology only can sustain business leadership.

The Company is conscious of implementation of latest technologies in key working areas. Technology is ever-changing and employees of the Company are made aware of the latest working techniques and technologies through workshops, group e-mails, and discussion sessions for optimum utilization of available resources and to improve operational efficiency.

The Company is involved in supporting the MAKE IN INDIA initiative of the Honourable Prime Minister by indigenizing various components as an import substitute to fulfill the continuous demand of our customers. The Company continues to use the latest technologies for improving the productivity and quality of its services and products. Development and improvement of products has been an inbuilt and ongoing activity within the existing manufacturing facilities. These activities also enabled the Company to reduce process waste, lower the energy consumption and increase productivity. R&D activities of the Company helped in development of novel materials & technologies resulting in enhanced product quality and improved process capabilities.

The Company is a pioneer of the net shape and near net shape technology, along with use of warm forging technology, especially in gear manufacturing. The Company has a suite of software for 2D & 3D CAD modelling, forging process simulation, machining process simulation, and gear design, which helps in optimized product and process design. This is further complemented by regular process innovations, and automation technologies employed for continuous improvement in the overall productivity, such as SCADA system for control and monitoring of heat treatment process furnaces. The Company has some of the most technologically advanced machines for high speed cold and hot forging, capable of producing more than 120 parts per minute, with precision and accuracy as per customer requirements. Moreover,

the Company regularly works with several specialized technology companies for design and development of technologically complex components, sub-systems and systems. This has allowed the Company to file 46 process and product design patents, both in India & abroad.

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

## B) TECHNOLOGY ABSORPTION

### Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans:

- Delivered highest ever exports in the midst of economic & geopolitical uncertainties across the Globe and unexpected sudden supply chain disruptions (Red Sea crisis).
- Registered Strong YOY growth across key segments – CV, PV and C&M.
- Registered significant business wins (across segments and across geographies) and added new customers.
- Continue to receive several recognitions from customers across the Globe for our manufacturing excellence, technological expertise and “Customer First” approach.
- Several growth initiatives (internal & external) underway including addition of new Products and new Customers.

C) Foreign Exchange Earnings/ Outgo:	(Rupees In Lacs)
Earnings	2619.67
Outgo	811.74

## SECRETARIAL AUDIT REPORT

### SECRETARIAL AUDIT REPORT OF THE COMPANY FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

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

To,  
The Members,  
**Shivam Autotech Limited**  
10, 1st Floor, Tower A, Emaar Digital Greens,  
Sector – 61, Golf Course Extension Road,  
Gurugram, Haryana – 122102

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, to the extent the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

- I. The Companies Act, 2013 ('the Act') and the rules made thereunder;
- II. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the Company during the audit period)
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; 2018 (Not Applicable to the listed entity during the Review Period)
  - e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; 2018 (Not Applicable to the listed entity during the Review Period)
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 and amendments from time to time; (Not applicable to the Company during the audit period) and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)
  - i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 (applicable to the Company to the extent of Compliance of Regulation 76)
- VI. As confirmed and certified by the management, there is no Sectoral law specifically applicable to the Company based on the Sectors /Businesses.

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

1. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
2. The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

AS per information provided to us, during the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above except as below:

#### **1. COMPOSITION OF BOARD:**

As per Regulation 17(1) of SEBI (LODR), 2015, the Composition of Board must contain at least 6 Directors. As per Corporate Governance Report for Quarter-1, there were five Directors in the Board Namely, 1. Shri. Yogesh Munjal, 2. Mr. Neeraj Munjal, 3. Mrs. Charu Munjal, 4. Mr. Sunil Chinubhai Vakil, 5. Mr. Anil Kumar Gupta (due to cessation of Mr. Bhagwan Dass Narang (Chairman & Independent Director) and Mrs. Jyothi Prasad (Independent Director) of the Company ceased to be Directors on the Board pursuant to SEBI Order WTH/SM/MIRSD/MIRSD -SEC-4- 26042/2023-24 dated 28th April, 2023.). Company was not in compliance with the requirements pertaining to the composition of the Board for the quarter ended June 2023. Further composition has completed as 02.07.2023 after appointing Ms. Neekita Batra. Furthermore there must be at least six directors in the company and in current scenario atleast 1/2 must be independent directors.

Further, the notice from BSE and NSE received on 21-08-2023, cost imposed by stock exchanges are as follows: 1. BSE-Rs. 218,300/- (Rupees Two Lakhs Eighteen Thousand Three Hundred Only/-) 2. NSE-Rs. 218,300/- (Rupees Two Lakhs Eighteen Thousand Three Hundred Only/-).

As per information provided to us the company has paid these cost (ie. fines/ penalties) on 16<sup>th</sup> of September, 2023 and 26<sup>th</sup> of September, 2023 respectively. Further also As per regulation 30 (6) read with para A of part A of Schedule III of SEBI (LODR), 2015 , Action taken by stock exchanges need to disclosure to stock exchanges, no intimation was given to stock exchanges.

#### **2. COMPOSITION OF NOMINATION AND REMUNERATION COMMITTEE (NRC):**

During the period starting from 28th April, 2023, due to cessation of office of \*Mr. Bhagwan Dass Narang (Chairman & Independent Director) and \*Mrs. Jyothi Prasad (Independent Director) of the Company ceased

to be Directors on the Board pursuant to SEBI Order WTH/SM/MIRSD/MIRSD -SEC-4- 26042/2023-24 dated 28th April, 2023. Following were the members of Nomination and remuneration Committee namely 1. Mr. Sunil Chinubhai Vakil and 2. Dr. Anil Kumar Gupta. As per requirement of Regulation 19 of SEBI (LODR), 2015, the Committee shall comprised at least three directors and all directors of the Committee shall be non-executive directors out of them at least two third (2/3) shall be independent directors.

Further as per minutes of the Nomination and remuneration committee meeting held on 25<sup>th</sup> of May, 2023 there were two Directors as members of Committee Namely 1. Mr. Sunil Chinubhai Vakil as Chairperson and Dr. Anil Kumar Gupta being Non-Executive Director as on date as member.

In Board meeting held on 25<sup>th</sup> of May, 2023, Mr. Yogesh Chander Munjal was appointed as new member of nomination and remuneration committee and designation of Dr. Anil Kumar Gupta was changed from non- executive to nonexecutive and independent director. So after new appointed and change in designation there were three members in Committee namely 1. Mr. Sunil Chinubhai Vakil as Chairperson, Dr. Anil Kumar Gupta as member and Mr. Yogesh Chander Munjal as member.

\* Mr. Bhagwan Das Narang, Din- 00826573 (Chairman & Independent Director) and Mrs. Jyothi Prasad, Din-06947488 (Independent Director) of the Company ceased to be Directors on the Board pursuant to SEBI Order WTH/SM/MIRSD/MIRSD -SEC-4-26042/2023-24 dated 28th April, 2023. Both ceased to act as director with effect from 28th of April, 2023. However intimation for their cessation was originally given on 9th May, 2023. Further as per our understanding intimation should be given with in specified as per regulation 30 (6) read with para A part A of Schedule II of Listing regulations.

#### **3. RECONCILIATION OF SHARE CAPITAL AUDIT REPORT:**

Reconciliation of Share Capital Audit Report for quarter ended 30th September, 2023 was filed on 1st of November, 2023. The last date of intimation was 30th October, 2023.

#### **4. DISCLOSURE OF RELATED PARTY TRANSACTIONS (RPTs):**

As per Regulation 23 (9) of SEBI (LODR), 2015, the Company is required to disclose RPTs on in every 6 Months basis within specified time from closure of board meeting in which financial were approved.

The Company has approved the half yearly financial statement on 9<sup>th</sup> of November, 2023. Disclosure should be given in specified time from 9th November,

2023 Board Meeting. Intimation was given on 15<sup>th</sup> of November, 2023.

As per information provide to us, Listed entity has paid cost (ie. Fine/penalty) for the same to both stock exchanges. Further also As per regulation 30 (6) read with para A of part A of Schedule III of SEBI (LODR), 2015 , Action taken by stock exchanges need to disclosure to stock exchanges, no intimation was given to stock exchanges.

**5. IN-PRINCIPLE APPROVAL UNDER REGULATION 28 (1) OF SEBI (LODR) REGULATIONS, 2015 READ WITH REGULATION 163 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018**

The Company has issued optionally convertible debentures on a private placement basis during the period under review, in principle approval from stock exchanges remains to be obtained.

The Listed Entity although applied for in-principle approval to BSE and NSE but both the stock exchanges asked for details of identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottees. The entity did not provide the requisite information to both the stock exchanges.

NSE has rejected the application. Further also As per regulation 30 (6) read with para A of part A of Schedule III of SEBI (LODR), 2015 , Action taken by stock exchanges need to disclosure to stock exchanges, no intimation was given to stock exchanges.

**6. CLOSURE OF TRADING WINDOW:** pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015:

For September, 2023 quarter, Closure of trading window intimation was given on 4th October, 2023, the last date of intimation was 30th September, 2023.

**7. INTIMATION UNDER REGULATION 29 OF SEBI (LODR), 2015:**

Prior intimation of Board Meeting held on 2nd of July, 2023 was not on time, the intimation was given on 29th of June, 2023. It should be given specified days in advance.

As per information provide to us, Listed entity has paid cost (ie. Fine/penalty) for the same to both stock exchanges. Further also As per regulation 30 (6) read with para A of part A of Schedule III of SEBI (LODR), 2015, Action taken by stock exchanges need to disclosure to stock exchanges, no intimation was given to stock exchanges.

**8. The Company has, during the year under review, filed various e-forms beyond the due dates and with additional fee (ad valorem cost) as detail**

**under:**

E-form MGT-7, E-form AOC-4XBRL, E-form MGT-14 for approval of financial statements and Board report for year ended 31<sup>st</sup> March, 2023, E-form DIR-12 filed for appointment of Yogesh Chand Munjal and Change in designation of Anil Kumar Gupta dated 25th May, 23, form filed on 06/20/2023, E-form MGT-14 for appointment of Secretarial Auditor for 23-24 and Company Secretary, DIR-12 for cessation of office of Bhagwan das and Jyoti Prasad, E-form CHG-9 filed vide SRN no. AA6099631, in relation to Non-Convertible Debentures, e-form CHG-9 filed vide SRN no. AA6099643, in relation to Optimally Convertible Debentures.

**9. MAINTENANCE AND DISCLOSURES ON WEBSITE:**

Followings has not been updated on website:

- I. Annual return (MGT-9) was not available for the period under review.
- II. Revision in credit rating was not updated, last updated on September 26, 2022.
- III. Disclosure under regulation 30 of SEBI (LODR), 2015.

**10. ADVERTISEMENT IN NEWSPAPERS:**

Public notice by way of advertisement in newspapers before sending notice of Annual general meeting and copies of the financial statements, etc., was not found in records.

- 11.** AS per records checked by us, Mrs. Charu Munjal was re-appointed as Whole-Time Director under section 196, 197 of the Companies Act, 2013 read with other provisions of Companies Act, 2013 including rules made thereunder, from 1<sup>st</sup> June, 2018 for a term of five years that ( i.e. from 1<sup>st</sup> June, 2018 till 31<sup>st</sup> may, 2023). From 1<sup>st</sup> June, 2023 onward, appropriate compliances and approval was not found in record as per required under section 196 of the companies Act, 2023 read with other provisions of the Companies Act, 2013 including rules made thereunder and read with SEBI LODR.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice for which necessary consents have been sought at the meeting, and a system

exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings were taken requisite Majority/unanimously.

We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the KMPs and taken on record by the Board of Directors at their meeting(s), we are of the opinion that management has adequate systems and processes commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

- I. During the period under review, the Company has increased its authorized share capital of the company from Rs. 25,00,00,000/- (Rupees Twenty-Five Crores) divided into 125000000 equity shares of Rs. 2/- (Rupees Two) each to Rs.30,00,00,000/- (Rupees Thirty Crores only) divided into 150000000 equity shares of Rs.2/- (Rupees Two) each ranking pari-passu with the existing equity shares in the Company.
- II. Private Placement of Non-convertible debentures as 1. Series A Debentures: 250 (Two Hundred Fifty) Unrated, Unlisted, Secured, Redeemable Non-Convertible Debentures of the Company of INR 10,00,000 (Rupees

ten lakhs only) each for a total consideration of INR.25,00,00,000 (Rupees Twenty Five Crores only); 2. Series B Debentures: 250 (Two Hundred Fifty) Unrated, Unlisted, Secured, Redeemable Non-Convertible Debentures of the Company of INR 10,00,000 (Rupees ten lakhs only) each for a total consideration of INR.25,00,00,000 (Rupees Twenty Five Crores only); and 3. Series C Debentures: 300 (Three Hundred) Unrated, Unlisted, Secured, Redeemable Non-Convertible Debentures of the Company of INR 10,00,000 (Rupees ten lakhs only) each for a total consideration of INR.30,00,00,000 (Rupees Thirty Crores only).

- III. Private placement of optionally convertible debentures 250 (Two Hundred Fifty) Unlisted Secured Optionally Convertible Debentures of the Company of INR 10,00,000 (Rupees ten lakhs only) each for a total consideration of INR 25,00,00,000 (Rupees twenty five crores only)

**For Yogesh K & Associates  
(Company Secretaries)**

**Place: New Delhi  
Date: 12<sup>th</sup> August, 2024**

**CS Yogesh Kumar  
Proprietor  
M. No. A60866  
C.P. No. 23576  
PR 4659/2023  
UDIN: A060866F000952790**

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

To,  
The Members  
**Shivam Autotech Limited**

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

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

**For Yogesh K & Associates  
(Company Secretaries)**

**Place: New Delhi  
Date: 12<sup>th</sup> August, 2024**

**CS Yogesh Kumar  
Proprietor  
M. No. A60866  
C.P. No. 23576  
PR 4659/2023  
UDIN: A060866F000952790**



**I. Information as per Section 197 of the Companies Act, 2013 read with Rule 5 (1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Board's Report for the year ended March 31, 2024.**

- a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2023-24:**

Executive Directors	Ratio
Mr. Neeraj Munjal	40.43
Mrs. Charu Munjal	18.50

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

- b. The percentage increase/decrease in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year 2023-24:**

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase/decrease
Mr. Neeraj Munjal	0.00%
Mrs. Charu Munjal	0.00%
Mr. Devendra Kumar Goyal	0.00%
Mr. Shakti Mahana	0.00%

- c. The percentage increase in the median remuneration of employees in the financial year 2023-24: 10.02%**
- d. The number of permanent employees on the rolls of Company as on March 31, 2024: 803**
- e. Average percentile increase/decrease already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase/decrease in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average percentile increase in the salaries of employees was around 2-3% after accounting for promotions and other event based compensation revisions and there is no increase in the managerial remuneration for the year.

The Company gives general increase to all its permanent workers after every three years as per the practice followed by the Company after making wage agreements with its union for three years. Apart from this the Company gives 3 to 5 percent every year on the basis of the individual employee's performance.

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

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

**II. The Statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is as mentioned below:**

- a. Details of the Employees, who were in receipt of remuneration aggregating Rs. 1,02,00,000 or more per annum.**

S. No	Name	Designation	Nature of employment	Remuneration (Rs. in Lacs)	Qualification & Experience (Yrs)	Age (Yrs)	Date of Commencement of Employment	Previous Employment & Designation	Shareholding
1.	Mr. Neeraj Munjal	Managing Director	Director	176.06	B.Com & DIBM 32 years	57	01.04.2006	Munjal Auto Industries Ltd. <b>Executive Director</b>	Nil

Notes:

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

**b. Details of top ten employee except Executive Directors**

S. No	Name	Designation	Remuneration Received	Nature of employment (whether contractual or otherwise)	Qualification	Experience (in years)	Date of Commencement of employment	Age (In years)	Previous employment held by the employee before joining the company
1	SURESH KUMAR	AVP	5,223,120	Permanent	BE-Mechinical & Diploma	30 yrs	8/25/2010	50	Sata Vikash India Pvt. Ltd
2	RAJESH KUMAR SRIVASTAVA	Asst. Vice President	4,800,792	Permanent	Diploma (R-Elect-1986)	17 yrs	4/2/2007	56	Raunaq Automotive Components Ltd
3	ANKITA	Asst. General Manager	4,713,888	Permanent	Diploma & MBA	21 yrs	4/1/2006	40	Sunrise Automotive Ltd
4	SANJEEV GOEL	General Manager	4,025,928	Permanent	B.Tech-Mechinical & Diploma	37.5 yrs	3/1/2000	54	Amtek Auto Ltd.
5	DEVENDRA KUMAR GOYAL	CFO	3,500,004	Permanent	Chartered Accountant	16.5 yrs	20/12/2022	16.5	Essel Infra Group
6	AJAY KUMAR SINGH	Dy. General Manager	3,006,060	Permanent	Diploma (R-Mech 97) B.S.(WI-Engg.Tech-09)	22.5 yrs	12/11/2001	47	Sterling Tools Ltd
7	KAMAL SHARMA	Asst. General Manager	2,987,640	Permanent	Dip Mech	35.5 yrs	2/7/2000	55	Escorts Ltd
8	SUBHASH SINGH NEGI	Dy. General Manager	2,972,196	Permanent	PGDM-OPERATIONS, DIP IN MECH.	30.5 yrs	3/13/2018	53	Kafila Forge Ltd.
9	NARESH VASUDEO CHATURVEDI	Dy. General Manager	2,848,368	Permanent	BE-Mechinical	32.5 yrs	9/29/2009	58	Avtec Ltd.
10	RAVI KANT PANDEY	Asst. General Manager	2,614,008	Permanent	12th 1991 B.Tech-1197	10.4 yrs	1/27/2014	50	Nbc Bearing, Jaipur

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

*(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,

The Members of

Shivam Autotech Limited

CIN: L34300HR2005PLC081531

10, 1st Floor, Tower A, Emaar Digital Greens,

Sector 61, Golf Course Extension Road,

Gurugram, Haryana-122102

We have examined the following documents:

- i) Declaration of non-disqualification as required under Section 164 of Companies Act, 2013 ('the Act');
  - ii) Disclosure of concern or interests as required under Section 184 of the Act;
- (hereinafter referred to as 'relevant documents')

as submitted by the Directors of Shivam Autotech Limited ('the Company') bearing CIN: L34300HR2005PLC081531 and having its registered office at 10, 1st Floor, Tower A, Emaar Digital Greens, Sector 61, Golf Course Extension Road, Gurugram, Haryana-122102 to the Board of Directors of the Company ('the Board') for the Financial Year ended 31st March, 2024 and relevant registers, records, forms and returns maintained by the Company and as made available to us for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We have considered non-disqualification to include non-debarment by Regulatory/ Statutory Authorities. It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Act.

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on the basis of our verification.

Based on our examination as aforesaid and such other verifications carried out by us as deemed necessary and adequate (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)), in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorized representatives, we hereby certify that none of the Directors on the Board of the Company, as listed hereunder for the Financial Year ending 31st March, 2024, have been debarred or disqualified from being appointed or continuing as Directors of Companies by Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Neeraj Munjal	00037792	29.07.2005
2.	Mrs. Charu Munjal	03094545	28.05.2013
3.	Mr. Yogesh Chander Munjal	00003491	25.05.2023
4.	Mr. Sunil Chinubhai Vakil	02527630	21.12.2020
5	Dr. Anil Kumar Gupta	02643623	25.05.2023
6	Dr. Neetika Batra	10219725	02.07.2023

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the Financial Year ended 31st March, 2024.

**Place: New Delhi**

**Date: 12 August, 2024**

**For Yogesh K & Associates  
Company Secretaries**

Sd/-

**CS Yogesh Kumar  
(Proprietor)**

**M. No. A60866**

**C.P. No. 23576**

**PR 4659/2023**

**UDIN: A060866F001057774**

# Auditors' Report

## To the Members of Shivam Autotech Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying Financial Statements of **Shivam Autotech Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the Financial Statements including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013, ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and its loss and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

#### Emphasis of Matter

We draw attention to:

1. Note 7 in the financial statements regarding management judgment for determining deferred tax assets and minimum alteration tax (MAT) credit entitlements of Rs.1989.25 Lakhs and Rs.1117.56 Lakhs respectively for earlier years which is available to the Company on the assumption that there will be sufficient future taxable profits. As a matter of prudence, deferred tax assets have been recognized till March 31, 2021. Deferred tax assets have not been recognized for year ended March 31, 2024.

2. Note 10.1 in the financial statements regarding booking of material consumption and accounting impact of physical verification more fully explained in the said note.

Our opinion is not modified in respect of above matters.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility & Sustainability Report and Report on Corporate Governance and Shareholder's information, but does not include the Financial Statements and our auditor's report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive loss, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for

preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, two of the directors are disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to the Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to the Financial Statements.
- g) With respect to the Other Matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended in our opinion and to the best of our information and according to the explanation given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at March 31, 2024 on its financial position in its Financial Statements. Refer note 31 to the Financial Statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company amounting to Rs.9.11 Lakhs and Rs.6.71 Lakhs pertaining to financial year 2014-2015 and 2015-2016 respectively.
  - iv. (a) The Management has represented to us that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) Management has represented to us that, to the best of its knowledge and belief no funds have been received by the Company from any person(s) or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (c) Based on our audit procedure conducted that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that cause us to believe that the representation under sub-clause (i) and (ii) of Rule 11 (e), as provided under (a) & (b) above, contain any material misstatement.
  - (v) In our opinion, and according to the information and explanations given to, the Company has not declared and paid dividend during the year. Hence, the provisions of Section 123 to the Act are not applicable to the Company and have not been commented upon.
  - (vi) Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all the transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.
- As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 01, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rule, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For **NSBP & Co.**  
Chartered Accountants  
Firm's Registration Number: 001075N

**Subodh Kumar Modi**  
Partner

Place: New Delhi  
Date: May 27, 2024

Membership Number: 093684  
UDIN: 24093684BKEDAY7105

## Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of of Shivam Autotech Limited of even date)

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all Property, Plant and Equipment are verified in a phased manner over a period of three years which is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the Financial Statements are held in the name of the Company.
- (d) According to the information and explanation given to us and on the basis of our examination

of the records of the Company, the Company has not revalued its Property, Plant and Equipment or Intangible Assets or both during the year.

- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii. (a) The inventory has been physically verified by the management during the year. In our opinion, the coverage and the procedure of such verification by the management is appropriate. Discrepancies of 10% or more in aggregate were noticed in Finished Goods of Rs.51.54 Lakhs, Semi-Finished Goods of Rs.206.64 lakhs and Other Scrap & Stores of Rs.231.30 lakhs on such physical verification and have been properly dealt with in the books of account.
- (b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of rupees five crores, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are not in agreement with the books of accounts of the Company and the details are as follows:

Rs. In Lakhs

Quarter ended	Value per books of account	Value per quarterly return/ statement	Difference	Reason for discrepancies
June 30, 2023	11,277.53	11,250.32	27.21	The Company has not claimed Drawing Power (DP) on certain current assets. DP is calculated as per norms of the Lenders.
September 30, 2023	12,681.36	12,681.86	(0.50)	
December 31, 2023	12,039.98	12,039.98	-	
March 31, 2024	10,829.70	12,407.24	(1,577.54)	Drawing Power (DP) Statement was submitted on March 25, 2024 based on provisional financial statements.

- iii (a) During the year, the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.

- (b) During the year, the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.

- (c) The Company has not granted loans and advances in the nature of loans to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.
- (d) The Company has not granted loans and advances in the nature of loans to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company
- (e) The Company has not granted loans and advances in the nature of loans to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liabilities Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- iv. There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable. Accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- v. The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of

sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to its products and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

- vii. a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have not generally been regularly deposited by the Company with the appropriate authorities though the delays in deposits have not been serious in nature.

According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Gross Amount in dispute (in Rs. lakhs)	Amount deposited (in Rs lakhs)	Period to which the amount relates	Forum where dispute is pending
Haryana Value Added Tax, 2003	Non-Submission of Form F	126.07	-	2015-16	Joint Excise and Taxation Commissioner (Appeals), Haryana
Haryana Value Added Tax, 2003	Non-Submission of Form F	116.07	-	2016-17	Joint Excise and Taxation Commissioner (Appeals), Haryana
Karnataka Value Added Tax, 2003	Non-Submission of Form F	110.49	26.76	2016-17	Commercial Tax Officer, (Audit), Kolar
The Goods & Service Tax Act 2017	Output Tax Liability	44.14	-	2019-2022	Excise and Taxation officer of state, Haryana
Haryana Value Added Tax, 2003	Non-Submission of Form C & F	87.67	-	2016-17	Joint Excise and Taxation Commissioner (Appeals), Haryana
Haryana Value Added Tax, 2003	Non-Submission of Form C & F	82.78	-	2017-18	Joint Excise and Taxation Commissioner (Appeals), Haryana



Name of the statute	Nature of the dues	Gross Amount in dispute (in Rs. lakhs)	Amount deposited (in Rs lakhs)	Period to which the amount relates	Forum where dispute is pending
The Goods & Service Tax Act 2017	Interest on delayed in payment of GST	92.04	1.42	2017-18 To 2022-23	Excise and Taxation officer of state, Haridwar, Uttarakhand
Karnataka Value Added Tax, 2003	Non-Submission of Form F	36.32	15.92	2017-18	Commercial Tax Officer, (Audit), Kolar
The Employees Provident Fund Act & Misc. Provision Act, 1952	PF Liability	70.00	70.00	2015-17	Central Government Industrial Tribunal, Lucknow
Income Tax Act, 1962	TDS defaults	5.51	-	From 2008 onwards	TDS-CPC

viii. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

- ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) Term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, prima facie, we report that that fund raised on short-term basis to the extent of Rs.7417.26 Lakhs have been used for long term purposes mainly due to losses in earlier years.
- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.
- x. (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has complied with provisions of sections 42 and 62 of the Companies Act, 2013

in respect of optionally convertible debentures during the year. The amount raised, have been used for the purposes for which the funds were raised except for idle/surplus funds amounting to Rs.300.00 Lakhs which were not required for immediate utilization, and which have been gainfully invested in fixed deposits. The maximum amount of idle/surplus funds invested during the year was Rs.300.00 Lakhs of which Rs.300.00 Lakhs was outstanding at the end of the year.

- xi. (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order is not applicable to the Company.
- xiii. Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv. (a) The Company has an internal audit system commensurate with the size and nature of its business.

- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) In our opinion and based on the representation received from the management, there is no Core Investment Company as a part of the Group as defined in the Core Investment Companies (Reserve Bank) Directions, 2016, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has incurred cash losses of Rs.1046.37 lakhs in the current financial year and Rs. Nil in the previous financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- xix. On the basis of the financial ratios disclosed in note no.44 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) The provisions of Section 135 to the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) The provisions of Section 135 to the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

For **NSBP & Co.**  
Chartered Accountants  
Firm's Registration Number: 001075N

**Subodh Kumar Modi**  
Partner

Place: New Delhi  
Date: May 27, 2024

Membership Number: 093684  
UDIN: 24093684BKEDAY7105

## ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Shivam Autotech Limited of even date)

We have audited the internal financial controls with reference to the financial statements of **Shivam Autotech Limited** (“the Company”) as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management’s Responsibility for Internal Financial Controls

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

### Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness! Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control

based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to the financial statements.

### Meaning of Internal Financial Controls with reference to the financial statements

A company’s internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to financial statements includes those policies and procedures that (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls with reference to the financial statements

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

### Qualified Opinion

According to the information and explanations given to us and based on our audit, the following control weaknesses have been identified with reference to the financial statements as at March 31, 2024:

- i. The Company’s internal control in respect of booking of material consumption, booking of proper inventory and reconciliation of old stock lying with third party and allocation of fixed and variable overheads on product costing periodically, were not operating

effectively during the current financial year to arrive at the correct value of stock including physical inventory, which could potentially result in misstatement of value of inventories and cost of goods sold as on March 31, 2024.

In view of this, the management has conducted physical verification of inventories as on March 31, 2024, and has also done reconciliation of consumption etc. in order to arrive at the correct value of inventories and cost of goods sold as on March 31, 2024. The discrepancies observed on such verification have been appropriately accounted for in the financial statements.

- ii. The Company's internal control in respect of vendors/ customers reconciliation process were not effectively operating during the current financial year. The management is in process of improving the vendors/ customers reconciliation process and frequency of the reconciliation with vendors/ customers.

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting with reference to these financial statements as of March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for

the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting with reference to these financial statements were operating effectively as of March 31, 2024.

#### **Explanatory Paragraph**

We have also audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ("ICAI"), as specified under Section 143(10) of the Act, the financial statements of the Company, which comprise the balance sheet as at March 31, 2024, and the statement of profit and loss, statement of changes in equity and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information. The material weaknesses given above were considered in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company and this report does not affect our report dated May 27, 2024, which expressed an unmodified opinion on these financial statements.

For **NSBP & Co.**  
Chartered Accountants  
Firm's Registration Number: 001075N

**Subodh Kumar Modi**  
Partner

Place: New Delhi  
Date: May 27, 2024

Membership Number: 093684  
UDIN: 24093684BKEDAY7105

# BALANCE SHEET AS AT MARCH 31, 2024

(All amounts are in lakhs unless otherwise stated)

	Note	As at March 31, 2024	As at March 31, 2023
<b>A) ASSETS</b>			
<b>1) Non - current assets</b>			
(a) Property, plant and equipment	4	32,536.95	35,687.42
(b) Right of use assets	5.1	426.18	511.71
(c) Capital work in progress	5.3	288.48	79.07
(d) Intangible assets	4	23.53	24.93
(e) Financial assets	6		
Other financial assets	6	1,837.00	1,127.97
(f) Deferred tax assets (net)	7	3,106.81	3,483.31
(g) Income tax assets (net)	8	216.08	260.84
(h) Other non - current assets	9	217.91	297.65
<b>Total non-current assets</b>		<b>38,652.94</b>	<b>41,472.90</b>
<b>2) Current assets</b>			
(a) Inventories	10	7,833.10	7,898.17
(b) Financial assets	11		
(i) Trade receivables	11.1	8,527.30	9,346.69
(ii) Cash and cash equivalents	11.2	60.68	5,792.45
(iii) Bank Balances other than (ii) above	11.3	15.10	24.83
(iv) Loans	11.4	35.16	30.58
(v) Others	11.5	150.73	51.36
(c) Other current assets	12	1,193.07	997.44
<b>Total current assets</b>		<b>17,815.14</b>	<b>24,141.52</b>
<b>Total Assets</b>		<b>56,468.08</b>	<b>65,614.42</b>
<b>B) EQUITY AND LIABILITIES</b>			
<b>1) EQUITY</b>			
(a) Equity share capital	13	2,444.44	2,444.44
(b) Other equity	13.1	3,114.88	8,012.97
<b>Total equity</b>		<b>5,559.32</b>	<b>10,457.41</b>
<b>2) LIABILITIES</b>			
<b>Non - current liabilities</b>			
(a) Financial liabilities	14		
i) Borrowings	14.1	17,878.51	21,514.18
ii) Lease Liabilities	5.2	463.83	533.15
(b) Provisions	15	662.75	464.95
(c) Other non-current liabilities	16	21.82	22.73
<b>Total non-current liabilities</b>		<b>19,026.91</b>	<b>22,535.01</b>
<b>Current liabilities</b>			
(a) Financial liabilities	17		
(i) Borrowings	17.1	20,475.30	20,598.74
(ii) Trade payables	17.2		
- Total outstanding dues of micro and small enterprises		1,515.88	1,546.55
- Total outstanding other than (as above)		4,014.82	5,910.81
(iii) Lease Liabilities	5.2	141.48	141.48
(iv) Other financial liabilities	17.3	4,081.01	2,770.70
(b) Other current liabilities	18	1,619.44	1,597.85
(c) Provisions	19	33.92	55.87
<b>Total current liabilities</b>		<b>31,881.85</b>	<b>32,622.00</b>
<b>Total Equity &amp; Liabilities</b>		<b>56,468.08</b>	<b>65,614.42</b>
Corporate Information	1		
Basis of preparation of financial statement	2		
Material accounting policies	3		
The accompanying notes 1 to 49 forms an integral part of the financial statement.			

As per report of even date

**For NSBP & Co.**

Chartered Accountants

Firm Regn. No. 001075N

Sd/-

**Subodh Kumar Modi**

Partner

Membership Number: 093684

Place : New Delhi

Dated : May 27, 2024

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

**Shivam Autotech Limited**

Sd/-

**Neeraj Munjal**

Managing Director

DIN : 00037792

Sd/-

**Devendra Kumar Goyal**

Chief financial Officer

PAN No. AGNPG1981F

Sd/-

**Charu Munjal**

Whole Time Director

DIN: 03094545

Sd/-

**Shakti Kant Mahana**

Company Secretary

M No A69273

Place : Gurugram

Dated: May 27, 2024

# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in lakhs unless otherwise stated)

	Note	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Income</b>			
Revenue from Operations	20	46,966.42	47,035.96
Other Income	21	394.19	286.66
<b>Total Income</b>		<b>47,360.61</b>	<b>47,322.62</b>
<b>EXPENSES:</b>			
Cost of materials consumed	22	18,409.30	17,911.66
Changes in inventories of finished goods and Work in Progress	23	(227.79)	338.37
Consumptions of Stores & Spares		4,242.75	4,013.73
Job work charges		2,115.90	1,899.47
Employee benefit expenses	24	5,744.03	5,635.69
Finance cost	25	5,770.35	4,989.96
Depreciation and amortization expenses	26	3,595.70	3,523.45
Other expenses	27	12,352.43	12,293.73
<b>Total Expenses</b>		<b>52,002.67</b>	<b>50,606.06</b>
Profit/(Loss) before exceptional item and tax		(4,642.06)	(3,283.44)
Exceptional Item		-	-
<b>Profit/(Loss) before tax</b>		<b>(4,642.06)</b>	<b>(3,283.44)</b>
<b>Tax expense:</b>	28		
a) Current tax		-	-
b) Deferred tax		-	-
c) MAT Credit Reversal		376.50	188.30
<b>Net Profit/(Loss) for the year after tax from continuing operations</b>		<b>(5,018.56)</b>	<b>(3,471.74)</b>
<b>Profit / (Loss) from discontinued operation after tax</b>		<b>-</b>	<b>-</b>
<b>Profit / (Loss) for the Year</b>		<b>(5,018.56)</b>	<b>(3,471.74)</b>
<b>Other comprehensive income</b>			
<b>Item that will not be reclassified to profit or loss</b>	29	(50.36)	74.42
Income tax relating to items that will not be reclassified to profit or loss	28	-	-
Items that will be reclassified to profit or loss	29	-	-
Income tax relating to items that will be reclassified to profit or loss	28	-	-
<b>Other comprehensive income for the year, net of tax</b>	28	<b>(50.36)</b>	<b>74.42</b>
<b>Total Comprehensive income for the year, net of tax</b>		<b>(5,068.92)</b>	<b>(3,397.32)</b>
<b>Earning per equity share (Face value of Rs 2/-each)</b>	30		
<b>For continuing operations</b>			
(1) Basic (In Rs)		(4.11)	(2.84)
(2) Diluted (In Rs)		(4.11)	(2.84)
Corporate Information	1		
Basis of preparation of financial statement	2		
Material accounting policies	3		
The accompanying notes 1 to 49 forms an integral part of the financial statement.			

As per report of even date

**For NSBP & Co.**

Chartered Accountants

Firm Regn. No. 001075N

Sd/-

**Subodh Kumar Modi**

Partner

Membership Number: 093684

Place : New Delhi

Dated : May 27, 2024

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

Sd/-

**Neeraj Munjal**

Managing Director

DIN : 00037792

Sd/-

**Devendra Kumar Goyal**

Chief financial Officer

PAN No. AGNPG1981F

Place : Gurugram

Dated: May 27, 2024

Sd/-

**Charu Munjal**

Whole Time Director

DIN: 03094545

Sd/-

**Shakti Kant Mahana**

Company Secretary

**M No A69273**

# STATEMENT OF CASH FLOW FOR THE YEAR ENDED ON MARCH 31, 2024

(All amounts are in lakhs unless otherwise stated)

	As at year ended March 31, 2024	As at year ended March 31, 2023
<b>A Cash flow from operating activities</b>		
<b>Net Profit Before Taxation and Exceptional activities</b>	(4,642.06)	(3,283.44)
<b>Adjustments for:</b>		
Depreciation & amortisation expense	3,595.70	3,523.45
Provision for Doubtful debts/Execpted Credit Loss	400.00	195.00
Profit/(Loss) on sale of Property, Plant & Equipment	(14.05)	4.79
Fixed assets disposed off	-	-
Government Grant	(0.91)	(0.91)
Interest income on deposits	(59.71)	(24.37)
Finance Cost	5,770.35	4,989.96
<b>Operating profit before working capital changes</b>	<b>5,049.32</b>	<b>5,404.48</b>
<b>Adjustment for working capital changes:</b>		
(increase)/decrease in trade receivables	419.39	(1,251.16)
(increase)/decrease in inventories	65.06	1,060.24
increase/ (decrease) in trade payable	(1,926.66)	55.75
(increase)/decrease in loans & advances/ Other current and non current assets	(1,034.54)	459.18
increase/ (decrease) in current and non current liabilities & provisions	675.80	572.96
<b>Cash from operations</b>	<b>3,248.37</b>	<b>6,301.45</b>
Direct taxes (paid)/ refund (net)	44.69	179.29
<b>Net cash from operating activities</b>	<b>3,293.06</b>	<b>6,480.74</b>
<b>B Cash flow from investing activities</b>		
Purchase of Property, Plant & Equipment including capital work in progress & Capital Advances	(584.90)	(141.69)
Proceeds from sale of Property, Plant & Equipment	95.84	21.25
Interest received on deposits	59.71	24.37
<b>Net cash used in investing activities</b>	<b>(429.35)</b>	<b>(96.07)</b>
<b>C Cash flow from financing activities</b>		
Proceeds from right issue of Equity Shares	-	-
Proceeds from/(repayment of) from short term borrowings (net)	(3,457.42)	3,484.20
Proceeds from/(repayment of) of long term borrowings (net)	(62.03)	573.08
Repayment of Lease Liabilities	(69.33)	(63.52)
Interest paid	(5,006.70)	(4,695.00)
<b>Net cash used in financing activities</b>	<b>(8,595.48)</b>	<b>(701.24)</b>
<b>Net (decrease)/increase in cash or cash equivalents</b>	<b>(5,731.77)</b>	<b>5,683.44</b>
Cash or cash equivalents at beginning of the year	5,792.45	109.01
<b>Cash or cash equivalents at the end of the year</b>	<b>60.68</b>	<b>5,792.45</b>
Note:		
1) Previous year figures have been regrouped/restated wherever considered necessary		
2) Figures in bracket represents cash outflow		
3) The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (IND AS-7) 'Statement of Cash Flow'.		
<b>Components of cash and cash equivalents as at</b>		
<b>Cash and cash equivalents:</b>		
Cash and cash equivalents	60.68	5,792.45
<b>Cash and cash equivalents</b>	<b>60.68</b>	<b>5,792.45</b>

# STATEMENT OF CASH FLOW FOR THE YEAR ENDED ON MARCH 31, 2024

(All amounts are in lakhs unless otherwise stated)

## 4) Changes in liabilities arising from financing activities (FY 2023-24)

Particulars	As at April 01, 2023	Cash Flows	Ind as adjustment	As at the end March 31, 2024
Non-Current Borrowings	24,829.64	(62.03)	(239.66)	<b>24,527.95</b>
Current Borrowings	17,283.28	(3,457.42)	-	<b>13,825.87</b>

## 4) Changes in liabilities arising from financing activities (FY 2022-23)

Particulars	As at April 01, 2022	Cash Flows	Ind as adjustment	As at the end March 31, 2023
Non-Current Borrowings	24,324.56	573.08	(68.00)	<b>24,829.64</b>
Current Borrowings	13,799.08	3,484.20	-	<b>17,283.28</b>

Corporate Information

1

Basis of preparation of financial statement

2

Material accounting policies

3

The accompanying notes 1 to 49 forms an integral part of the financial statement.

As per report of even date

**For NSBP & Co.**

Chartered Accountants

Firm Regn. No. 001075N

Sd/-

**Subodh Kumar Modi**

Partner

Membership Number: 093684

**Place** : New Delhi

**Dated** : May 27, 2024

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

Sd/-

**Neeraj Munjal**

Managing Director

DIN : 00037792

Sd/-

**Devendra Kumar Goyal**

Chief financial Officer

PAN No. AGNPG1981F

**Place** : Gurugram

**Dated**: May 27, 2024

Sd/-

**Charu Munjal**

Whole Time Director

DIN: 03094545

Sd/-

**Shakti Kant Mahana**

Company Secretary

**M No A69273**



# STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in lakhs unless otherwise stated)

## A Equity Share capital

Balance of Equity Share Capital	Balance As at March 31, 2024	Changes during the year	Balance As at March 31, 2023	Changes during the year	Balance As at March 31, 2022
Equity shares of Rs. 2/- each issued, subscribed and fully paid up	2,444.44	-	2,444.44	-	2,444.44

## B Other Equity

	Reserves and Surplus					Other comprehensive income	Total
	Capital Redemption Reserve	General Reserve	Retained earnings	Equity Component	Security Premium	Actuarial loss/gain on defined benefit obligation	
<b>Balance As at March 31, 2022</b>	<b>5.00</b>	<b>5,068.62</b>	<b>2,627.88</b>	-	<b>3,555.56</b>	<b>153.23</b>	<b>11,410.29</b>
Losses of the year			(3,471.74)				(3,471.74)
Other Comprehensive Income (net of Income tax)						<b>74.42</b>	74.42
Change during the Year	-	(0.02)	0.02		-		-
<b>Balance As at March 31, 2023</b>	<b>5.00</b>	<b>5,068.60</b>	<b>(843.84)</b>	-	<b>3,555.56</b>	<b>227.65</b>	<b>8,012.97</b>
Losses of the year			(5,018.56)				(5,018.56)
Other Comprehensive Income (net of Income tax)						<b>(50.36)</b>	(50.36)
Change during the Year	-	(0.03)	0.03	170.84	-		170.84
<b>Balance As at March 31, 2024</b>	<b>5.00</b>	<b>5,068.57</b>	<b>(5,862.37)</b>	<b>170.84</b>	<b>3,555.56</b>	<b>177.29</b>	<b>3,114.88</b>

The description of the nature and purpose of each reserve within equity is as follows:

- Capital redemption reserve was created consequent to redemption of preference share capital, as required under the provisions of the Companies Act, 1956. This reserve shall be utilised in accordance with the provisions of the Companies Act, 2013.
  - General reserve represents the statutory reserve, this is in accordance with Indian corporate law wherein a portion of profit is appropriated to general reserve. Under the erstwhile Companies Act, 1956, it was mandatory to transfer the amount before a company can declare a dividend, however under the Companies Act, 2013, transfer of any amount to general reserve is at the discretion of the company.
  - Retained earnings represents undistributed profits of the Company which can be distributed to its equity shareholders in accordance with the requirement of the Companies Act, 2013.
  - Securities Premium was credited when Right shares were issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus Shares to provide for premium on redemption of shares, write-off equity related expenses like underwriting cost etc.
  - Other Comprehensive Income (OCI) represent the balance in equity for items to be accounted in OCI. OCI is classified into (i) items that will not be reclassified to statement of profit and loss, and (ii) items that will be reclassified to statement of profit and loss.
  - The Board of Directors in its meeting held on August 14, 2023 considered and approved the issue of Optionally Convertible Debentures on a Private Placement. Further, pursuant to the provisions of Sections 23, 42, 62(1)(c) and all other applicable provisions, and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (including any statutory modification(s) of re-enactments thereof for the time being in force on the terms and conditions as may be determined by the Board, a total amount of up to Rs. 25 crores (Rupees Twenty-Five Crores) by way of offer, issue and allot, on a preferential basis, by way of private placement up to 250 (Two Hundred Fifty) Secured Optionally Convertible Debentures ("OCDs") having face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each to India Credit Opportunities Fund II, a category II alternate investment fund, with its investment manager being Modulus Alternatives Investment Managers Limited (formerly known as Centrum Alternative Investment Managers Limited). The Investor has right entitled to exercise the conversion rights associated with OCDs at any time until the expiry of 18 (eighteen) months from the date of allotment of the OCDs in 1 (one) or more tranches but no later than 15 days prior to the expiry of 18 (eighteen) months from the date of allotment of the OCDs.
- Corporate Information 1  
Basis of preparation of financial statement 2  
Significant accounting policies 3
- The accompanying notes 1 to 49 forms an integral part of the financial statement.

As per report of even date

**For NSBP & Co.**

Chartered Accountants  
Firm Regn. No. 001075N

**Sd/-**

**Subodh Kumar Modi**

Partner  
Membership Number: 093684

**Place** : New Delhi

**Dated** : May 27, 2024

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

**Sd/-**

**Neeraj Munjal**

Managing Director  
DIN : 00037792

**Sd/-**

**Devendra Kumar Goyal**

Chief financial Officer  
PAN No. AGNPG1981F

**Sd/-**

**Charu Munjal**

Whole Time Director  
DIN: 03094545

**Sd/-**

**Shakti Kant Mahana**

Company Secretary  
**M No A69273**

**Place** : Gurugram

**Dated**: May 27, 2024

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in lakhs unless otherwise stated)

## 1 Corporate Information

Shivam Autotech Limited (the 'Company') was established in the year 1999, and was initially known as Munjal Auto Components till July, 2005. The Company got converted to a separate Public Limited Company w.e.f. 29th July, 2005. In pursuant to the scheme of Demerger & arrangement, the Gurgaon Unit was transferred to Shivam Autotech Limited on 1st August, 2005. The Company has been engaged in the manufacturing of Near-Net- Shaped, auto transmission components mainly for Original Equipment Manufacturers (OEMs). The product range includes various types of transmission gears, transmission shafts, spline shafts, plunger, power train components, and employing cold/warm/hot forging techniques. The Company has four state-of-the-art manufacturing facilities, located at Gurrgram, Haridwar, Bengaluru & Rohtak. The Company is listed on the National Stock Exchange and Bombay Stock Exchange of India. These financial statements are presented in Indian Rupees (Rs.).

## 2 Basis of preparation

### a) Statement of compliance

The Financial Statements have been prepared in accordance with Indian Accounting Standards (IND AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and relevant provisions of the Companies Act, 2013. The Financial Statements comply with IND AS notified by Ministry of Company Affairs ("MCA"). The Company has consistently applied the accounting policies used in the preparation for all periods presented.

These financial statements are approved and adopted by board of directors of the Company in their meeting held on Monday, 27 May 2024.

### b) Basis of preparation

The financial statements have been prepared accrual basis on historical cost convention, except as stated otherwise.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

### c) Functional and presentation currency

The financial statements are presented in Indian National Rupee ('INR'), which is the Company's functional currency. All amounts have been rounded to lakhs upto two decimal places, unless otherwise indicated.

### d) Operating cycle

All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services provided and time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

### e) Use of judgments and estimates

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent liabilities and contingent assets at the date of financial statements, income and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

Application of accounting policies that require critical accounting estimates and assumption judgments having the most significant effect on the amounts recognized in the financial statements are:

- Measurement of defined benefit obligations;
- Recognition of deferred tax assets & MAT credit entitlement;
- Useful life and residual value of Property, plant and equipment and intangible assets;
- Impairment test of financial and non-financial assets;
- Recognition and measurement of provisions and contingencies;
- Fair value measurement of financial instruments;

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in lakhs unless otherwise stated)

## 3 Material Accounting Policies

The Company has consistently applied the following accounting policies to all periods presented in the financial statements.

### a) Property, plant and equipment

#### i) Recognition and measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, and any directly attributable cost of bringing the asset to working condition for its intended use.

General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalized as part of the cost.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. The cost of replacing part of an item of property, plant and equipment or major inspections performed, are recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of all other repairs and maintenance are recognized in the statement of profit & loss as incurred.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

An item of property, plant and equipment is derecognized when no future economic benefit are expected to arise from the continued use of the asset or upon disposal. Any gain or loss on disposal of an item of property, plant and equipment is recognized in statement of profit or loss.

#### Subsequent Expenditure

Subsequent expenditures relating to property, plant and equipment is capitalized

only when it is probable that future economic benefits associated with these will flow to the company and the costs of the item can be measured reliably. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the Property, Plant and Equipment and the resultant gain or losses are recognized in the statement of profit and loss.

#### ii) Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values, and is recognized in the statement of profit and loss. Depreciation on property, plant and equipment is provided on Straight Line Method at the rates determined on the basis of useful life of the assets as prescribed in Schedule II of the Companies Act, 2013.

Useful Life as per Schedule II of Companies Act 2013 (in years)	
-Plant & Machinery	15
-Plant & Machinery- (Furnace)*	25
-Buildings	30
-Computers	3
-Office equipment	5
-Furniture & fixtures	10
-Vehicles	8
-Lease hold Improvements	Amortised over the period of lease

Depreciation on additions to or on disposal of assets is calculated on pro-rata basis i.e. from (upto) the date on which the property, plant and equipment is available for use (disposed off).

Property, Plant and Equipment individually costing below Rs. 5,000 are fully depreciated during the year they are put to use.

\*Change in life of Plant & Machinery (Furnace) from 15 Years to 25 Years w.e.f. 01st April, 2021

### b) Intangible assets

#### i) Recognition & measurement and amortization

Intangible Assets are recognized, if the future economic benefits attributable to the assets are expected to flow to the company and

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in lakhs unless otherwise stated)

cost of the asset can be measured reliably. All other expenditure is expensed as incurred. The same are amortized over the expected duration of benefits. Such intangible assets are measured at cost less any accumulated amortization and impairment losses, if any and are amortized over their respective individual estimated useful life on straight line method.

The estimated useful lives are as follows:

Computer Software- 4 years

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period and adjusted prospectively, if appropriate.

Intangible assets are tested for impairment when there are indications that the carrying value may not be recoverable. All impairment losses are recognised immediately in profit or loss.

An item of intangible asset is derecognised when no future economic benefit are expected to arise from the continued use of the asset or upon disposal.

Any gain or loss on disposal of an item of intangible assets is recognized in statement of profit or loss.

## c) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash flows are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units ('CGUs').

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss.

In respect of assets for which impairment loss has been recognized in prior periods, the company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

## d) Financial instruments

### i) Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at **fair value of the consideration received or receivable**. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

### ii) Subsequent measurement

#### (i) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. When the financial asset is derecognized or impaired, the gain

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in lakhs unless otherwise stated)

or loss is recognized in the statement of profit and loss.

## **(ii) Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit and loss.

When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit and loss. Equity instruments are subsequently measured at fair value. On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis. Fair value gains and losses recognized in OCI are not reclassified to profit and loss.

## **(iii) Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

## **(iv) Financial liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

## **iii) Impairment of financial assets**

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company recognizes a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

## **iv) Derecognition**

### **Financial Assets**

Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

### **Financial liabilities**

The company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

## **v) Reclassification of financial assets and financial liabilities**

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent.

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in lakhs unless otherwise stated)

The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

## vi) Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Derivative financial instruments are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each period. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, on the nature of the item being hedged. Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit or loss.

## vii) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

## e) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using other valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair values for measurement and/ or disclosure purposes are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

**Level 1** - This includes financial instruments measured using quoted prices.

**Level 2** - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. Derived from prices).

**Level 3** - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

## f) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities are not recognized but are disclosed in notes. Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

## g) Revenue Recognition

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

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in lakhs unless otherwise stated)

## i) Sale of goods-

Sales is accounted for upon dispatch of goods from the factory when the risks and rewards of ownership are transferred to the buyer.

Ind AS 115 provides for a five step model for the analysis of Revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the standard requires enhanced disclosures about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

## ii) Dividends

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

## iii) Insurance claim

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

## iv) Interest Income

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

## v) Government Grant & Subsidies

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

## h) Employee Benefits

### i) Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this

amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### ii) Defined contribution plans

Employees benefits in the form of the Company's contribution to Provident Fund, Family Pension scheme and Employees State Insurance are defined contribution schemes. The Company recognizes contribution payable to these schemes as an expense, when an employee renders the related service.

If the contribution payable exceeds contribution already paid, the deficit payable is recognized as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the reporting period. The Company recognize that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

### iii) Defined benefit plans

Retirement benefits in the form of gratuity are considered as defined benefit plans. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The company provides for its gratuity liability based on actuarial valuation of the gratuity liability as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary. The Company contributes to the gratuity fund, which are recognized as plan assets. The defined benefit obligation as reduced by fair value of plan assets is recognized in the Balance Sheet.

When the calculation results in a potential asset for the company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in lakhs unless otherwise stated)

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognized in statement of profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in statement of profit or loss. The company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

#### iv) Other long-term employee benefits

Employee benefits in the form of long term compensated absences are considered as long term employee benefits. The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognized in profit or loss in the period in which they arise.

The liability for long term compensated absences are provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

#### i) Valuation of inventories

- i) Finished goods are valued at lower of cost or net realizable value. Scrap is valued at net realizable value. cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. cost of Finished goods includes excise duty.

- ii) Work in progress is valued at raw material cost including proportionate production overheads.
- iii) Stores, spares and raw materials are valued at lower of cost or net realizable value. However materials & other items held for use in the production of inventories are not written below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. cost of purchases is assessed on first in first out (FIFO) method.
- iv) 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.

#### j) Foreign Exchange Transactions / Translations / Hedge Accounting

Standalone financial statements have been presented in Indian Rupees (₹), which is the Company's functional and presentation currency.

- Initial recognition

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction.

- Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

- Exchange differences

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).



# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in lakhs unless otherwise stated)

## k) Borrowing costs

Borrowing costs are interest and other ancillary costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. General and specific borrowing costs attributable to acquisition and construction of any qualifying asset (one that takes a substantial period of time to get ready for its designated use or sale) are capitalized until such time as the assets are substantially ready for their intended use or sale, and included as part of the cost of that asset. All the other borrowing costs are recognized in the Statement of Profit and Loss within Finance costs of the period in which they are incurred.

## l) Income tax

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in Other Comprehensive Income

### i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year after taking credit of the benefits available under the Income Tax Act and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if, the Company:

- a) has a legally enforceable right to set off the recognized amounts; and
- b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

### ii) Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences. In contrast, deferred tax assets are only recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to cover or settle the carrying value of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- i) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- ii) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognized as deferred tax assets in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

## m) Segment Reporting

The Company's operating businesses are organized and managed separately according to the nature of products manufactured and services provided, with each segment representing a strategic business unit that offers different products. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate. The reportable segments have been identified based on the significant components of the enterprise for which discrete financial information is available and are reviewed by the Chief operating decision maker (CODM) to assess the performance and allocate resources to the operating segments. Refer Note -39.

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in lakhs unless otherwise stated)

## n) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## o) Cash flow statement

Cash flows are reported using the indirect method as explained in the Accounting Standard on Statement of Cash Flows (Ind AS - 7), whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

## p) Ind AS - 116 Lease

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the company has concluded that no changes are required to lease period relating to the existing lease contracts.

The Company as a lessee:-

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an

identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in lakhs unless otherwise stated)

if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company as a lessor:-

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

### q) Earning per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the

weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding

during the period are adjusted for the effects of all dilutive potential equity shares.

### r) Government grants

Government grants are recognized at fair value when there is reasonable assurance that the grant would be received and the Company would comply with all the conditions attached with them. Government grants related to PPE are treated as deferred income (included under non-current liabilities with current portion considered under current liabilities) and are recognized and credited in the Statement of Profit and Loss on a systematic and rational basis over the estimated useful life of the related asset and included under "Other operating income". Government grants related to revenue nature are recognized on a systematic basis in the Statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate and are adjusted with the related expenditure. If not related to a specific expenditure, it is taken as income and presented under "Other operating income".

### s) Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the company.

## NOTES TO THE FINANCIAL STATEMENTS YEAR AS AT MARCH 31, 2024

(All amounts are in lakhs unless otherwise stated)

### 4 Property, plant & equipment & Intangible Assets

Particulars	Property Plant & Equipment							Intangible assets	Grand Total		
	Freehold Land	Building	Plant & Equipment	Computers	Office equipment	Furniture & fixtures	Vehicles			Lease hold Improvements	Total Property Plant & Equipment
<b>Gross Block</b>											
<b>As at April 01, 2022</b>	<b>5,778.56</b>	<b>11,018.81</b>	<b>69,333.90</b>	<b>346.89</b>	<b>356.12</b>	<b>465.64</b>	<b>553.30</b>	<b>345.90</b>	<b>88,199.12</b>	<b>666.45</b>	<b>88,865.57</b>
Additions	-	-	328.17	0.15	4.26	-	5.75	-	338.33	-	338.33
Disposals	-	-	(33.24)	-	-	(0.45)	(10.04)	-	(43.73)	-	(43.73)
<b>As at March 31, 2023</b>	<b>5,778.56</b>	<b>11,018.81</b>	<b>69,628.83</b>	<b>347.04</b>	<b>360.38</b>	<b>465.19</b>	<b>549.01</b>	<b>345.90</b>	<b>88,493.72</b>	<b>666.45</b>	<b>89,160.17</b>
Additions	-	-	396.89	9.35	3.16	4.58	(0.00)	0.00	413.98	3.49	417.47
Disposals	-	-	(152.14)	(0.24)	-	(0.38)	-	-	(152.76)	-	(152.76)
<b>As at March 31, 2024</b>	<b>5,778.56</b>	<b>11,018.81</b>	<b>69,873.58</b>	<b>356.15</b>	<b>363.54</b>	<b>469.39</b>	<b>549.01</b>	<b>345.90</b>	<b>88,754.94</b>	<b>669.94</b>	<b>89,424.88</b>
<b>Depreciation/Amortisation</b>											
<b>As at April 01, 2022</b>	-	<b>2,859.94</b>	<b>44,970.99</b>	<b>332.32</b>	<b>330.77</b>	<b>286.80</b>	<b>439.93</b>	<b>173.31</b>	<b>49,394.06</b>	<b>633.21</b>	<b>50,027.28</b>
Additions	-	371.00	2,952.95	2.47	6.36	28.80	34.01	34.33	3,429.92	8.31	3,438.23
Disposals	-	-	(7.32)	-	-	(0.43)	(9.93)	-	(17.68)	-	(17.68)
<b>As at March 31, 2023</b>	-	<b>3,230.94</b>	<b>47,916.62</b>	<b>334.79</b>	<b>337.13</b>	<b>315.17</b>	<b>464.01</b>	<b>207.64</b>	<b>52,806.30</b>	<b>641.52</b>	<b>53,447.82</b>
Additions	-	371.01	3,048.04	2.42	3.89	29.21	27.01	23.70	3,505.28	4.89	3,510.17
Disposals	-	-	(93.34)	(0.02)	-	(0.23)	-	0.00	(93.59)	-	(93.59)
<b>As at March 31, 2024</b>	-	<b>3,601.95</b>	<b>50,871.32</b>	<b>337.19</b>	<b>341.02</b>	<b>344.15</b>	<b>491.02</b>	<b>231.34</b>	<b>56,217.99</b>	<b>646.41</b>	<b>56,864.40</b>
<b>Net Block</b>											
<b>As at March 31, 2024</b>	<b>5,778.56</b>	<b>7,416.86</b>	<b>19,002.26</b>	<b>18.96</b>	<b>22.52</b>	<b>125.24</b>	<b>57.97</b>	<b>114.56</b>	<b>32,536.95</b>	<b>23.53</b>	<b>32,560.48</b>
<b>As at March 31, 2023</b>	<b>5,778.56</b>	<b>7,787.87</b>	<b>21,712.21</b>	<b>12.25</b>	<b>23.25</b>	<b>150.02</b>	<b>85.00</b>	<b>138.26</b>	<b>35,687.42</b>	<b>24.93</b>	<b>35,712.35</b>

Notes:-

- Lease hold improvements have been amortised over the period of the lease.
- Refer note no. 39 for charges.
- Impairment Review**

Assets are tested for impairment whenever there are any internal or external indicators of impairment. Impairment test is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs within the Company at which the assets are monitored for internal management purposes, within an operating segment. The impairment assessment is based on higher of value in use and value from sale calculations. During the year, the testing did not result in any impairment in the carrying amount of other assets. The measurement of the cash generating units' value in use is determined based on financial plans that have been used by management for internal purposes. The planning horizon reflects the assumptions for short to- mid-term market conditions.

**Key assumptions used in value-in-use calculations are:**

- Operating margins (Earnings before interest and taxes), (ii) Discount Rate, (iii) Growth Rates and (iv) Capital Expenditure.
- All Immovable Properties are held in the name of the Company.
- Refer Note no. 10.2

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in lakhs unless otherwise stated)

### 5.1 Right-of-use assets

Particulars	RIGHT OF USE ASSET
<b>Gross carrying value as at April 01, 2022</b>	<b>946.46</b>
Additions	-
Disposals	-
<b>Gross carrying value as at March 31, 2023</b>	<b>946.46</b>
Additions	-
Disposals	-
<b>Gross carrying value as at March 31, 2024</b>	<b>946.46</b>
<b>Accumulated Depreciation/ amortisation as of April 01, 2022</b>	<b>349.52</b>
Charge for the year	85.23
Disposals	-
<b>Accumulated Depreciation/ amortisation as of March 31, 2023</b>	<b>434.75</b>
Charge for the year	85.53
Disposals	-
<b>Accumulated Depreciation/ amortisation as of March 31, 2024</b>	<b>520.28</b>
Net carrying value as at March 31, 2024	426.18
Net carrying value as at March 31, 2023	511.71

### 5.2 Lease Liability

The following is the break-up of current and non-current lease liabilities:

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current lease liabilities	463.83	533.15
Current lease liabilities	141.48	141.48
<b>Total</b>	<b>605.31</b>	<b>674.63</b>

The following is the movement in lease liabilities:

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Balance	674.63	737.85
Additions		
change	72.46	77.96
Payment of lease liabilities accrued during the year	(141.78)	(141.18)
<b>Total</b>	<b>605.31</b>	<b>674.63</b>

### 5.3 Capital-Work-In-Progress (CWIP)

Particular	As at March 31, 2024	As at March 31, 2023
Opening CWIP	79.07	196.58
Add: Additions during the year	385.04	-
Less: Capitalised during the year	175.63	117.51
<b>Total</b>	<b>288.48</b>	<b>79.07</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in lakhs unless otherwise stated)

### Capital Work in Progress ageing schedule as at March 31, 2024

Particulars	Amount of CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 Years	
Capital Work in Progress					
1. Projects in progress	209.41	32.45	-	46.62	288.48
2. Projects temporarily suspended.	-	-	-	-	-
<b>Total</b>	<b>209.41</b>	<b>32.45</b>	<b>-</b>	<b>46.62</b>	<b>288.48</b>

### Capital Work in Progress ageing schedule as at March 31, 2023

Particulars	Amount of CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 Years	
Capital Work in Progress					
1. Projects in progress	32.45	-	-	-	32.45
2. Projects temporarily suspended*	-	-	24.60	22.02	46.62
<b>Total</b>	<b>32.45</b>	<b>-</b>	<b>24.60</b>	<b>22.02</b>	<b>79.07</b>

\*During the testing phase desire output not achieved.

### Capital Work in Progress, whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2024

Capital Work in Progress	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 Years	
1. Project- Bar Code	6.43	-	-	46.62	53.05
<b>Total</b>	<b>6.43</b>	<b>-</b>	<b>-</b>	<b>46.62</b>	<b>53.05</b>

## 6 Non-current- Other Financial Assets

Particular	As at March 31, 2024	As at March 31, 2023
Bank deposit with maturity above 12 months including interest thereon*	1,217.90	468.09
Unsecured considered good		
-Security deposits	619.10	659.88
<b>Total</b>	<b>1,837.00</b>	<b>1,127.97</b>

\*Rs. 813.44 lakhs (Previous Year Rs. 468.09 Lakhs) was held as security with banks against borrowings.

\*Rs. 150.00 lakhs ( Previous Year Nil ) and Rs. 254.46 Lakhs (Previous Year Nil) as held as security with STCI finance limited and Modulus alternatives respectively against borrowings.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in lakhs unless otherwise stated)

### 7 Deferred Tax Liability/Assets

Particular	As at March 31, 2024	As at March 31, 2023
Deferred tax liability	(3,544.07)	(3,544.07)
Deferred tax assets	5,533.32	5,533.32
MAT Credit Entitlement	1,117.56	1,494.06
<b>Total</b>	<b>3,106.81</b>	<b>3,483.31</b>

#### (i) Movement in deferred tax items

Financial Year 2023-24	Balance as on April 01, 2023	Recognised in Statement of Profit & Loss	Adjustments	Recognised in other comprehensive income	Balance as on March 31, 2024
Deferred tax (liability)/asset in relation to Depreciation on Property, plant & equipment	(3,625.78)	238.02	-	-	(3,387.76)
Recognition of DTA on unabsorbed depreciation	5,615.03	(238.02)	-	-	5,377.01
<b>Deferred tax Assets/(Liability)</b>	<b>1,989.25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,989.25</b>
MAT Credit Entitlement	1,494.06	(376.50)	2.30	-	1,117.56
<b>Net Deferred tax Assets/ (Liability)</b>	<b>3,483.31</b>	<b>(376.50)</b>	<b>2.30</b>	<b>-</b>	<b>3,106.81</b>

Financial Year 2022-23	Balance as on April 01, 2022	Recognised in Statement of Profit & Loss	Adjustments	Recognised in other comprehensive income	Balance as on March 31, 2023
Deferred tax (liability)/asset in relation to depreciation on Property, plant & equipment	(3,625.25)	(0.53)	-	-	(3,625.78)
Recognition of DTA on unabsorbed depreciation	5,614.50	0.53	-	-	5,615.03
<b>Deferred tax Assets/(Liability)</b>	<b>1,989.25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,989.25</b>
MAT Credit Entitlement	1,680.06	(188.30)	-	-	1,494.06
<b>Net Deferred tax Assets/ (Liability)</b>	<b>3,669.31</b>	<b>(188.30)</b>	<b>-</b>	<b>-</b>	<b>3,483.31</b>

Significant management judgement is considered in determining deferred tax assets and liabilities and recoverability of deferred tax assets and Minimum Alternate Tax (MAT) entitlement of Rs.3106.81 Lakhs. The recoverability of deferred tax assets and Minimum Alternate Tax (MAT) entitlement is based on estimate of the taxable income for the period over which deferred tax assets and Minimum Alternate Tax (MAT) entitlement will be recovered. The Company has unabsorbed business depreciation and MAT credit which according to the management will be used to set off taxable profit arising in subsequent years from operation. However, As a matter of prudence, Deferred Tax Assets have been created till March 31, 2021 and no deferred tax has been created thereafter.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in lakhs unless otherwise stated)

### 8 Income Tax Asset (Net)

Particular	As at March 31, 2024	As at March 31, 2023
Tax refund receivable (net of provision)	216.08	260.84
<b>Total</b>	<b>216.08</b>	<b>260.84</b>

### 9 Other Non Current Assets

Particular	As at March 31, 2024	As at March 31, 2023
<b>Other advances:</b>		
Advance to suppliers & contractors (Capital)	69.42	184.26
Balance deposit with government authorities under protest	148.49	113.39
<b>Total</b>	<b>217.91</b>	<b>297.65</b>

### 10 Inventories\* (Valued at cost or net realisable value, unless otherwise stated) (Refer Para number 3.9 of Note no.3)

(As taken, valued and certified by the management)	As at March 31, 2024	As at March 31, 2023
Raw materials	1,223.37	1,104.86
Work-in-progress	2,656.32	2,497.49
Finished goods	560.37	467.53
Stores and spares	3,370.73	3,782.10
Others (Scrap)	22.31	46.19
<b>Total</b>	<b>7,833.10</b>	<b>7,898.17</b>

\* Refer note no 39-I & II for information on inventories Pledged as security by the company

**10.1** Quantitative variance were observed between physical and book records due to non-updation of Bill of Material (BOM) and expansion of the customer base. These Variance have been considered as consumption of material for the preparation of the financial statements.

#### 10.2 Inventory Physical verification and inventory consumption

The Company has a regular programme of physical verification for its inventory and fixed assets. Further, during the year, physical verification of significant part of the inventory and fixed assets has been carried out by the management and discrepancies noticed on such verification have been appropriately adjusted in the financial statements.



# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in lakhs unless otherwise stated)

## 11 Financial Asset: Current

### 11.1 Trade Receivables

Particular	As at March 31, 2024	As at March 31, 2023
<b>Secured considered good</b>	-	-
<b>Unsecured considered good</b>		
-From related party*	176.44	26.81
- From others	9,042.51	10,206.93
<b>- Less Allowance for expected credit loss</b>	(691.65)	(887.05)
<b>Total</b>	<b>8,527.30</b>	<b>9,346.69</b>
Trade receivable- credit impaired	636.99	41.59
- Less Allowance for credit Impairment	(636.99)	(41.59)
<b>Total</b>	<b>8,527.30</b>	<b>9,346.69</b>

### Ageing of Trade Receivable as at March 31, 2024

Particulars	Not Due	Outstanding for the following period from Due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	
<b>Undisputed trade receivable</b>							
Considered good	6,713.16	928.86	452.38	217.35	115.52	100.03	8,527.30
which have significant increase in credit risk	-	-	108.32	150.24	150.09	283.00	691.64
credit impaired	-	-	-	-	-	41.59	41.59
<b>Disputed trade receivable</b>							
Considered good	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	595.40	595.40
<b>Gross Amount</b>	<b>6,713.16</b>	<b>928.86</b>	<b>560.70</b>	<b>367.59</b>	<b>265.60</b>	<b>1020.03</b>	<b>9,855.94</b>
Less Allowance for credit loss							1,328.64
<b>Net Amount</b>							<b>8,527.30</b>

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in lakhs unless otherwise stated)

## Ageing of Trade Receivable as at March 31, 2023

Particulars	Not Due	Outstanding for the following period from Due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	
<b>Undisputed trade receivable</b>							
Considered good	6,556.77	1,671.83	667.14	269.31	191.77	281.51	9,638.33
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	19.23	22.36	41.59
<b>Disputed trade receivable</b>							
Considered good	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	595.41	595.41
<b>Gross Amount</b>	<b>6,556.77</b>	<b>1,671.83</b>	<b>667.14</b>	<b>269.31</b>	<b>211.00</b>	<b>899.28</b>	<b>10275.33</b>
Less Allowance for credit loss							928.64
<b>Net Amount</b>							<b>9346.69</b>

\*Refer note 37 for related party

Refer note no.40 (B) for information about credit risk and market risk of trade receivables.

Refer note no-39 (I), II for information on trade receivables pledged as security by the Company.

## 11.2 Cash & cash equivalents

Particular	As at March 31, 2024	As at March 31, 2023
Balance with banks	57.37	5,791.34
Cash on hand	3.31	1.11
<b>Total</b>	<b>60.68</b>	<b>5,792.45</b>

## 11.3 Current- Bank balances other than cash and cash equivalents

Particular	As at March 31, 2024	As at March 31, 2023
<b>Earmarked balances with banks:</b>		
Unpaid dividend account	-	15.83
Balance in Escrow Account	15.10	9.00
<b>Total</b>	<b>15.10</b>	<b>24.83</b>

## 11.4 Current- Loans

Particular	As at March 31, 2024	As at March 31, 2023
Unsecured considered good		
Loans to employees	35.16	30.58
<b>Total</b>	<b>35.16</b>	<b>30.58</b>

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in lakhs unless otherwise stated)

## 11.5 Others Financial Asset

	As at March 31, 2024	As at March 31, 2023
<b>Unsecured considered good</b>		
Unbilled Revenue	-	51.36
Other Advances	150.73	-
<b>Total</b>	<b>150.73</b>	<b>51.36</b>

## 12 Others Financial Asset

Particular	As at March 31, 2024	As at March 31, 2023
Prepaid Expenses	163.47	252.42
Advances other than capital advances	953.56	587.12
Balance with government authorities*	-	99.02
Power Open Access Receivable	37.13	37.13
Budgetary support from Government	8.55	8.55
Others	30.36	13.20
<b>Total</b>	<b>1,193.07</b>	<b>997.44</b>

\*The Company is in the process of reconciliation of Input Tax Credit as per the books and GST Portal. The reconciliation to the extent done have been accounted for in the books of accounts. The management does not expect any material future impact.

## 13 Share Capital

Particular	As at March 31, 2024	As at March 31, 2023
<b>Authorised Share Capital</b>		
15,00,00,000 (previous year- 12,50,00,000) equity shares of Rs. 2 /- each	3,000.00	2,500.00
<b>Issued, Subscribed and Fully Paid Up</b>		
12,22,22,222 (previous year- 12,22,22,222) equity shares of Rs 2/- each	2,444.44	2,444.44
<b>Total</b>	<b>2,444.44</b>	<b>2,444.44</b>

### Reconciliation of number and amount of equity shares outstanding:

Particular	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	Amount	No. of Shares	Amount
<b>At the beginning of the year</b>	122,222,222	2,444.44	122,222,222	2,444.44
Changes during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	122,222,222	2,444.44	122,222,222	2,444.44

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in lakhs unless otherwise stated)

### i) Terms & right attached to equity shares

- a) The Company has only one class of equity shares having par value of Rs. 2/- per share. Each shareholder of equity shares is entitled to one vote per share. The company declares dividends in Indian Rupees. During the year ended March 31, 2024, the amount of dividend per share recognised as distributed to equity shareholder was Rs NIL ( March 31, 2023 Rs.NIL).
- b) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.-Nil.
- c) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of the preferential amount,if any. The distribution will be in proportion to the number of equity shares held by the shareholders.
- d) "The Board of Directors in its meeting held on August 14, 2023 considered and approved the issue of Optionally Convertible Debentures on a Private Placement. Further, pursuant to the provisions of Sections 23, 42, 62(1) (c) and all other applicable provisions, and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (including any statutory modification(s) of re-enactments thereof for the time being in force on the terms and conditions as may be determined by the Board, a total amount of up to Rs. 2500.00 Lakhs (Rupees Twenty-Five Crores) by way of offer, issue and allot, on a preferential basis, by way of private placement up to 250 (Two Hundred Fifty) Secured Optionally Convertible Debentures ("OCDs") having face value of Rs.10,00,000/- (Rupees Ten Lakhs only) each to India Credit Opportunities Fund II, a category II alternate investment fund, with its investment manager being Modulus Alternatives Investment Managers Limited (formerly known as Centrum Alternative Investment Managers Limited). The Investor has right entitled to exercise the conversion rights associated with OCDs at any time until the expiry of 18 (eighteen) months from the date of allotment of the OCDs in 1 (one) or more tranches but no later than 15 days prior to the expiry of 18 (eighteen) months from the date of allotment of the OCDs.

### (ii) Details of shareholders holding more than 5% shares in the company

Particular	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	% of shares	No. of Shares	% of shares
Dayanand Munjal Investments Pvt Ltd (holding company)	91,417,272	74.80%	91,417,272.00	74.80%

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

#### Shares held by Promoter at the Year ended on March 31, 2024

SL No.	Promoter Name	No. of Shares	% of Total Shares	% Change during the year
1	Dayanand Munjal Investments Pvt Ltd	91,417,272	74.80%	No

#### Shares held by Promoter at the Year ended on March 31, 2023

SL No.	Promoter Name	No. of Shares	% of Total Shares	% Change during the year
1	Dayanand Munjal Investments Pvt Ltd	91,417,272	74.80%	No

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in lakhs unless otherwise stated)

### 13.1 Other equity

Particular	As at March 31, 2024	As at March 31, 2023
<b>Capital Redemption Reserve</b>		
Opening balance	5.00	5.00
Transferred to retained earnings	-	-
<b>Closing Capital redemption reserve</b>	<b>5.00</b>	<b>5.00</b>
<b>Security premium</b>		
Opening balance	3,555.56	3,555.56
Addition/adjustments	-	-
<b>Closing Securities Premium</b>	<b>3,555.56</b>	<b>3,555.56</b>
<b>General Reserve</b>		
Opening balance	5,068.61	5,068.61
Addition/adjustments	(0.01)	-
<b>Closing General Reserve</b>	<b>5,068.60</b>	<b>5,068.61</b>
<b>Retained Earnings</b>		
Opening balance	(843.84)	2,627.90
Losses for the year	(5,018.56)	(3,471.73)
<b>Closing Retained Earnings</b>	<b>(5,862.40)</b>	<b>(843.84)</b>
<b>Other Comprehensive Income</b>		
Opening balance	227.64	153.22
Addition/adjustment	(50.36)	74.42
<b>Closing Comprehensive Income</b>	<b>177.28</b>	<b>227.64</b>
<b>Equity Component of Debenture</b>		
Opening	-	-
Addition/adjustment	170.84	-
<b>Closing Equity Component of Debenture</b>	<b>170.84</b>	<b>-</b>
<b>Total other equity</b>	<b>3,114.88</b>	<b>8,012.97</b>

## 14 Financial Liability : Non Current

### 14.1 Borrowing

Particular	As at March 31, 2024	As at March 31, 2023
<b>A) Debentures-Secured**</b>		
Non convertible debentures	8,000.00	-
Optionally convertible debentures	2,500.00	-
Less: Shown in current maturities of Optionally convertible debentures*	(2,500.00)	-
<b>B) Term loans:</b>		
i. From banks-Secured	5,308.99	15,387.05
Less: Shown in current maturities of long term borrowings*	(2,115.21)	(2,556.98)
ii. From others-Secured	9,071.40	9,555.37
Less: Shown in current maturities of long term borrowings*	(2,034.23)	(758.48)
IND AS Adjustment	(352.44)	(112.78)
<b>Total</b>	<b>17,878.51</b>	<b>21,514.18</b>

\*Current maturities of Long term Borrowing are disclosed under the head 'Short term Borrowing, Refer Note No. 17.1 Note: Refer note -39 -I, II & III for borrowing terms, defaults and repayment of loan.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in lakhs unless otherwise stated)

### 14.1.A \*\*Maturity Profile and Interest Rate of Non Convertible/Optionally convertible Debentures.

Secured Security	Coupon Rate	Non Current			Total	Current 2024-25
		2027-28	2026-27	2025-26		
NCD Series-A	11.50%	-	-	2,500.00	2,500.00	-
NCD Series-B	12.60%	-	2,500.00	-	2,500.00	-
NCD Series-C*	Zero Coupon	1,500.00	1,500.00	-	3,000.00	-
OCD	7.00%	-	-	-	-	2,500.00
<b>Total</b>		<b>1,500.00</b>	<b>4,000.00</b>	<b>2,500.00</b>	<b>8,000.00</b>	<b>2,500.00</b>

\*Bullet Repayment at the Time of Maturity including Interest.

### 15 Provision

Particular	As at March 31, 2024	As at March 31, 2023
<b>Provision for employee benefits*</b>		
- Gratuity	448.93	342.20
- Leave Encashment	213.82	122.75
<b>Total</b>	<b>662.75</b>	<b>464.95</b>

\*Refer Note No. 36 - Employee benefit obligations for disclosures related to provision for employee benefits

### 16 Other non-current liabilities

Particular	As at March 31, 2024	As at March 31, 2023
Deferred Income - Government Grant	21.82	22.73
<b>Total</b>	<b>21.82</b>	<b>22.73</b>

### 17 Financial Liability : Current

Particular	As at March 31, 2024	As at March 31, 2023
<b>Secured - at amortised cost</b>		
<b>Bank</b>		
- Cash Credit	5,137.00	8,611.74
<b>Other</b>		
- Working Capital Demand Loan	734.58	734.58
<b>Current maturities of long term debt</b>		
a) Debentures-Secured-Optionally convertible debentures	2,500.00	-
b) From Banks	2,115.21	2,556.98
c) From others	2,034.23	758.48
<b>Unsecured -at amortised cost</b>		
Other Loan from Related Parties	7,954.28	7,936.96
<b>Total</b>	<b>20,475.30</b>	<b>20,598.74</b>

Note: Refer note -39 II for borrowing terms and repayment of loan

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in lakhs unless otherwise stated)

As at March 31, 2024

There are no differences in the figures reported in the quarterly returns/statement filed with the banks vis-à-vis the books of accounts. For the determination of Drawing power, the Company follow thw guidelines of the RBI prescribed for the commodities covered under selective credit control.

Particulars	Period	Amount as per financial	Amount as per Statement	Difference	Remarks
<b>Eligible Trade</b>					
Receivable/ inventory/trade payables	June, 30 2023	11277.53	11250.32	27.21	The Company has not claimed Drawing Power (DP) on certain current assets. DP is calculated as per norms of the Lenders.
	September 30, 2023	12,681.36	12,681.86	(0.50)	
	December 31, 2023	12,039.98	12,039.98	-	
	March 31, 2024	10,829.70	12,407.24	(1,577.54)	DP Statement was submitted on March 25, 2024 based on provisional financial statements.

As at March 31, 2023

Particulars	Period	Amount as per financial	Amount as per Statement	Difference	Remarks
<b>Eligible Trade</b>					
Receivable/ inventory/trade payables	June, 30 2022	10,925.96	10,589.49	336.47	DP Statement was submitted based on provisional financial statements.
	September 30, 2022	9,842.93	9,922.21	(79.28)	
	December 31, 2022	9,461.92	10,266.25	(804.33)	
	March 31, 2023	9,787.50	9,777.64	9.86	DP Statement was submitted on March 16, 2023 based on provisional financial statements.

### 17.2 Other trade Payables

	As at March 31, 2024	As at March 31, 2023
a) Micro, small and medium enterprises *	1,515.88	1,546.55
b) Due to related party	207.37	262.31
c) Others	3,807.45	5,648.50
<b>Total</b>	<b>5,530.70</b>	<b>7,457.36</b>

\* There are no outstanding amounts payable beyond the agreed period to micro, small and medium enterprise as required by MSMED Act, 2006 to the extent interest liability on outstanding amount provided in financial statement as on the balance sheet date to the extent such enterprises have been identified based on information available with the Company. In view of this there is no overdue interest payable except already provided in financial statement.(Refer note 33)

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in lakhs unless otherwise stated)

### Ageing of trade payables as at March 31, 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	0.04	1,434.77	32.49	24.27	24.31	1,515.88
ii) Others	63.36	3,238.91	477.80	76.13	158.62	4,014.82
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>63.40</b>	<b>4,673.68</b>	<b>510.29</b>	<b>100.40</b>	<b>182.93</b>	<b>5,530.70</b>

### Ageing of trade payables as at March 31, 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	342.05	1,086.68	91.36	17.04	9.42	1,546.55
ii) Others	1,480.30	3,786.75	213.77	155.23	274.76	5,910.81
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>1,822.35</b>	<b>4,873.43</b>	<b>305.13</b>	<b>172.27</b>	<b>284.18</b>	<b>7,457.36</b>

### 17.3 Other Financial Liabilities

	As at March 31, 2024	As at March 31, 2023
Security Deposit	49.25	44.61
Interest accrued but not due on borrowings	1,483.83	720.18
Retention Money	7.65	12.54
Unpaid Dividend*	0.00	15.83
Other Payables		
a) Capital Creditors	79.96	130.20
b) Accrued salary & Benefits **	675.58	596.19
c) Others***	1,784.74	1,251.15
<b>Total</b>	<b>4,081.01</b>	<b>2,770.70</b>

\* There are no amounts outstanding in respect of unpaid dividend for more than seven years to be transferred to Investor Education and Protection Fund.

\*\* Includes Rs.260.84 lakhs due to related parties (previous year Rs.179.14 lakhs)

\*\*\* Includes Rs.4.42 lakhs due to related parties (previous year Rs.4.11 lakhs)

### 18 Other current Liability

Particular	As at March 31, 2024	As at March 31, 2023
Withholding and other taxes	650.63	1,528.83
Advance from Customers*	967.90	68.11
Deferred Income - Government Grant	0.91	0.91
<b>Total</b>	<b>1,619.44</b>	<b>1,597.85</b>

\*Advance from customers includes advance from related party i.e. Munjal Showa Limited amounting to Rs.950 Lakhs (PY 2022-23 NIL).



# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in lakhs unless otherwise stated)

## 19 Provision for employee benefits

Particular	As at March 31, 2024	As at March 31, 2023
- Gratuity	-	-
- Leave Encashment	33.92	55.87
<b>Total</b>	<b>33.92</b>	<b>55.87</b>

Refer Note No. 36 - Employee benefit obligations for disclosures related to provision for employee benefits

## 20 Revenue From Operation

Particular	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Sales of products</b>	44,721.57	43,994.25
	<b>44,721.57</b>	<b>43,994.25</b>
<b>Other operating revenues</b>		
From scrap sale	2,243.87	2,579.50
Sales - Others	(0.00)	462.08
From Job work	0.98	0.13
<b>Total Other Operative Revenue</b>	<b>2,244.85</b>	<b>3,041.71</b>
<b>Total Revenue From Operations</b>	<b>46,966.42</b>	<b>47,035.96</b>

## 21 Other Income

Particular	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest Income from bank deposits and others	59.71	24.37
Gain on foreign exchange fluctuation(Net)	-	69.53
Miscellaneous receipts	319.52	191.85
Profit on sale of property, plant and equipment's (net)	14.05	-
Government grant	0.91	0.91
<b>Total</b>	<b>394.19</b>	<b>286.66</b>

## 22 Cost of Material Consumed

Particular	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance of the raw material inventory	1,104.86	983.27
Add : Purchases during the year	18,527.81	18,033.25
	19,632.67	19,016.52
Less: Closing balance of the raw material inventory	1,223.37	1,104.86
<b>Total cost of raw materials consumed</b>	<b>18,409.30</b>	<b>17,911.66</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in lakhs unless otherwise stated)

### 23 (Increase) / Decrease in Stocks

Particular	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Opening balance of the Inventories</b>		
Work - in - process	2,497.49	2,600.78
Finished goods	467.53	504.46
Process scrap	46.19	244.34
	3,011.21	3,349.58
<b>Closing balance of the Inventories</b>		
Work - in - process	2,656.32	2,497.49
Finished goods	560.37	467.53
Process scrap	22.31	46.19
	3,239.00	3,011.21
<b>Net ( Increase) / Decrease in Stocks</b>	<b>(227.79)</b>	<b>338.37</b>

Refer Note No 34 details of opening and closing inventory of Finised Goods

### 24 Employee benefit expenses

Particular	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages, allowances & commission including gratuity and retirement benefits	5,092.29	4,929.63
Contribution to provident and other funds( Refee No 36(B)(v)	306.22	312.56
Staff welfare expenses	345.52	393.50
<b>Total</b>	<b>5,744.03</b>	<b>5,635.69</b>

### 25 Finance cost

Particular	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on term loans	4,076.74	2,986.63
Interest on cash credit	944.84	1,244.12
Interest others (including early payment discount)	363.33	559.55
Interest on lease liabilities	72.44	77.96
Other Borrowing Cost*	313.00	121.70
<b>Total Finance cost</b>	<b>5,770.35</b>	<b>4,989.96</b>

\*Mainly consist of loan processing facilities from bank.

### 26 Depreciation and amortisation expense

Particular	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation of Property Plant & Equipment	3,505.28	3,429.91
Amortization of Right-of use assets	85.53	85.23
Amortization of intangible assets	4.89	8.31
<b>Total Depreciation and Amortization Expenses</b>	<b>3,595.70</b>	<b>3,523.45</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in lakhs unless otherwise stated)

### 27 Other Expenses

Particular	For the year ended March 31, 2024	For the year ended March 31, 2023
Power and fuel consumption	3,949.60	3,845.38
Packing material consumption	224.58	244.46
<b>Repair and maintenance on</b>		
- Machinery	576.05	544.25
- Building	208.80	226.33
- Other	87.21	115.23
Lease rent	40.24	8.77
Wages to contractors	4,730.64	5,055.25
Rates and taxes	26.46	54.55
Charity and donation	0.10	-
Loss on sale of property, plant and equipment (net)	-	4.79
Insurance	306.56	334.15
Legal and professional	365.93	135.32
Payment to auditor *	29.70	18.83
Foreign Exchange losses (net)	13.20	-
Travelling and conveyance	383.70	324.35
Printing and stationery	1.04	0.99
Postage, telegram and telephones	15.47	14.67
Selling expenses	62.63	55.24
Board & secretarial expenses	51.48	48.43
Security expenses	196.47	220.67
Freight and forwarding charges	547.80	686.73
Provision for expected credit loss	400.00	195.00
Miscellaneous expenses	134.77	160.34
<b>Total Other Expenses</b>	<b>12,352.43</b>	<b>12,293.73</b>
<b>Payment to auditor</b>		
As auditor:		
- Audit Fee	13.50	10.50
- Limited review	10.50	6.00
- Certification/other services	3.25	1.50
Reimbursement of expenses	2.45	0.83
<b>Total</b>	<b>29.70</b>	<b>18.83</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in lakhs unless otherwise stated)

### 28 Tax Reconciliation

Particular	For the year ended March 31, 2024	For the year ended March 31, 2023
Current tax		
Deferred Tax	-	-
Deferred Tax - Ind AS	-	-
Earlier year tax adjustment	376.50	188.30
	376.50	188.30
<b>Reconciliation of effective tax rate</b>		
<b>Tax expense</b>		
Profit before tax	(4,642.06)	(3,283.43)
Add: Interest on Tax as grouped in finance cost		
Less: Other comprehensive income	-	-
Add: Ind AS Adjustment	-	-
	(4,642.06)	(3,283.43)
Applicable tax rate	34.944%	34.944%
Computed tax expense	(1,622.12)	(1,147.36)
<b>Total Tax Expense</b>	<b>(1,622.12)</b>	<b>(1,147.36)</b>
<b>Adjustment for:</b>		
<b>Income exempt for tax purpose</b>		
Expenses not allowed for tax purpose		
Brought forward unabsorbed depreciation setoff		
Changes in recognized deductible temporary differences	-	-
Other Tax Adjustments	1,622.12	1,147.36
Earlier year tax adjustment	-	-
<b>Net adjustments</b>	<b>-</b>	<b>-</b>
<b>Tax Expense</b>	<b>-</b>	<b>-</b>

### 29 Other Comprehensive Income

Particular	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Item that will not be reclassified to profit or loss</b>		
Re-measurement of defined benefit plans	(50.36)	74.42
Income tax relating to items that will not be reclassified to profit or loss	-	-
<b>Total Other Comprehensive Income</b>	<b>(50.36)</b>	<b>74.42</b>

### 30 Earning per Share

Particular	For the year ended March 31, 2024	For the year ended March 31, 2023
Net profit for calculation of basic and diluted EPS (Rs. In Lakhs)	(5,018.56)	(3,471.73)
Total number of equity shares outstanding at the end of the year (in Nos)	122,222,222	122,222,222
Weighted average number of equity shares in calculating basic and diluted EPS (in Nos)	124,300,652	122,222,222
Weighted average number of equity shares in calculating diluted EPS (in Nos)	127,811,425	122,222,222
Earning per share		
Basic ( in Rs.)	(4.11)	(2.84)
Diluted ( in Rs.)	(4.11)	(2.84)

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in lakhs unless otherwise stated)

### 31 Contingent Liabilities (not provided for) in respect of:

S.N.	Particulars	As at March 31, 2024	As at March 31, 2023
a)	Letter of credit opened by banks	413.38	401.54
b)	PF Liability where the cases are pending at various stages of appeal with the authorities	70.00	70.00
c)	Bank Guarantees	14.16	14.16
d)	Sales tax / vat/ gst demand	189.52	582.12
e)	Traces demands *	39.10	9.51

Interest on above demands is not computed and demanded by the department, therefore interest amount is not included above except otherwise stated.

\* The Traces demands have been extracted from the traces online portal and income tax demands have been extracted from the income tax online portal.

#### Contingent liabilities and claims against the Company not acknowledged as debts related to various matters.

- In respect of above matters, future cash outflows are determinable only on receipt of judgements / decisions pending at various forums / authorities.
- The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

### 32 Commitments:

S.N.	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	86.73	202.62

### 33 Details of Dues to Micro and Small Enterprises as per MSMED Act, 2006 to the extent of information available with the Company

S.N.	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
a)	Principal amount and Interest due thereon remaining unpaid to any supplier as at end of each accounting year	1,515.88	1,546.55
b)	Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year.	-	-
c)	the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-
d)	the amount of interest accrued and remaining unpaid	78.99	72.99
e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in lakhs unless otherwise stated)

### 34 Details of Opening and Closing Inventory of Finished Goods:

S.N.	Class of Product	Year ended March 31, 2024	Year ended March 31, 2023
a)	<b>Opening stock</b>		
	Gear Components	467.53	504.46
b)	<b>Closing stock</b>		
	Gear Components	560.37	467.53

### 35 Segment Information

#### (i) General Disclosure

The Company is primarily in the business of manufacture and sale of components to automotive original equipment manufacturers. Hence there is only one identified reportable segments as per Ind As 108 - Segment reporting.

The above reportable segments have been identified based on the significant components of the enterprise for which discrete financial information is available and are reviewed by the Chief operating decision maker (CODM) to assess the performance and allocate resources to the operating segments.

#### (ii) Entity wide disclosure required by IND AS 108 are made as follows:

##### a) Revenues from sale of products to external customers

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>India</b>	44,346.74	44,777.26
<b>Outside India</b>	2,619.68	2,258.70
<b>Total</b>	<b>46,966.42</b>	<b>47,035.96</b>

##### b) Segment Assets

Total of non-current assets other than financial instruments, deferred tax assets and income tax assets broken down by location of the assets, is shown below.

Particulars	As at March 31, 2024	As at March 31, 2023
<b>India</b>	33,493.05	36,766.33
<b>Outside India</b>	-	-

#### (iii) Information about major customers:

Particulars	As at March 31, 2024		As at March 31, 2023	
	Amount	Percentage	Amount	Percentage
Hero Moto corp Limited	17,959.46	38%	18,573.25	39%

### 36 Employee Benefits - Gratuity & Post employment benefits

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

#### A. Defined Contribution Plan

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.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in lakhs unless otherwise stated)

### B. Defined Benefit Plan

Gratuity (being partly administered by a Trust) is computed as 15 days salary, for every recognized retirement / termination / resignation. The Gratuity plan for the company is a defined benefit scheme where annual contributions as per actuarial valuation are charged to the statement of profit and loss.

The Company also has a leave encashment scheme with defined benefits for its employees. The Company makes provision for such liability in the books of accounts on the basis of year end actuarial valuation. No fund has been created for this scheme.

For summarizing the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans, the details are as under:

### A. Statement of profit and loss

#### Net employee benefit expense

Particulars	2023-2024		2022-2023	
	Gratuity (Funded)	Leave encashment	Gratuity (Funded)	Leave encashment
Current Service cost	73.40	69.12	77.64	65.11
Net Interest cost	25.38	-	22.09	-
Expenses recognized in the statement of profit & loss	98.78	69.12	99.73	65.11

### B. Balance Sheet

#### (i) Details of Plan assets/ (liabilities) for gratuity and Leave Encashment

Particulars	2023-2024		2022-2023	
	Gratuity (Funded)	Leave encashment	Gratuity (Funded)	Leave encashment
Defined benefit obligation	1,130.94	247.73	1,022.96	178.61
Fair value of plan assets	682.02	-	680.76	-
Net Asset/(Liability) recognized in the Balance Sheet	448.92	247.73	342.20	178.61

#### (ii) Changes in the present value of the defined benefit obligation are as follows:

Particulars	2023-2024		2022-2023	
	Gratuity (Funded)	Leave encashment	Gratuity (Funded)	Leave encashment
Opening defined benefit obligation	1,022.96	178.61	1,012.21	175.04
Interest cost	75.86	-	69.29	-
Current service cost	73.40	69.12	77.64	65.11
Past service cost	-	-	-	-
Benefit paid	(68.97)	-	(61.99)	(61.54)
Actuarial (gains)/losses on obligation	27.69	-	(74.19)	-
Closing defined benefit obligation	1,130.94	247.73	1,022.96	178.61

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in lakhs unless otherwise stated)

### (iii) Changes in the fair value of plan assets (gratuity) are as follows:

Particulars	2023-2024	2022-2023
Opening fair value of plan assets	680.76	689.43
Actual return on Plan Assets	50.48	47.19
Contribution during the year	39.26	5.90
Benefit paid	(65.82)	(61.99)
Return on plan assets , excluding amount recognised in net interest expense	(22.67)	0.23
Acquisition Adjustment		-
Closing fair value of plan assets	682.02	680.76

### (iv) The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	2023-2024 %	2022-2023 %
Discount rate (%)	7.15%	7.40%
Expected salary increase (%)	4.00%	4.00%
<b>Demographic Assumptions</b>		
Mortality rate (% of ILAM 2012-14)	100%	100%
Retirement Age (year)	58 Years	58 Years
Attrition / Withdrawal rates, based on age: (per annum)		
Up to 30 years	9.50%	9.50%
31 - 44 years	9.50%	9.50%
Above 44 years	9.50%	9.50%

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The above information is certified by Actuary.

### v. Contribution to defined contribution plans:

Particulars	2023-2024	2022-2023
Provident fund	288.54	295.44
Employee State Insurance	12.03	12.68
Labour welfare fund	5.65	4.43
<b>Total</b>	<b>306.22</b>	<b>312.55</b>

### vi Sensitivity analysis of the defined benefit obligation:

Particulars	2023-2024		2022-2023	
	Gratuity (Funded)	Leave encashment	Gratuity (Funded)	Leave encashment
<b>Impact of the change in discount rate</b>				
Present value of obligation at the end of the period (Base)	1,130.94	247.73	1022.96	178.61
Impact due to increase of 1.00%	65.71	14.44	68.13	8.63
Impact due to decrease of 1.00%	72.94	16.04	61.17	9.88
<b>Impact of the change in salary increase</b>				
Present value of obligation at the end of the period (Base)	1,130.94	247.73	1,022.96	178.61
Impact due to increase of 1.00%	73.05	16.38	69.78	9.88
Impact due to decrease of 1.00%	66.94	14.99	63.64	8.97

Sensitivities due to mortality & withdrawals are insignificant & hence ignored.



# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in lakhs unless otherwise stated)

## vii Other comprehensive income (OCI):

Particulars	2023-2024		2022-2023	
	Gratuity (Funded)	Leave encashment	Gratuity (Funded)	Leave encashment
Actuarial (gains) / losses				
- changes in demographic assumptions				
- changes in financial assumptions	17.05	-	(36.53)	-
- experience variance (i.e. Actual experience vs assumptions)	10.64	-	(37.66)	-
- others		-	-	-
Return on plan assets, excluding amount recognised in net expense	22.67	-	(0.23)	-
Re-measurement (or Actuarial) (gain)/ loss arising because of change in effect of asset ceiling		-	-	-
Components of defined benefit costs recognised in other comprehensive income	50.36	-	(74.42)	-

## 37 Related Party Transaction

### a) List of Related Parties (as certified by the management)

#### (i) Key Managerial Personnel

Mr. Neeraj Munjal, Managing Director

Mrs. Charu Munjal, Whole Time Director

\*Dr. Anil Kumar Gupta, Independent Director w.e.f. 25.05.2023

Mr. Sunil Chinubhai Vakil, Independent Director w.e.f. 21.12.2020

\*Ms. Neetika Batra, Independent Director w.e.f. 02.07.2023

\*Mr. Yogesh Chander Munjal Non- Executive Director w.e.f. 25.05.2023

Mr. Devendra Kumar Goyal, CFO- Finance, from 13.02.2023

\*Mr. Shakti kant Mahana, Company Secretary, from 16.11.2023

\*Ms. Preeti Sharma, Company Secretary upto August 16, 2023

\*Mr Bhagwan Das Narang, Independent Director upto May 08, 2023

\*Mrs Jyothi Prasad, Independent Director upto May 08, 2023

\*Change of designation of Mr. Anil Kumar Gupta, from Non-Executive Director to Independent Director w.e.f. 25.05.2023

\*Appointment of Mr. Yogesh Chander Munjal as Non- Executive and Non Independent Director w.e.f. 25.05.2023

\*Appointment of Ms. Neetika Batra as Independent Director w.e.f. 02.07.2023

\*Resignation of Preeti Sharma from the post of Company Secretary w.e.f. 17.08.2023

\*Appointment of Shakti Kant Mahana as Company Secretary w.e.f. 16.11.2023

\*SEBI vide order No WTH/SM/MIRSD/MIRSD- SEC-4/26042/2023-24 dated April 28, 2023 has restrained Mr Bhawan Das Narang and Mrs Jyothi Prasad (Independent Directors of the Company) from holding the post of directors. Or any key managerial position or association in any capacity with any listed public Company and public Company which intends to raise money from the public, or any intermediary registered with SEBI for a period of 2 years Mr. Bhagwan Das Narang and Ms. Jyoti Prasad (Independent Directors of the Company) have vide their respective letter dated May 8, 2023 resigned as Directors of the Company.

#### (ii) Holding Company

Dayanand Munjal Investments Private Limited

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

Munjal Showa Limited

Pushti Metal Industries LLP

Earthly Possessions

Sunil Vakil Associates

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in lakhs unless otherwise stated)

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

Nature of transaction	Key management personnel		Enterprises over which key management personnel and their relatives are able to exercise significant influence		Total	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
<b>Sale of Goods &amp; Services</b>						
Munjal Showa Limited	-	-	793.43	487.72	793.43	487.72
Pushti Metal Industries LLP	-	-	-	6.63	-	6.63
<b>Purchase of goods and services</b>						
Munjal Showa Limited	-	-	52.72	332.71	52.72	332.71
Pushti Metal Industries LLP	-	-	532.25	400.16	532.25	400.16
Earthly Possessions	-	-	607.81	588.15	607.81	588.15
Sunil Vakil Associates	-	-	-	4.41	-	4.41
<b>Trade Advances</b>						
Munjal Showa Limited	-	-	1,000.00	-	1,000.00	-
<b>Finance Cost</b>						
Munjal Showa Limited	-	-	38.17	85.27	38.17	85.27
Dayanand Munjal Investment Pvt. Ltd.	-	-	817.29	475.81	817.29	475.81
<b>Loans Taken</b>						
Munjal Showa Limited	-	-	-	338.00	-	338.00
Dayanand Munjal Investment Pvt. Ltd.	-	-	766.00	4,400.00	766.00	4,400.00
<b>Loans Repaid</b>						
Munjal Showa Limited	-	-	748.70	169.30	748.70	169.30
<b>Trade Advances Repaid</b>						
Munjal Showa Limited	-	-	50.00	-	50.00	-
<b>Salary &amp; perquisites</b>						
Neeraj Munjal	176.06	176.06	-	-	176.06	176.06
Charu Munjal	80.06	80.06	-	-	80.06	80.06
Rhea Seth Munjal	30.00	3.29	-	-	30.00	3.29
Rakesh Gupta	-	36.01	-	-	-	36.01
Devendra Kumar Goyal	35.00	8.64	-	-	35.00	8.64
Preeti Sharma	2.37	7.13	-	-	2.37	7.13
Shakti Kant Mahana	2.66	-	-	-	2.66	-
<b>Sitting fees</b>						
Dr. Anil Kumar Gupta	4.5	3.60	-	-	4.50	3.60
Mr. Sunil Chinubhai Vakil	4.5	3.90	-	-	4.50	3.90
Ms. Neetika Batra	3.0	-	-	-	3.00	-
Mr. Bhagwan das Narang	-	3.90	-	-	-	3.90
Ms. Jyothi Prasad	-	3.90	-	-	-	3.90

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in lakhs unless otherwise stated)

### c) Balances Outstanding at Year End:

Nature of transaction	Key management personnel		Enterprises over which key management personnel and their relatives are able to exercise significant influence		Total	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
<b>Trade Receivable:</b>						
Munjal Showa Limited	-	-	176.44	26.81	176.44	26.81
<b>Trade Payable:</b>						
Munjal Showa Limited	-	-	156.91	157.03	156.91	157.03
Pushti Metal Industries LLP	-	-	6.35	4.85	6.35	4.85
Earthly Possessions	-	-	44.11	100.43	44.11	100.43
Sunil Vakil Associates	-	3.31	-	-	-	3.31
<b>Trade Advances</b>						
Munjal Showa Limited	-	-	950.00	-	950.00	-
<b>Salary &amp; perquisites payable:</b>						
Neeraj Munjal	167.56	111.81	-	-	167.56	111.81
Charu Munjal	91.41	64.66	-	-	91.41	64.66
Rhea Seth Munjal	1.87	2.67	-	-	1.87	2.67
Devendra Kumar Goyal	1.41	2.97	-	-	1.41	2.97
Preeti Sharma	-	0.20	-	-	-	0.20
Shakti kant Mahana	0.58	-	-	-	0.58	-
Jyoti Prasad	-	0.27	-	-	-	0.27
Sunil Chinubhai Vakil	0.81	3.30	-	-	0.81	3.30
Bhagwan Das Narang	-	0.27	-	-	-	0.27
Dr. Anil Kumar Gupta	0.81	0.27	-	-	0.81	0.27
Neetika Batra	0.81	-	-	-	0.81	-
<b>Borrowings:</b>						
Dayanand Munjal Investment Pvt. Ltd.	-	-	7,954.27	7,188.27	7,954.27	7,188.27
Munjal Showa Limited	-	-	-	748.70	-	748.70
<b>Interest Payable:</b>						
Dayanand Munjal Investment Pvt. Ltd.	-	-	1,322.64	587.08	1,322.64	587.08
Munjal Showa Limited	-	-	-	-	-	-

Based on the recommendation of the Nomination and Remuneration Committee, all decisions relating to the remuneration of the directors are taken by the Board of Directors of the Company, in accordance with shareholder's approval, wherever necessary.

The sales to and purchases from related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions.

Gratuity and leave liability is determined for all the employees on an overall basis, based on the actuarial valuation done by an independent actuary. The specific amount of gratuity and leave liability for KMP cannot be ascertained separately, except for the amount actually paid.

The above transactions for sale and purchase of goods and services are inclusive of GST, wherever applicable.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in lakhs unless otherwise stated)

### 38 Operating Lease

#### (a) Operating lease arrangements

Office premises are taken on operating lease. There is no escalation clause in the lease agreement

#### (b) Future minimum rentals payables under non-cancellable operating lease:

Particulars	As at March 31, 2024	As at March 31, 2023
Not later than one year	141.48	141.48
Later than one year and not later than five years	652.82	794.30
Later than five years	-	-
<b>Total</b>	<b>794.30</b>	<b>935.78</b>

### 39 Summary of borrowing arrangement

#### I Long Term Borrowings

##### From Bank

Particulars	As at March 31, 2024	As at March 31, 2023	Rate of interest	Security	Repayment terms
IDFC bank-15Cr	309.99	596.14	12.20%	First pari passu charge on the present and future Immoveable and Moveable Assets situated at Haridwar Plant	Repayable in 66 Monthly Equal installments beginning from May, 2019
IDFC bank-27Cr	-	57.81	11.25%	First pari passu charge on the present and future Immoveable and Moveable Assets situated at Haridwar Plant	Repayable in 49 Monthly Equal installments beginning from Oct, 2018
IDFC bank-ECLGS	820.00	1,230.00	9.25%	Second Pari Passu charge on- 1. Current Assets both present and future & 2. Fixed Assets of Haridwar Plant including Land and Building, except exclusively charged to other lenders.	Repayable in 48 Monthly Equal installments beginning from April, 2022
IDFC bank-ECLGS - 2	800.00	200.00	9.25%	Second Pari Passu charge on- 1. Current Assets both present and future & 2. Fixed Assets of Haridwar Plant including Land and Building, except exclusively charged to other lenders.	Repayable in 48 Monthly installments beginning from April, 2025
IDFC bank-5.95 Cr	337.34	456.40	13.75%	First pari-passu charge on entire current assets of the company	Repayable in 60 Monthly Equal installments beginning from April, 2022
Yes Bank - 50Cr	-	630.75	12.6%-13.75%	Exclusive charge on all the Assets procured out of Term Loan proceeds (1.2x to be maintained)	Repayable in 22 quarterly installments beginning from June, 2018
Yes Bank - 50Cr	-	2,516.80	12.6%-13.75%	First pari passu charge on Immoveable & Movable Fixed Assets of Bangalore and Rohtak Plant (both present and future)	Repayable in 24 quarterly installments beginning from December, 2018

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in lakhs unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023	Rate of interest	Security	Repayment terms
Yes Bank - 100Cr	-	5,473.44	12.6%-13.75%	<ol style="list-style-type: none"> <li>1. Exclusive charge on all Moveable Fixed Assets of Binola Plant</li> <li>2. First Pari passu charge on all Fixed Assets of Bangalore and Rohtak Plant</li> </ol>	Repayable in 24 quarterly installments beginning from June, 2020
Yes Bank - ECLGS	1,964.58	2,989.58	9.25%	<ol style="list-style-type: none"> <li>1. Exclusive charge on Current assets financed through the said WCTL facility.</li> <li>2. Second Charge on entire Current Assets of the Company.</li> <li>3. Second charge on entire Moveable Fixed Assets of Binola Plant.</li> <li>4. Second Charge on on Immovable &amp; entire Moveable Fixed Assets of Rohtak and Bangalore plants.</li> <li>5. Second charge on all the assets procured out of proceeds of Term Loan 2, 4 &amp; 5 of the Borrower.</li> </ol>	Repayable in 48 Monthly Equal installments beginning from March, 2022
HDFC Bank - TL	-	384.17	10.45%	<ol style="list-style-type: none"> <li>1. First pari passu on fixed assets of all plants except Manesar with other lenders, Exclusive charge on movable fixed asset of manesar Plant.</li> <li>2. First pari passu charge on present and future current assets of the Company Plants at Binola, Haridwar and Manesar.</li> <li>3. First pari passu charge on equitable mortgage of factory land and building located at Binola, Haridwar, Rohtak and Bangalore Plant.</li> </ol>	Repayable in 36 monthly installment beginning from October, 2020
HDFC Bank - ECLGS	527.08	802.08	9.25%	Second PP charge over existing primary and collateral securities including mortgages created in favour of the Bank.	Repayable in 48 Monthly Equal installments beginning from March, 2022
HDFC Bank - ECLGS-2	550.00	-	9.25%	Second PP charge over existing primary and collateral securities including mortgages created in favour of the Bank.	Repayable in 48 Monthly Equal installments beginning from June, 2025
HDFC Bank - Other Loan	-	49.88	10.45%	Funded Interest Term Loan	One Time Repayment at maturity date of loans on 23-September-2023
Less Current maturities of long term borrowings	(2,115.21)	(2,556.98)			
<b>Total</b>	<b>3,193.78</b>	<b>12,830.07</b>			

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in lakhs unless otherwise stated)

### From Others

#### Binola Plant

Particulars	As at March 31, 2023	As at March 31, 2022	Rate of interest	Security	Repayment terms
Hero Fin Corp Limited	1,390.21	2,168.68	13.25%	Secured first pari-passu charge on current assets of the Company	Repayable in 64 monthly installments beginning from November, 2021
Hero Fin Corp-ECLGS	631.19	886.69	14.00%	Second Pari Passu charge on the present and future current assets of Binola and Haridwar Plant	Repayable in 48 Monthly installments beginning from April, 2022
Hero Fin Corp-ECLGS-2	550.00	-	14.00%	Second Pari Passu charge on the present and future current assets of Binola and Haridwar Plant	Repayable in 48 Monthly installments beginning from August, 2025
STCI Loan	6,500.00	6,500.00	12.75%	First pari-passu charge on entire fixed assets of Rohtak, Kolar and Binola (Except those exclusively charged to Other Lenders) Second pari-passu charge on entire current assets (present and future) of the company	Repayable in 45 Monthly installments beginning from July, 2024
Non convertible debentures	8,000.00	-		First ranking pari passu charge by way of mortgage on: Industrial Property situated at Village Binola, Gurugram	Refer note 14.1 A For Repayment
Optionally convertible debentures	2,500.00	-		Industrial Property situated at Haridwar Industrial Property situated at Industrial Model Town, Rohtak Industrial Property situated at Vemagal Industrial Area, Kolar, Karnataka exclusive charge by way of hypothecation Escrow Account, DSR and all monies lying to the credit of the DSR and the Escrow Account along with all rights, title, benefits and interest therein second ranking pari passu fixed/ floating charge all the Current Assets of the Company Corporate Guarantee issued by holding company "Dayanand Munjal Investments Private Limited"	
Less Current maturities of long term borrowings	(4,534.24)	(758.48)			
<b>Total</b>	<b>15,037.16</b>	<b>8,796.89</b>			
Ind As Impact	<b>(352.43)</b>	<b>(112.78)</b>			
<b>Total</b>	<b>17,878.51</b>	<b>21,514.18</b>			

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in lakhs unless otherwise stated)

### II Short Term Borrowings

#### **From Bank - Cash Credit / Working Capital Demand Loan**

Particulars	As at March 31, 2024	As at March 31, 2023	Security
Hero Fin Corp	734.58	734.58	First pari-passu charge on present and future current assets of plants situated at Binola and Haridwar.
Unsecured Loan from Dayanand Munjal Investment Pvt Ltd	7,954.27	7,188.27	Unsecured
Munjal Showa Ltd	-	748.70	Unsecured
IDFC Bank	1,750.50	1,152.00	1. First Pari Passu charge on Current Assets of Haridwar Plant- 45 cr 2. Exclusive charge on all the current assets of Rohtak Plant-5 cr
HDFC Bank	-	1,500.18	First pari passu charges on the current asset of Binola & Haridwar plant along with the other working capital bankers.
Yes bank	3,386.50	3,509.55	Exclusive charges on all the current assets of Bengaluru plant and first pari pasu charge on all the current assets of Binola & Haridwar plant of the Borrower (Present & future)
Yes bank	-	2,450.00	Exclusive charges on all the current assets of Bengaluru plant and first pari pasu charge on all the current assets of Binola & Haridwar plant of the Borrower (Present & future)
Current maturities of long term borrowings	6,649.45	3,315.46	
<b>Total</b>	<b>20,475.30</b>	<b>20,598.74</b>	

III No Delay in repayment of borrowings (current and non current) and interest during the year. (previous Year Nil)

### 40 Financial Risk Management

#### **Financial risk management objectives and policies:**

The Company, as an internationally active supplier for the automobile industry expose its business and products to various market risks, credit risk and liquidity risk. The Company realizes that risks are inherent and integral aspect of any business. The primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's senior management oversees the management of these risks and devise appropriate risk management framework for the Company. The senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

Below notes explain the sources of risks in which the Company is exposed to and how it manages the risks:

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in lakhs unless otherwise stated)

## A Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to the risk of movements in interest rates, inventory price and foreign currency exchange rates that affects its assets, liabilities and future transactions. The Company is exposed to following key market risks:

### a) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long-term borrowings with variable rates, which exposes the Company to cash flow interest rate risk. During March 31, 2024 and March 31, 2023, the Company's borrowings at variable rate were mainly denominated in INR.

Interest rate risk exposure - The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Variable Rate Borrowing	38,887.72	42,225.70
Fixed Rate Borrowing	2,318.53	6,108.35
Ind as Adjustment	(352.44)	(112.78)
<b>Total</b>	<b>40,853.81</b>	<b>48,221.27</b>

An analysis by maturities is provided in Note (C) Maturities of financial liabilities below.

Sensitivity analysis - For Floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

Sensitivity on variable rate borrowings	Impact on Profit & Loss Account	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest rate increase by 0.25%	97.22	105.56
Interest rate decrease by 0.25%	(97.22)	(105.56)

### b) Price Risk

Fluctuation in commodity price in global market affects directly and indirectly the price of raw material and components used by the Company in its various products segment. Substantial pricing pressure from major OEMs to give price cuts and inability to pass on the increased cost to customers may also affect the profitability of the Company.

**Key Raw material** - As per the agreement with the customers, any increase in the raw material prices is passed on to the customer. But in some cases where the customer was already asking for reduction in prices, the company has to absorb the price increase.

### c) Foreign Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an foreign exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's export revenue and import of raw materials and other consumables.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in lakhs unless otherwise stated)

The unhedged foreign currency exposure is as follows:

Particulars	Trade Receivable		Trade Paybles	
	Foreingn Currency in Lakhs	Rs in lakhs	Foreingn Currency in Lakhs	Rs in lakhs
<b>Foreign Exposure as at March 31, 2024</b>				
EUR	4.17	376.20	-	-
JPY			69.78	103.42
USD	13.03	1,080.26	-	-
<b>Foreign Exposure as at March 31, 2023</b>				
CHF	-	-	0.30	20.77
EUR	2.40	214.94	0.17	12.31
GBP	-	-	0.09	7.93
JPY	-	-	157.49	102.33
USD	9.41	774.05	0.66	53.62

The hedged foreign currency risk is Nil on respective dates.

### Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in foreign exchange rates, with all other variables held constant.

Particulars	Change in FCR / INR Rate	Impact on Profit & Loss Statements	
		For the year ended March 31, 2024	For the year ended March 31, 2023
USD	+ 50 basis points	6.51	4.37
	- 50 basis points	(6.51)	(4.37)
EURO	+ 50 basis points	2.09	1.12
	- 50 basis points	(2.09)	(1.12)
CHF	+ 50 basis points	-	(0.15)
	- 50 basis points	-	0.15
JPY	+ 50 basis points	(34.89)	(78.75)
	- 50 basis points	34.89	78.75
GBP	+ 50 basis points	-	(0.04)
	- 50 basis points	-	0.04

### B Credit risk:

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and advances to suppliers) and from its financing activities, including deposits and other financial instruments.

The Company has developed guidelines for the management of credit risk from trade receivables. The Company's primary customers are major Indian automobile manufacturers (OEMs) with good credit ratings. Non-OEM clients are subjected to credit assessments as a precautionary measure, and the adherence of all clients to payment due dates is monitored on an on-going basis. An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in lakhs unless otherwise stated)

homogeneous groups and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 44. The Company does not hold collateral as security except in case of few customers. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Particulars	As at March 31, 2024			As at March 31, 2023		
	Upto 6 months	More than 6 months	Total	Upto 6 months	More than 6 months	Total
Gross carrying amount (A)	7,642.02	2,213.92	9,855.94	8,228.59	2,046.74	10,275.33
Expected Credit Losses (B)		1,328.64	1,328.64		928.64	928.64
<b>Net Carrying Amount (A-B)</b>	7,642.02	885.28	8,527.30	8,228.59	1,118.10	9,346.69

Credit risk from balances with banks and other financial asset is managed in accordance with the Company's approved investment policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed on regular basis and the said limits gets revised as and when appropriate. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. The Company has deposited liquid funds at various banking institutions. Primary banking institutions are major Indian and foreign banks. In long term credit ratings these banking institutions are considered to be investment grade. Also, no impairment loss has been recorded in respect of fixed deposits that are with recognised commercial banks and are not past due.

### C Liquidity risk:

The liquidity risk encompasses any risk that the Company cannot fully meet its financial obligations. To manage the liquidity risk, cash flow forecasting is performed in the operating divisions of the Company and aggregated by Company finance. The Company's finance monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities / overdraft facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

Table hereunder provides the current ratios of the Company as at the year end

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Total current assets	17,815.14	24,141.52
Total current liabilities	31,881.85	32,544.04
<b>Current ratio</b>	<b>0.56</b>	<b>0.74</b>

The table below summarises the maturity profile of the Company's financial liabilities (Current and Non current):

	Particulars	Less than 1 year	1 to 5 years	> 5 years	Total
<b>I</b>	<b>As at March 31, 2024</b>				
(i)	Borrowings	20,475.30	17,809.76	68.75	38,353.81
(ii)	Lease liability	141.48	463.83	-	605.31
(iii)	Other Financial Liability	4,081.01	-	-	4,081.01
(iv)	Trade and other payable	5,530.70	-	-	5,530.70
		<b>30,228.49</b>	<b>18,273.59</b>	<b>68.75</b>	<b>48,570.84</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in lakhs unless otherwise stated)

	Particulars	Less than 1 year	1 to 5 years	> 5 years	Total
<b>II</b>	<b>As at March 31, 2023</b>				
(i)	Borrowings	20,598.74	21,464.18	50.00	42,112.92
(ii)	Lease liability	141.48	533.15	-	674.63
(iii)	Other Financial Liability	2,770.70		-	2,770.70
(iv)	Trade and other payable	7,457.36	-	-	7,457.36
	<b>Total</b>	<b>30,968.28</b>	<b>21,997.33</b>	<b>50.00</b>	<b>53,015.61</b>

### 41 Financial Instrument - Disclosure

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

#### Financial Asset

Sl. No	Particulars	Note	Fair value hierarchy	As at March 31, 2024		As at March 31, 2023	
				Carrying Amount	Fair Value	Carrying Amount	Fair Value
	<b>Financial assets designated at amortised cost</b>	<b>D</b>					
(a)	<u>Non Current</u>						
	- Others Financial Asset		Level 3	1,837.00	1,837.00	1,127.97	1,127.97
(b)	<u>Current</u>				-		
	- Trade receivables		Level 3	8,527.30	8,527.30	9,346.69	9,346.69
	- Cash and cash equivalents			60.68	60.68	5,792.45	5,792.45
	- Bank Balances			15.10	15.10	24.83	24.83
	- Loans		Level 3	35.16	35.16	30.58	30.58
	- Others Financial Asset		Level 3	150.73	150.73	51.36	51.36
	<b>Total</b>			<b>10,625.97</b>	<b>10,625.97</b>	<b>16,373.88</b>	<b>16,373.88</b>

#### Financial Liability

Sl. No	Particulars	Note	Fair value hierarchy	As at March 31, 2023		As at March 31, 2022	
				Carrying Amount	Fair Value	Carrying Amount	Fair Value
	<b>Financial liability designated at amortised cost</b>	<b>D</b>	Level 2				
(a)	<u>Non Current</u>						
	- Borrowings		Level 2	17,878.51	17,878.51	21,514.18	21,514.18
	- Lease liabilities		Level 2	463.83	463.83	533.15	533.15
(b)	<u>Current</u>						
	- Borrowings		Level 2	20,475.30	20,475.30	20,598.74	20,598.74
	- Trade payables		Level 3	5,530.70	5,530.70	7,457.36	7,457.36
	- Lease liabilities		Level 2	141.48	141.48	141.48	141.48
	- Other financial liabilities		Level 3	4,081.01	4,081.01	2,770.70	2,770.70
	<b>Total</b>			<b>48,570.83</b>	<b>48,570.83</b>	<b>53,015.61</b>	<b>53,015.61</b>

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in lakhs unless otherwise stated)

**A** - Company has opted to fair value its mutual fund investment through profit & loss

**B** - Company has opted to fair value its quoted investments in equity share through OCI

**C** - As per Para D-15 of Appendix D of Ind AS 101, the first time adopter may chose to measure its investment in subsidiaries, JVs and Associates at cost or at fair value. Company has opted to value its investments in subsidiaries, JVs and Associates at cost.

**D** - Company has adopted effective rate of interest for calculating Interest. This has been calculated as the weighted average of effective interest rates calculated for each loan. In addition processing fees and transaction cost relating to each loan has also been considered for calculating effective interest rate.

\* In case of trade receivables, cash and cash equivalents, trade payables, short term borrowings and other financial assets and liabilities it is assessed that the fair values approximate their carrying amounts largely due to the short-term maturities of these instruments..

## Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair values of the financial assets and financial liabilities included above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

## 42 Capital Management

For the purpose of the Company's capital management, equity includes issued equity capital and all other equity reserves attributable to the equity shareholders and net debt includes interest bearing loans and borrowings less current investments and cash and cash equivalents. The Company's objectives when managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic & financial conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, internal accruals, long term borrowings and short term borrowings. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. During the year the Company has breached with these covenants. During the year lenders has imposed the penalties towards non-fulfillment of the covenants as per the loan agreements and the same has duly been accounted in financial statements wherever charged by the lenders.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2024 and March 31, 2023.

Particulars	As at March 31, 2024	As at March 31, 2023
Debt (i)	38,353.81	42,112.92
Cash and cash equivalents	(60.68)	(5,792.45)
Net Debt	38,293.13	36,320.47
Total Equity	5,559.32	10,457.41
<b>Net debt to equity ratio (Gearing Ratio)</b>	<b>6.89</b>	<b>3.47</b>

(i) Debt is defined as long-term and short-term borrowing

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in lakhs unless otherwise stated)

**43** The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders, which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

### 44 Ratio

SL No	Particulars	Formula	FY 2023-24	FY 2022-23	Difference	In %	Reasons if any
1	Net Profit Margin	Net Profit after Tax/ Revenue from Operation	(10.69)	(7.38)	(3.30)	44.77	#
2	Debt Service Coverage Ratio	(Profit Before Tax + Finance Cost + Depreciation)/ (Finance Cost for the Period or Year + Principal Repayment made during the period or year + Interest Capitalised)	0.36	0.44	(0.09)	-19.34	##
3	Trade Receivable Turnover Ratio	Revenue from Operation /Average Accounts Receivable	5.26	5.33	(0.08)	-1.47	
4	Inventory Turnover Ratio	Revenue from Operation /Average Inventory	5.97	5.58	0.39	6.99	
5	Debt- Equity Ratio	(Long Term Debt + Short Term Debt/ Equity	6.90	4.03	2.87	71.32	##
6	Current Ratio	Current Asset/ Current Liability	0.56	0.74	(0.18)	-24.67	
7	Return on Equity Ratio	Net profit after tax / (Paid up capital + Free reserves)	(0.90)	(0.33)	(0.57)	171.92	#
8	Return on Capital Employed	Net profit after tax / (Paid up capital +Long term debts+ Free reserves)	(0.25)	(0.10)	(0.15)	156.63	#
9	Return on Investment	Net profit after tax / Total Asset	(0.15)	(0.10)	(0.06)	58.55	#
10	Trade payable Turnover Ratio	Net Credit Purchase /Average Trade payable	2.85	2.43	0.43	17.54	
11	Net Capital turnover Ratio	Revenue from Operation /Average Equity	5.86	3.87	2.00	51.57	

# Ratio deteriorate due to increase in operational expenses mainly consumption of raw material & stores spares.

## Ratio deteriorate due to decrease in operational profit caused mainly higher consumption of raw material & stores spares.

### 45 Events occurring After the Balance Sheet date

No adjusting or significant non adjusting events have occurred between the reporting date and date of authorization of financial statements.

**46** The Company is in the process of obtaining confirmations and reconciliation with its trade receivables, trade payables and other dues receivables. The confirmations to the extent received have been reconciled and adjustments, if any, have been made. The others are pending for confirmations, reconciliations and adjustments, if any. However, the management does not expect any significant variations in the existing status.

**47** Corporate Social Responsibility not applicable to the company due to loss incurred in last three years.

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in lakhs unless otherwise stated)

- 48** Previous year figures have been regrouped / reclassified wherever necessary to correspond with current year classification/ disclosure.
- 49**
- i) The Company do not have any benami property, and no proceeding has been initiated against the Company for holding any benami property.
  - ii) The Company do not have any transactions with companies struck off.
  - iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
  - iv) The Company have not traded or invested in crypto currency or virtual currency during the financial year.
  - v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
    - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
    - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
  - vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
    - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
    - b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries..
  - vii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
  - viii) The Company have not declared willful defaulter by any banks or any other financial institution at any time during the financial year.
  - ix) All immovable properties are held in the name of the Company.

As per report of even date

**For NSBP & Co.**

Chartered Accountants

Firm Regn. No. 001075N

**Sd/-**

**Subodh Kumar Modi**

Partner

Membership Number: 093684

**Place :** New Delhi

**Dated:** May 27, 2024

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

Sd/-

**Neeraj Munjal**

Managing Director

DIN : 00037792

Sd/-

**Devendra Kumar**

**Goyal**

Chief financial Officer

PAN No. AGNPG1981F

**Place :** Gurugram

**Dated:** May 27, 2024

Sd/-

**Charu Munjal**

Whole Time Director

DIN: 03094545

Sd/-

**Shakti Kant Mahana**

Company Secretary

M No A69273



**Shivam Autotech Limited**  
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