

# 2019-20 ANNUAL REPORT



Target



Return



Analysis



# Annual Report 2019-20



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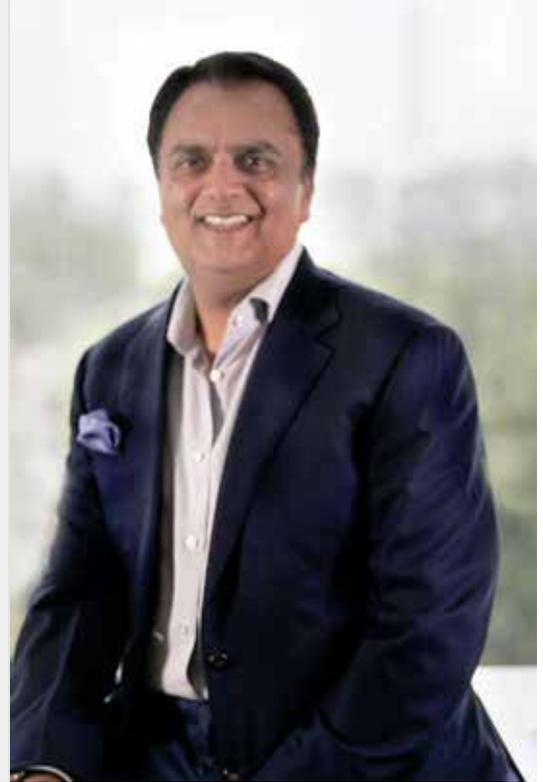
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FROM THE DESK OF  
**MANAGING DIRECTOR**



All life is an experiment. The more experiments you make, the better. ”

*Ralph Waldo Emerson*



**Dear Stakeholders,**

Our world is going through a period that will define the lives of future generations. I hope that each one of you and your family members are safe and healthy and are heeding the advisories of the respective government and taking all necessary precautions.

Shivam Autotech Limited has undergone a significant evolution in the past 20 years as we have grown existing business, added new ones and more importantly constantly adapted to the changing ecosystem in which we operate. The FY 2019-20 was the most challenging year for the Indian automotive industry as it witnessed the worst-ever downturn in the last two decades and was characterized by a difficult demand environment and weaker-than-anticipated financial performance. With an annual turnover of Rs. 589 Crores in 2019-20, we have tried to maintain a steady pace.

While the COVID-19 pandemic shook the world, we stayed connected with our customers, business

partners, employees, communities, and all other stakeholders to help them cope with the situation and eventually evolve with a comprehensive re-start roadmap. We are responding to the crisis in the best way we can and keeping a close watch on the impact of the contagion.

With safety as a key priority in the post-COVID scenario, people across the world and especially in developing economies are exploring personal mobility solutions. This trend could drive the demand for two-wheelers across categories and price points.

Our teams are constantly working on new business models and alternative mobility solutions, making Shivam Autotech ahead of the curve.

No doubt, an environment of fear is eclipsing the industry. But it is equally true that the industry is all set to become the third-largest in the world by 2025, and globalization is considered auspicious rather than a menace.

Being part of the society at large, it is essential for companies to go beyond their business interests and work for the betterment of the people. Though it is not obligatory for the Company under the provisions of the Companies Act, 2013 to contribute towards the corporate Social responsibility activities, still the company is committed in contributing towards various social projects and institutions for the welfare and betterment of society. These projects include education, renovation of schools and support to physically challenged children.

While the year at large was a slow one for the auto industry, life was at full steam as we continued to race ahead to achieve our long term vision- "Leadership through world-class products, modern practices and customer satisfaction."

Shivam has got world class facilities across different geographical locations in India. The capacity is already

ramped up and as soon as the auto-sector demand revival occurs in India, it will be well-poised to carve a decent market share backed by technology-aided manufacturing facilities already buildup.

We would like to take this opportunity to thank all our stakeholders – members of the board, business associates, employees, suppliers, government agencies, lenders and shareholders – who have contributed to the growth of our company. With their cooperation, we are confident of delivering superior value to all stakeholders.

Stay Informed! Stay safe!

Thank you.

Neeraj Munjal  
Managing Director



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Our teams are constantly working on new business models and alternative mobility solutions, making Shivam Autotech ahead of the curve.

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## ABOUT THE COMPANY



Shivam Autotech Limited, is one of the largest 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.

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



## BUSINESS VERTICALS

“Strength and Growth comes only through continuous efforts and struggle.”

At Shivam, these attributes lie at the vortex of all what we do and 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 etc.

### Two Wheeler Segment



### Aerospace Segment



## Automobile Segment



## Commercial Vehicle



## Non-Automotive Segment



## Off-Road Segment (4 wheeler)



PRODUCT  
**RANGE**

**PRECISION ENGINEERING  
COMPONENTS AND ASSEMBLIES**



**TRANSMISSION GEARS AND SHAFTS**



## STEERING COMPONENT



## ALTERNATOR COMPONENT



## STARTER MOTOR COMPONENTS



# AWARDS & CERTIFICATES



## OUR CUSTOMERS



**BOSCH**

**DENSO**



DYNAMATIC<sup>®</sup>  
TECHNOLOGIES



India Nippon  
Electricals Ltd



Lucas-TVS Limited



**Mando**



**MITSUBA**

**MUNJAL  
SHOWA**



**PSA**  
GROUPE



**SEG**  
AUTOMOTIVE

**VE COMMERCIAL VEHICLES**  
A VOLVO GROUP AND EICHER MOTORS JOINT VENTURE



**YAMAHA**



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### CHAIRMAN

Mr. Sunil Kant Munjal, Independent Director

### MANAGING DIRECTOR

Mr. Neeraj Munjal

### DIRECTORS

Mr. Bhagwan Dass Narang, *Independent Director*

Ms. Jyothi Prasad, *Independent Director*

Dr. Anil Kumar Gupta, *Non-Executive Director*

Mrs. Charu Munjal, *Executive Director*

### CHIEF FINANCIAL OFFICER

Mr. Davendra Ujlayan, VP-Finance

### COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Samta Bajaj

### 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

Satyender Kumar & Associates  
Company Secretaries  
Gurugram, Haryana  
COP No. 5189  
FCS No. 4087

### BANKERS

IDFC First Bank Limited  
Kotak Mahindra Bank Limited  
YES Bank Limited  
HDFC Bank Limited  
RBL 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 Rohtak  
District Rohtak -124001, Haryana

### REGISTRAR & TRANSFER AGENTS

MCS Share Transfer Agent Limited  
F-65, First Floor, Okhla Industrial Area,  
Phase -1, New Delhi - 110 020

## NOTICE

Notice is hereby given that the **15<sup>th</sup> Annual General Meeting** of the Members of **SHIVAM AUTOTECH LIMITED (“the Company”)** will be held on Wednesday, the 30<sup>th</sup> day of September, 2020 at 11:30 A.M. (IST) through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) 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, 2020, 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.

**“RESOLVED THAT** the Audited Financial Statements including Balance Sheet as at March 31, 2020 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 Dr. Anil Kumar Gupta (DIN: 02643623), who retires by rotation and being eligible has offered himself for re-appointment.

**“RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Dr. Anil Kumar Gupta (DIN: 02643623), who retires by rotation at this meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

### B. SPECIAL BUSINESS

3. Appointment of Ms. Jyothi Prasad (DIN: 06947488) as an Independent Director of the Company and in this regard to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and based on the recommendation of the Nomination

and Remuneration Committee of the Company, Ms. Jyothi Prasad (DIN: 06947488) who was appointed as an Additional (Non-Executive and Independent) Director of the Company pursuant to Section 161 and other applicable provisions with effect from November 13, 2019 to hold office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from her under Section 160 of the Companies Act, 2013 proposing her candidature for the office of director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years, from the date of appointment.”

4. Conversion of unsecured Loans into equity Shares of the Company and in this regard to consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 62 and other applicable provisions, if any of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof, for the time being in force, the provisions of the Memorandum and Articles of Association of the Company, the consent of the shareholders of the Company is hereby accorded to create, offer, issue and allot equity shares of Rs.2/- each against conversion of the unsecured loan up to the extent of **Rs. 30 Crores (Rupees Thirty Crores only)** availed from Dayanand Munjal Investments Private Limited, Promoters of the Company towards adjustment of its entitlement for the proposed Rights Issue including subscription to additional equity shares and equity shares which may be renounced in its favour, if any, subject to necessary approvals.

**RESOLVED FURTHER THAT** allotment of equity shares to Promoters against conversion of unsecured loan shall be at the same terms and conditions as per the proposed Rights Issue approved by the Board of Directors, subject to necessary approvals.

**RESOLVED FURTHER THAT** the equity shares so issued shall rank *paripassu* with the existing equity shares of the company in all respects.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors and Company Secretary be and

are hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt in regard to terms of issue and / or mode of allotment that may arise in regard to offer / issue, allotment and utilization of the proceeds and further to do all such acts, deeds, matters and things and to finalize and execute all documents and writings as may be necessary, proper, desirable or expedient as it may deem fit."

**Place: Gurugram**

**Date: August 31, 2020**

**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/-**

**Samta Bajaj**

**Company Secretary**

**Membership No. 50269**

## NOTES

- In view of the globally declared Covid-19 pandemic, imposing continuing restrictions on free movement of people around various geographies of the nation by the Central Government/State Governments, the Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 20/2020 dated May 5, 2020 read with General circular No. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as "Circulars") permitted the holding of the Annual General Meeting ("AGM") during the Calender year 2020 through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Circulars as mentioned above, the AGM of the Company is being held through VC / OAVM.
- The deemed venue for 15<sup>th</sup> AGM shall be the Registered Office of the Company.
- The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, in respect of director seeking appointment/re-appointment at this AGM is annexed.
- The Explanatory Statement pursuant to Section 102(1) of the Act, relating to the Special Business to be transacted at the AGM is annexed hereto.
- Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. **Since this AGM is being held pursuant to the Circulars mentioned above through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this AGM and hence the Proxy Form, Attendance Slip and route map are not annexed to this Notice.**
- Pursuant to Section 113 of the Act, members of the Company under the category of Institutional Investors 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 [satyenderfcs@gmail.com](mailto:satyenderfcs@gmail.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com), authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting.
- 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.

8. We urge members to support the 'Green Initiative' by choosing to receive the Company's communication through email. Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Registrar by providing Folio No., name of shareholder, 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) at the following email address with subject as **"Shivam Autotech Limited – Member Email ID"** at [admin@mcsregistrars.com](mailto:admin@mcsregistrars.com) in case the shares are held by them in physical form.
9. 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.
10. 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.
11. 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.
12. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH- 13. This said form can be downloaded from <http://ebook.mca.gov.in/notificationdetail.aspx?acturl=6CoJDC4uKVUR7C9FI4rZdatyDbeJTqg38iljdoCCVy5olaqWqXUJS57H9RSp+M6u>. Members are requested to submit the said details to their DP 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.
13. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
14. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before September 25, 2020 till 5:00 p.m. (IST) through email on Company's investor email id: [cs@shivamautotech.com](mailto:cs@shivamautotech.com). The same will be replied by the Company suitably.
15. 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, 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.
16. In compliance with the aforesaid Circulars, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories as on September 04, 2020. Members may note that the Notice and Annual Report 2019-20 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 CDSL <https://www.evotingindia.com>.
17. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
18. At the 12<sup>th</sup> AGM held on September 29, 2017, the Members approved appointment of NSBP & CO., Chartered Accountants, New Delhi (Firm Registration No. 001075N) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 17<sup>th</sup> AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the 15<sup>th</sup> AGM.

19. Pursuant to Section 91 of the Act, the Register of Members and Share Transfer Books of the Company will remain closed from Monday, September 21, 2020 to Wednesday, September 30, 2020 (both days inclusive).
20. Pursuant to the provisions of Section 124 of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend which remains unpaid or unclaimed for a period of seven consecutive years from the date of its transfer to unpaid dividend account, is required to be transferred by the Company to Investor Education and Protection Fund (IEPF), established by the Central Government under the provisions of Section 125 of the Act. The details of unpaid amounts as per provisions of Section 124 of the Act are uploaded under 'Investor Services' section on the website of the Company viz. [www.shivamautotech.com](http://www.shivamautotech.com).

The dividend declared by the Company for the financial year 2012-13, of which Rs. 6,72,012/- has remain unpaid/unclaimed shall be transferred to IEPF on or before November 29, 2020. Accordingly, Members who have not encashed their Dividend Warrant(s) are requested to approach the Company for releasing the dividend upon completion of necessary formalities for the same in lieu of such warrant(s). Unclaimed/unpaid final dividend for the financial year 2012-13, which is due for transfer to IEPF, should be claimed by the Members before October 30, 2020. After that date, no claim shall lie against the Company, in respect of the said amount.

Due dates for transfer of unclaimed/unpaid dividends for the financial year ending March 31, 2013 and thereafter to IEPF:

FY ended	Last date of payment to shareholder / Due date	Last Date of transfer to IEPF
March 31, 2013	October 30, 2020	November 29, 2020
March 31, 2014	November 04, 2021	December 04, 2021
March 31, 2015	October 15, 2022	November 14, 2022
March 31, 2016	November 04, 2023	December 04, 2023

21. Pursuant to the provisions of Section 124(6) of the Act read with Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 notified by the Ministry of Corporate Affairs as amended from time to time ("the Rules"), shares in respect of which dividend remains unpaid or unclaimed for seven consecutive years or more is required to be transferred by the Company to Investor Education and Protection Fund (IEPF), established by the Central Government

under the provisions of Section 125 of the Act. The details of unpaid amounts as per provisions of Section 124 of the Act are uploaded under 'Investor Services' section on the website of the Company viz. [www.shivamautotech.com](http://www.shivamautotech.com). The concerned members are requested to verify the details of their unclaimed amounts, if any, and write to the Company's Registrar before the same becoming due for transfer to the IEPF.

Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has, during financial year 2019-20, transferred to the IEPF Authority all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more as on the due date of transfer, i.e. November 30, 2019. Details of shares transferred to the IEPF Authority are available on the website of the Company and the same can be accessed through the link:

[http://www.shivamautotech.com/Uploads/image/196imguf\\_IEPF-4DATAUNCLAIM\\_DIV\\_SHIVAM\\_30072019.pdf](http://www.shivamautotech.com/Uploads/image/196imguf_IEPF-4DATAUNCLAIM_DIV_SHIVAM_30072019.pdf)

The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: [www.iepf.gov.in](http://www.iepf.gov.in).

22. Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from them by making an online application to the IEPF Authority in web Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in). or contact Company's Registrar and Transfer Agents for lodging claim for refund of shares and / or dividend from the IEPF Authority.
23. Instructions for e-voting and joining the AGM are as follows:

#### **A. Instructions for Voting through electronic mode**

- i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all the resolutions set forth in this Notice. The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the instructions for

- e-voting section which forms part of this Notice.
- ii. The remote e-voting period begins on 09:00 A.M. IST on Sunday, September 27, 2020 and ends 05:00 P.M. IST on Tuesday, September 29, 2020. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Wednesday, September 23, 2020, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Those Members, who will be present in the AGM through VC/ OAVM facility and have not cast 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 during the AGM.
  - iii. The Board of Directors of the Company (the "Board") at its meeting held on August 31, 2020 have appointed Mr. Satyender Kumar, (Membership No. FCS 4087), Satyender Kumar & Associates, Company Secretaries, Gurugram as the Scrutinizer to scrutinize the remote e-voting process and e-voting during the AGM in a fair and transparent manner in accordance with law and he has communicated his willingness to be appointed and will be available for the same purpose.
  - iv. The scrutinizer shall immediately after the conclusion of e-voting at the Annual General Meeting, first count the votes cast during the AGM, and thereafter unblock the votes cast through remote e-voting and furnish, a Consolidated Scrutinizer's Report to the Chairman of the Company or a person duly authorised by him within 48 hours of conclusion of the Annual General Meeting.
  - v. The Results declared alongwith the Consolidated Scrutinizer's Report shall be placed on the Company's website [www.shivamautotech.com](http://www.shivamautotech.com) and on the website of CDSL after the result is declared by the Chairman or a person duly authorised by him. The company shall simultaneously forward the results to the The National Stock Exchange of India Limited and the BSE Limited, where the shares of the Company are listed. The result will also be posted on the notice board of the company at its registered office.
  - vi. The scrutinizer's decision on the validity of e-voting shall be final and binding.
  - vii. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
  - viii. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date Wednesday, September 23, 2020. The members shall have one vote per equity share held by them. The facility of remote e-voting would be provided once for every Folio/ Client ID, irrespective of the number of joint holders.
  - ix. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as on the cut-off date, may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). However, if he/she is already registered with CDSL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
  - x. The details of the process and manner for remote e-voting are explained herein below:
    - a. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
    - b. Click on "Shareholders" module.
    - c. Now Enter your User ID
      - For CDSL: 16 digits beneficiary ID,
      - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
      - Members holding shares in physical form should enter Folio Number registered with the Company.

**OR**

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully

log-in to CDSL's EASI/EASIEST e-services, click on e-voting option and proceed directly to cast your vote electronically.

- d. Next enter the Image Verification as displayed and click on login.
- e. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- f. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). Members who have not updated their PAN with the Company/ Depository Participant may call CDSL's toll free number 1800225533.
Dividend Bank Details or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (c)

- g. After entering these details appropriately, click on "SUBMIT" tab.
- h. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- i. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- j. Click on the EVSN for the "Shivam Autotech Limited" on which you choose to vote.
- k. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the resolution and option NO implies that you dissent to the resolution.
- l. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- m. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- n. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- o. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- p. If demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- q. Shareholders can also cast their vote using CDSL's mobile app "**m-Voting**". Android phone users can download the app from Google play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while remote e-voting on your mobile.

**PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING ANNUAL REPORT AND FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

**For Physical shareholders** - please provide scanned copy of a duly signed letter by the member(s) mentioning necessary details like 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 sending a request to Registrar at [admin@mcsregistrars.com](mailto:admin@mcsregistrars.com).

**For Demat Shareholders** - Please contact your DP and register your your e-mail address in your demat account as per the process advices by your DP.

**B. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:**

- i. Members will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-voting system. Members may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials and selecting the EVSN for Company's AGM. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed. 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. Further Members can also use the OTP based login for logging into the e-voting system of CDSL.
- ii. The facility of joining the AGM through VC / OAVM will be opened 15 minutes before the scheduled start-time of the AGM. The facility of participation at the AGM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Statutory Auditors and Secretarial Auditors, who are allowed to attend the AGM without restriction on account of first come first served basis.
- iii. Members are encouraged to join the Meeting through Laptops / I-Pads for better sound and video clarity and experience.

- iv. Further members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- v. 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.
- vi. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 5 days prior to the date of meeting, mentioning their name, demat account number/folio number, email id, mobile number at [cs@shivamautotech.com](mailto:cs@shivamautotech.com).
- vii. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**C. INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

- i. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- ii. Only those shareholders, who are present in the 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 available during the AGM.
- iii. If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**Note for Non-Individual Shareholders & Custodians:**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" Module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- After receiving the login details, a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the board resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding attending AGM and e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at

**Place: Gurugram**

**Date: August 31, 2020**

**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

[www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533

All grievances connected with the facility for voting by electronic means may be addressed to:

**Mr. Rakesh Dalvi, Manager,  
(CDSL) Central Depository Services (India) Limited,  
A Wing, 25th Floor, Marathon Futurex,  
Mafatlal Mill Compounds, N M Joshi Marg,  
Lower Parel (East), Mumbai – 400013**

or

**Mr. Nitin Kunder (022-23058738)**

or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 022-23058542

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

**Sd/-  
Samta Bajaj  
Company Secretary  
Membership No. 50269**

## ANNEXURE TO THE NOTICE

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

### ITEM NO. 3

Pursuant to the provisions of Section 149, 150, 152 and 161 and other applicable provisions of the Companies Act, 2013, Ms. Jyothi Prasad, on the recommendation of Nomination and Remuneration Committee, was appointed by the Board of Directors as an Additional and Independent Director of the Company w.e.f. November 13, 2019 for a term of five years, not liable to retire by rotation, subject to the approval of Members at the 15<sup>th</sup> Annual General Meeting.

Ms. Jyothi Prasad holds a Bachelor of Laws degree from the University of Mumbai (Gopaldas Advani College), Post Graduate Diploma in Management from Indian Institute of Management (IIM), Ahmedabad and a Master of Commerce degree from the University of Madras. She was a Chevening Gurukul Scholar at the London School of Economics in 2000.

She has more than 30 years of wide-ranging investment banking experience, having worked on diverse assignments both in senior management positions of leading investment banks in India and as an independent consultant since 2008 to the present. She was also associated as an independent consultant with a boutique infrastructure investment advisory firm Iridis Advisory Services for assisting them on certain of their advisory mandates. She is at present, associated as a Senior Advisor with Sparrow Advisory, a boutique provider of PE and M&A advice and is involved in their assignments from time to time.

The requisite details of Ms. Jyothi Prasad are provided in Annexure A to the Notice.

It is proposed that Ms. Jyothi Prasad be appointed as an Independent Director of the Company for a term of five consecutive years i.e. from November 13, 2019 to November 12, 2024 and she shall not be liable to retire by rotation.

The Board considers that her association would be of immense benefit to the Company and it is desirable to avail services of Ms. Jyothi Prasad 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, she fulfills the conditions specified in the said Act and is independent of the management. The Company has received a declaration

from Ms. Jyothi Prasad confirming that she 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.

Except Ms. Jyothi Prasad, none of the Directors and Key Managerial Personnel of the Company or their relatives are in anyway concerned or interested, in the Ordinary Resolution as set out at Item No. 3.

### ITEM NO. 4

In order to meet the working capital requirements of the Company, it is proposed to issue further capital for strengthening the financial position of the Company by making Rights Issue which was approved by the Board of Directors on December 28, 2019. Upon the request of the Company, Dayanand Munjal Investments Private Limited, Promoters of the Company has provided Rs. 30 Crores (Rs. Thirty Crores only) as unsecured loan on June 11, 2020. Dayanand Munjal Investments Private Limited has vide letter dated August 17, 2020 requested the Board of Directors of the Company to adjust the unsecured loan already brought in towards his entitlement for the proposed Rights Issue including subscription to additional equity shares and equity shares which may be renounced in his favour, if any.

It is therefore, proposed to authorize the Board of Directors of the Company to issue and allot equity shares to the Promoters on the same terms and conditions as applicable to all other shareholders of the company pursuant to the proposed rights issue, subject to necessary approvals.

Pursuant to the provisions of Section 62 of the Companies Act, 2013 the above proposal requires the approval of the members of the Company by way of Special Resolution.

The Board commends your approval by way Special resolution for allotment of shares on rights basis as required by Section 62 of the Companies Act, 2013.

None of the Directors, except Mr. Neeraj Munjal, and Mrs. Charul Munjal are interested or concerned in the resolution except to the extent of shares that may be offered to the promoters. The Promoters are interested in the resolution to the extent of shares that may be offered to them.

## ANNEXURE – A

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

Name of Director	Dr. Anil Kumar Gupta	Ms. Jyothi Prasad
<b>DIN</b>	02643623	06947488
<b>Date of Birth</b>	02-Apr-1951	29-Nov-1963
<b>Date of Appointment</b>	09-Aug-2019	13-Nov-2019
<b>Qualifications</b>	Doctorate in Engineering and Fellow of Indian National Academy of Engineering (FNAE).	Bachelor of Laws degree from the University of Mumbai (Gopaldas Advani College), Post Graduate Diploma in Management from Indian Institute of Management (IIM), Ahmedabad and a Master of Commerce degree from the University of Madras.
<b>Experience in Specific functional areas</b>	Creating value addition and complex sub-systems / systems. In-depth knowledge of metallurgical engineering.	Rich experience is in the areas of fund raising such as IPOs and Rights Issues, private equity, M&A and advisory transactions for both Indian corporates and foreign corporates
<b>No. of years of Experience</b>	48 years	31 years
<b>Terms and Conditions of appointment/re-appointment</b>	He was appointed as a Non-Executive Director w.e.f. from August 9, 2019 for a term of 5 years, liable to retire by rotation. He has served as a Whole-Time Director of the Company and resigned as a Whole-Time-Director w.e.f. August 8, 2019. The other terms and conditions are available at <a href="http://www.shivamautotech.com">www.shivamautotech.com</a>	She is being appointed as an Independent Director w.e.f. from November 13, 2019 for a term of 5 years, not liable to retire by rotation.  The other terms and conditions are available at <a href="http://www.shivamautotech.com">www.shivamautotech.com</a>
<b>Relationship with other Directors/Key managerial Personnel (if any)</b>	None	None
<b>List of Companies in which outside Directorship held*</b>	Akar Auto Industries Limited	1. Granules India Limited 2. Krishna Institute of Medical Sciences Limited 3. Karvy Stock Broking Limited 4. Karvy Financial Services Limited
<b>Chairman / Member of Committees of Board of directors of other companies in which he/she is a director**</b>	-	1. Granules India Limited -Audit Committee Chairperson 2. Krishna Institute of Medical Sciences Limited - Audit Committee Chairperson 3. Karvy Stock Broking Limited – Audit Committee Member 4. Karvy Financial Services Limited - Audit Committee Chairperson
<b>No. of Board Meetings attended during the year</b>	Details mentioned in the Corporate Governance Report	Details mentioned in the Corporate Governance Report
<b>No of Shares held</b>	NIL	NIL

\* Excluding private limited companies

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

Place: Gurugram

Date: August 31, 2020

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/-

Samta Bajaj

Company Secretary

Membership No. 50269

## BOARD'S REPORT

Dear Members,

Your Directors are pleased to present before you, the 15<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, 2020.

### Financial Highlights

The Company's financial performance, for the year ended March 31, 2020 is summarized below:

Particulars	Rupees (in Lacs)	
	For the year ended	
	March 31, 2020	March 31, 2019
Gross Sales & Other Income	58887.69	63695.15
<b>Profit/(Loss) before Depreciation and Interest</b>	<b>5263.37</b>	<b>8377.70</b>
Depreciation	5381.24	4875.70
Interest	5306.36	4871.76
<b>Profit/(Loss) before Taxation</b>	<b>(5424.23)</b>	<b>(1369.76)</b>
Provision for Taxation (Deferred & Current)	(1710.79)	451.69
<b>Profit/(Loss) after Taxation</b>	<b>(3713.44)</b>	<b>(1821.45)</b>

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

During the financial year 2019-20, revenue from operations was Rs. 58,887.69 lacs as compared to Rs. 63,695.15 lacs in 2018-19, registering a decrease of 7.55%.

The auto sector had already undergone considerable slowdown over the last 12-18 months due to structural changes beginning with the Goods and Services Tax, shift to Shared Mobility, Axle-load reforms, the Bharat Stage-IV (BS-IV) to Bharat Stage-VI (BS-VI) transition, Liquidity Crunch and so on. Due to unfavorable conditions and strong headwinds faced by the automobile industry, there has been cascading effect on the operations of the Company. As a result, performance of the Company remained sub-optimal as pressure on the margins continued. Before interest, depreciation and taxes, there is operational profit of Rs. 5263.37 Lacs decline by 37.17% in year 2019-20 over Rs. 8377.70 Lacs in 2018-19.

Further, the COVID-19 pandemic has pushed humanity and the global economy into a crisis. In their effort to curb this pandemic, the Indian Government, like many others, had enforced a national lockdown. While the lockdown may have helped limit the spread of the virus, it has severely affected the economy, disrupting entire value-chains of most major industries in India including the automotive industry.

The COVID-19 lockdown has had a multiplier effect – the auto industry has almost been at a complete standstill since 24<sup>th</sup> March 2020.

While the external environment especially in auto sector continues to be challenging, the operational capabilities and technology based manufacturing facilities will help the Company improve its performance in near future. Auto-Sector revival and favorable government policies will be essential to propel the operations of the Company.

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

### Global health pandemic from COVID-19

The World Health Organization declared a global pandemic of the Novel Coronavirus disease (COVID-19) on February 11, 2020. The COVID-19 pandemic has impacted most of the countries, including India. The lockdowns and restrictions imposed on various activities, while being a necessary measure to contain its spread, have posed unprecedented challenges to the business operations of the Companies and has largely affected the economic activity.

Your Company proactively suspended production at all its manufacturing facilities from March 23, 2020 and its operations were hit substantially and the Company was able to get only very marginal sales at the end of May, 2020 due to the shattered supply chains and deliveries to our customers. Corporate office was also shut, but the administrative work of the company was continued through work from home facility to the best possible extent in order to comply with duly applicable legal frameworks.

The Company saw partial resumption at its manufacturing facilities in the non-containment zones after taking requisite Government permissions from the 2<sup>nd</sup> week of May 2020, when lockdown was gradually lifted.

Manufacturing activities have commenced gradually in all of the manufacturing facilities. However production ramp up will be based on current inventory levels and the Company's estimate of demand. In the short term, it is therefore expected that manufacturing activity will be well below the normal. Manning at all facilities is also well below allowed norms and may remain so till production requirements go up to normal levels.

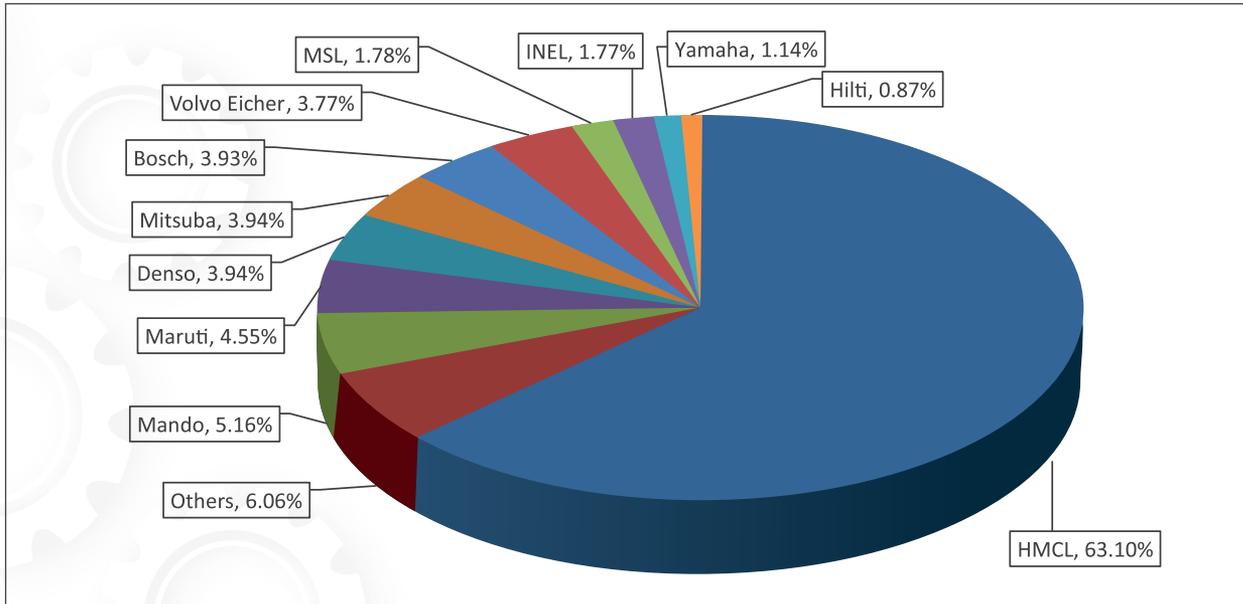
Considering the fact that the situation is exceptional and is changing dynamically, the Company is not in a position to gauge with certainty, the future impact on its operations.

Nevertheless, the Company is confident about adapting to the changing business environment and respond suitably to fulfil the needs of its customers and the Company is quite confident that the demand situation will pick up progressively.

## Business Overview

With the state of art manufacturing facilities, the Company is functioning successively to strengthen its Customer Base. Hero MotoCorp Limited (HMCL) is the major customer. The Sales to other Customers like Bosch, Denso, Mando, INEL, Mitsuba, Yamaha, ZF, Hilti, Volvo Eicher and Maruti etc. has increased compared to last year but not significantly.

The graphical representation of customer wise sales is as follows:



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 through PAN India basis.

### Transfer to General Reserve

During the year under review, the Company has not transferred any amount to General Reserves. The closing balance amount of Reserves and Surplus of Rs. 11875.20 (Previous year Rs. 15267.70 Lacs) will be retained as surplus in the Statement of Profit and Loss.

### Shifting of Registered Office

During the Financial year 2019-20, the Registered Office of the Company has been shifted from NCT of Delhi to State of Haryana vide order dated June 04, 2019 of Central Government (Powers delegated to Regional Director). The Board of Directors of the Company has approved shifting of Registered Office to Gurugram, Haryana at new premises w.e.f. June 11, 2019. New CIN - L34300HR2005PLC081531 has been issued by the Ministry of Corporate Affairs, Registrar of Companies, NCT of Delhi & Haryana on July 18, 2019.

### Consolidation of Manufacturing Operations of Manesar Plant

During the year 2020, the Company has closed the manufacturing operations at its plant situated at Plot No.1, Sector 5, IMT Manesar Gurugram, Haryana-122050 and

consolidate the operations by relocating the machinery and transferring the production to Company's fully integrated plant situated at Plot No. 9, Sector 30A, IMT Rohtak District Rohtak, Haryana-124001.

Further the Company expects an on-going enhancement in its manufacturing margins due to more efficient production processes and elimination of duplicated overheads and thus, the said closure of manufacturing facilities does not have any material and adverse effect on operations and production of the Company, thereby providing benefit to the Company and employees and good for overall system economy, ecology and customers.

### Dividend

Considering the state of the economy and industry, the Board of Directors have not recommended any dividend for the financial year 2019-20.

The Register of Members and Share Transfer Books shall remain closed from Monday, September 21, 2020 to Wednesday, September 30, 2020 (both days inclusive).

### Holding Company

The promoters of the Company i.e. Dayanand Munjal Investments Private Limited (DMIPL) hold 74,795,950 equity shares of Rs. 2/- each which represents 74.80% of the paid up equity capital of the Company.

Your company continues to be a subsidiary company of DMIPL.

## Subsidiary Companies, Joint Ventures Or Associate Companies

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

## Management Discussion and Analysis report

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

## Board of Directors

### a) Meeting of Board of Directors

A calendar of Meetings is prepared and circulated in advance to the Directors. During the Financial Year 2019-20, 5 meetings of the Board of Directors of the Company were held on May 27, 2019, August 08, 2019, November 13, 2019, December 28, 2019 and February 10, 2020. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations"). 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

Dr. Anil Kumar Gupta, (DIN: 02643623) Non-Executive Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. A resolution seeking shareholders' approval for his re-appointment forms part of the Notice.

Based on the recommendation of the Nomination and Remuneration Committee, your Company has appointed Ms. Jyothi Prasad (DIN: 06947488) as an Additional Director of the Company in the category of Non-Executive and Independent Director considering her integrity, expertise and experience effective November 13, 2019 for a period of five years subject to the approval of shareholders at the 15<sup>th</sup> AGM. The notice convening the meeting sets out the details of her 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:-

- i. Dr. Anil Kumar Gupta (DIN: 02643623) has resigned from the designation of Whole Time Director w.e.f. August 08, 2019 and is appointed as Non-Executive Director of the Company w.e.f. August 09, 2019 and his appointment as Non-Executive Director was approved at the 14<sup>th</sup> Annual General Meeting (AGM) held on September 25, 2019.
- ii. Mr. Sunil Kant Munjal (DIN: 00003902) and Mr. Bhagwan Dass Narang (DIN: 00826573) were re-appointed as Independent Director(s) at the 14<sup>th</sup> Annual General Meeting (AGM) held on September 25, 2019 for a second term of 5 consecutive years upto the conclusion of the 19<sup>th</sup> Annual General Meeting to be held in the year 2024.
- iii. During the year under review, Dr. Vinayshil Gautam (DIN: 00037909) ceased to be the Director with effect from 14<sup>th</sup> Annual General Meeting (AGM) held on September 25, 2019 upon completion of his term as an Independent Director. The Board placed on record its appreciation for his invaluable contribution and guidance during his tenure with the Company.
- iv. Ms. Jyothi Prasad (DIN: 06947488) is appointed as Additional (Non-Executive and Independent Director) w.e.f. November 13, 2019. The Board recommends the appointment of Ms. Jyothi Prasad as Non-Executive and Independent Director, not liable to retire by rotation and to hold office for a first term of 5 consecutive years from November 13, 2019 to November 12, 2024, pursuant to Section 149 and 152 of the Act.
- v. During the year under review, Retd. Justice Vikramajit Sen (DIN: 00866743), Independent Director of the Company has resigned from the directorship w.e.f. November 11, 2019.
- vi. During the year under review, pursuant to the provisions of Section 203 of the Companies Act, 2013, Ms. Shivani Kakkar (Membership No. 25097) has resigned from the position of the Company Secretary and Compliance Officer of the Company with effect from January 25, 2020. The Board admired her efficiency and dedication towards the Company. Further, based on the recommendation of Nomination and Remuneration Committee, Ms. Samta Bajaj (Membership No. 50269), has been appointed as the Company Secretary and Compliance Officer of the Company by the Board of Directors with effect from February 10, 2020.

vii. Pursuant to Section 2(51) and Section 203 of the Companies Act, 2013, Mr. Dinesh Kumar Mishra (AGM-Finance), being one level below the directors who is in whole-time employment, has been appointed as the whole-time Key Managerial Personnel of the Company by the Board of directors with effect from February 10, 2020, based on recommendation from Nomination and Remuneration Committee.

The Company has received notice in writing, from Ms. Jyothi Prasad under Section 160 of the Companies Act, 2013 proposing her own candidature as Director of the Company.

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.

Brief resume and other details of directors who is proposed to be appointed/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 Fifteenth Annual General Meeting and the relevant resolutions are recommended for your approval.

#### **Key Managerial Personnel**

Mr. Neeraj Munjal (DIN: 00037792), Managing Director & CEO, Mr. Davendra Ujlayan, Chief Financial Officer Mr. Dinesh Kumar Mishra (AGM-Finance), Whole-Time KMP and Ms. Samta Bajaj, 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, 2020.

#### **d) Declaration by Independent Director**

The Company has received necessary declaration from all Independent Directors under Section 149 (7) of the Companies Act, 2013 that they meet the criteria of Independence laid down in Section 149(6) of Companies Act, 2013 and 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.

#### **e) 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 Listing Regulations, the Board is required to carry out an Annual Evaluation of its own performance, Board's committees and Individual Directors.

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

The questionnaire was formulated based on the following criteria:

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

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

#### **f) 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 February 10, 2020. In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting held prior to the meeting of the independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

g) **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**

NSBP & Co., Chartered Accountants, New Delhi (Firm Registration no. 001075N) were appointed as the Statutory Auditors of the Company in the 12<sup>th</sup> AGM held on September 29, 2017 for a term of five years as per the provisions of Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, who will hold the office upto the conclusion of the 17<sup>th</sup> Annual General Meeting. They have furnished a certificate confirming that they are not disqualified from continuing as Auditors of the Company.

The Report given by the Auditors, NSBP & Co., Chartered Accountants, New Delhi, on the financial statements of the Company for the financial year 2019-20, is part of the Annual Report.

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

**Explanation to Auditors' Remarks**

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

**Share Capital**

During the year under review, the Issued, Subscribed and Paid-up Equity Share Capital as on March 31, 2020 was 10 Crores shares of Rs. 2/- each amounting to Rs. 20 Crore.

- a) Your Company has not issued shares with differential voting rights nor granted employee stock options nor sweat equity. And also the Company has not accepted or repaid any debentures, preference share capital and any bond & security during the financial year, and none of the Directors of the Company hold any shares or security of the Company. The Company does not have any Debentures, Preferential Shares as on March 31, 2020.
- b) Your company has not made any provisions of money for purchase of its own shares by employees or by trustees for the benefit of employees during the year under review.

**Deposits**

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

**Finance**

Cash and cash equivalent as at March 31, 2020 was Rs. 321.36 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. 5,27,536 for financial Year 2011-12 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. Satyender Kumar & Associates, a proprietorship firm of Company Secretaries to undertake the Secretarial Audit of the Company for the financial year 2019-20. 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 Secretaries 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.

The Board has re-appointed M/s Satyender Kumar & Associates, Company Secretary (COP No. 5189) as the Secretarial Auditor of the Company for the financial year 2020-21. Your Company had received their written consent that the appointment will be in accordance with the applicable provisions of the Companies Act, 2013 and rules framed thereunder.

**Explanation to Secretarial Audit Report**

Due to technical and administrative issues, there was delay in filling of e-Form IEPF-2 (Updation of details of Nodal Officer of the Company and e-Form DIR-12 (Resignation of the Company Secretary), and delay in intimation of consolidation of shares.

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

### Audit Committee

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

Mr. Bhagwan Dass Narang	- Chairman
Mr. Sunil Kant Munjal	- Member
Dr. Anil Kumar Gupta	- Member
Ms. Jyothi Prasad <sup>1</sup>	- Member

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. Bhagwan Dass Narang <sup>2</sup>	- Chairman
Dr. Anil Kumar Gupta <sup>3</sup>	- Member
Mr. Sunil Kant Munjal	- Member

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

### Corporate Social Responsibility (CSR) Committee

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

Dr. Anil Kumar Gupta <sup>4</sup>	- Chairman
Mr. Bhagwan Dass Narang	- Member
Mrs. Charu Munjal	- Member

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

### The Board has identified 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.

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

### Disclosure on Establishment of a Vigil Mechanism

The Company has adopted a policy on vigil mechanism for directors and employees to report their genuine concerns or grievances to the Vigilance and Ethics Officer.

1 Appointed as a member of the Committee w.e.f November 13, 2019

2 Appointed as a Chairman of the Committee w.e.f November 13, 2019

3 Appointed as a member of the Committee w.e.f August 09, 2019

4 Appointed as a Chairman of the Committee w.e.f November 13, 2019

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 & term loans for new capital expenditure at reasonable rates. By efficient management of working capital, the Company has been able to reduce some interest cost. The Company continues to focus on judicious management of its working capital.

### **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 2019-20.

### **Annual Return**

The Extract of Annual Return in Form MGT – 9 is enclosed herewith as **Annexure-H** forms part of this Report.

As required under the provisions of Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, a copy of the relevant extract of Annual Return would be made available under the 'Notifications' section of the Company's website i.e. [www.shivamautotech.com](http://www.shivamautotech.com)

### **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

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 statement and other data for maintaining the accountability of assets in conformity with established accounting principles and that the assets of the company are adequately safe-guarded against any significant misuse or loss.

The Company 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 and who have reported that all the material Internal financial controls exist during the financial year 2019-20. An extensive risk based programme of internal audits and management reviews provides assurance to the Board regarding the adequacy and efficacy of internal controls. The internal audit plan is also aligned to the business objectives of the Company which is reviewed and approved by the Audit Committee. Further, the Audit

Committee monitors the adequacy and effectiveness of your Company's internal control framework.

#### **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 (LODR) 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 2020-21 have been paid to them well before the due date i.e. April 30, 2020. The Company has also paid the annual custodian fees for the year 2020-21 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.

A certificate from the Practising Company Secretary regarding the compliance of the conditions of Corporate Governance by the Company stipulated under 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/CFO that the Board Members and Senior Management Personnel have complied with the Code of Conduct for the financial year 2019-20 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**

As required under the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 read with rules made thereunder, the Company has constituted an "Internal Complaints Committee" which is responsible for redressal of complaints related to 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 2019-20

#### **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, 2020, 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, 2020 and of the losses of the Company for the financial year ended March 31, 2020;
- (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 - F** 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. Every ton of recycled paper saves about 17 trees. Recycled paper serves as an environmental friendly resource for paper manufacturers, saving costs and energy. **The Company has recycled approx. 4370 kgs of waste paper till March 31, 2020, contributing in saving 75 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 continuously focus on deploying behaviour based safety programmes and global safety standards across its locations. The Company regularly conducts counselling and safety review meetings for the employees

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

Policy	Web link
Code of Conduct	<a href="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</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>

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.

The Company strives to provide a work environment that attracts, develops and retains the best talent, promotes a values-driven, high-performance culture embedding diversity and transformation.

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

### Policies

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).

Policy	Web link
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/161imguf_6.rpt.pdf">http://www.shivamautotech.com/Uploads/image/161imguf_6.rpt.pdf</a>
Anti-Harassment Policy	<a href="http://www.shivamautotech.com/Uploads/image/162imguf_7.anti.pdf">http://www.shivamautotech.com/Uploads/image/162imguf_7.anti.pdf</a>
Corporate Social Responsibility Policy	<a href="http://www.shivamautotech.com/pdf/CSR_POLICY.pdf">http://www.shivamautotech.com/pdf/CSR_POLICY.pdf</a>
Risk Management Policy	<a href="http://www.shivamautotech.com/pdf/Risk_Management_Policy.pdf">http://www.shivamautotech.com/pdf/Risk_Management_Policy.pdf</a>
Whistle Blower Policy	<a href="http://www.shivamautotech.com/pdf/WhistleBlowerPolicy.pdf">http://www.shivamautotech.com/pdf/WhistleBlowerPolicy.pdf</a>
Familiarization Policy	<a href="http://www.shivamautotech.com/pdf/Familiarization_Programme_for_Independent_Director.pdf">http://www.shivamautotech.com/pdf/Familiarization_Programme_for_Independent_Director.pdf</a>
Policy on Determination and Disclosure of Materiality of Events	<a href="http://www.shivamautotech.com/pdf/Policy_on_Determination_and_Disclosure_of_Materiality_of_Events.pdf">http://www.shivamautotech.com/pdf/Policy_on_Determination_and_Disclosure_of_Materiality_of_Events.pdf</a>

### 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.

Place: Gurugram  
Date: August 31, 2020

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

## ANNEXURE 'A' TO BOARD'S REPORT

### MANAGEMENT DISCUSSION & ANALYSIS REPORT

The slowdown in the Indian economy and in auto sector in particular, which has intensified since the second half of fiscal year 2018-19 has impacted the performance of the Company.

#### Industry Structure and developments

The auto sector had already undergone considerable slowdown over the last 12-18 months due to structural changes beginning with the Goods and Services Tax, shift to Shared Mobility, Axle-load reforms, the Bharat Stage-IV (BS-IV) to Bharat Stage-VI (BS-VI) transition, Liquidity Crunch and so on.

Due to slag in GDP growth rate of India and tight liquidity situation in the financial markets, the demand for two-wheelers in India has been affected.

In the market, the uncertainty due to entry of electric vehicles coupled with increased in the on road cost of two wheelers due to certain regulatory stipulations/requirements like increased insurance cost, increased vehicle registration charges, reduced flow of funding from banks and NBFC's to the retail sectors have accentuated the pressure in the two wheeler market in India. Passenger cars and commercial vehicles in which Company's components are being used are also in a slow-down phase and as a result have affected companies' operations both in volume and in profitability. These challenging factors affecting the economic environment and the auto-industry has persisted in the beginning of current fiscal year.

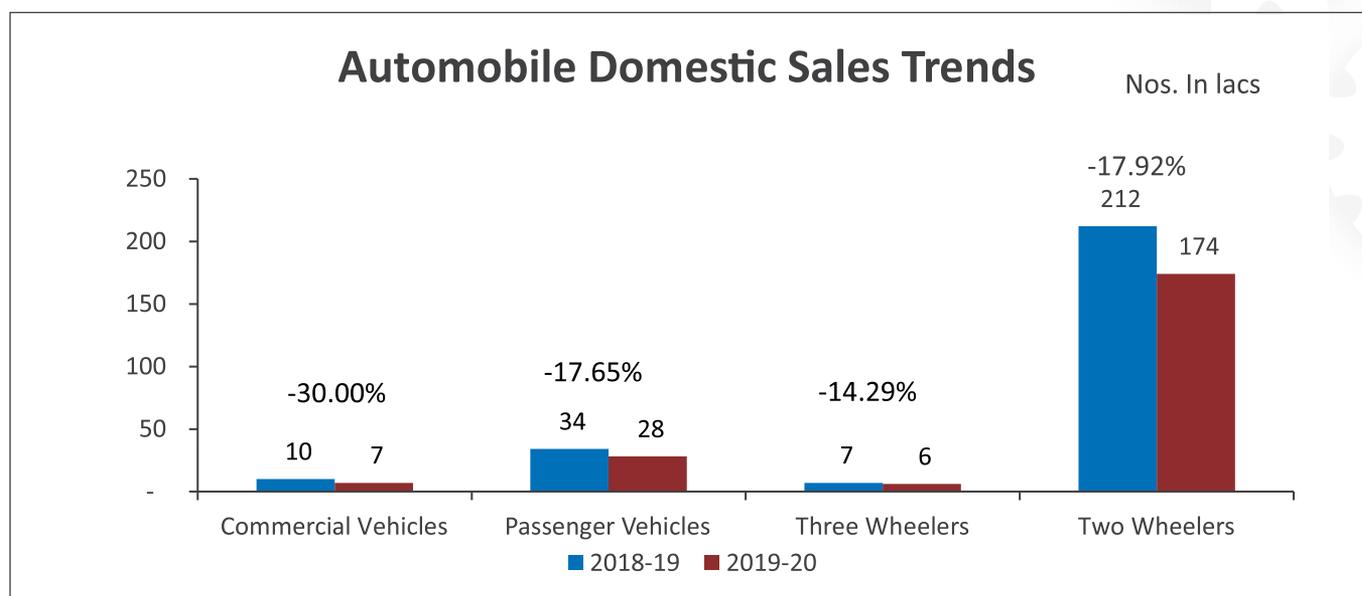
There were incipient signs of recovery in the third quarter of the financial year. However, the fourth quarter witnessed headwinds in the form of the COVID-19 outbreak causing an unprecedented health crisis and impacting large sections of the population and the subsequent nation-wide lockdown. Data released by the Central Statistics Office showed that the GDP growth for FY 2019-20 now stands at 4.2%, compared to a 6.1% in FY 2018-19.

Imports share a significant share of our key inputs. This pandemic has led to disruption in supply chain management that may impact business goals of the Company. We have been engaged in exploring alternative vendors for key inputs and also focusing on exploring new opportunities in sales.

FY 2019-20 is not a year the auto segment is likely to forget soon. The sector has been facing a long slowdown, with the unit growth in FY 2018-19 being largely led by the high-volume three-wheeler and two-wheeler categories, which grew 49% and 16.5%, respectively, over the previous year. However, for FY 2019-20, all the key categories were in the negative growth zone.

The survival of the Indian auto component manufacturers will be largely dependent on how soon and effectively able to adapt and transform business models in line with the industry disruption. The industry will give several opportunities for component manufacturers, defining where to play and how to play will be dependent on the component manufacturers in line with their long term strategy and ability to respond to changes.

SIAM data showing Automobile Domestic Sales Trends for 2018-19 and for 2019-20 as mentioned below would corroborate the above narrative of two-wheeler and four-wheeler in general.



In the short term, company's operations will be affected in line with the overall demand scenario in the auto-sector. However, projections for 2021 are better and growth is expected to return as economies normalise, helped by policy support and pent-up consumption demand.

### Government Initiatives

The government has come out with a few measures to help bring the industry out of this lull, including a reduction in the corporate tax rate to 22%, pumping of liquidity to boost the economy, increase in depreciation rate by 15% for vehicle purchase and also provided assurance that a scrappage policy is in the works. These interventions certainly provided some positive push to the subdued demand.

Government has come out with Automotive Mission Plan (AMP) 2016-26 which will help the automotive industry to grow and will benefit Indian economy in the following ways: -

- Contribution of auto industry in the country's GDP will rise to over 12 per cent.
- Around 65 million incremental number of direct and indirect jobs will be created.
- End of life Policy will be implemented for old vehicles.

Further, this period requires coordinated efforts, not only within the medical fraternity, but also between various governments, between the government and the industry, within industries, between citizens and the government, between strategy and execution. These are times when real life heroes rise to the occasion and we begin to appreciate the small wonders of life that we had taken for granted. The world will undoubtedly recover faster with collaboration, which is the mantra of the times. The pandemic, in a way, is also uniting the world.

The easing of policies and the gradually improving business confidence in response to government reforms, particularly for small and medium enterprises (SMEs) and micro, small and medium-sized enterprises (MSMEs), which now have greater access to finance, are likely to enhance growth.

### Market Size

India was the world's fourth largest manufacturer of cars and seventh largest manufacturer of commercial vehicles in 2019. Indian automotive industry (including component manufacturing) is expected to reach 16.16-18.18 trillion (US\$ 251.4-282.8 billion) by 2026. Indian automobile industry received Foreign Direct Investment (FDI) worth US\$ 23.89 billion between April 2000 and December 2019. Five per cent of total FDI inflow in India went to automobiles sector.

FY 2019-20 has witnessed unprecedented volatility on account of the pandemic. The roll out of BS-VI during the

health crisis is likely to complicate the already challenging recovery of the two-wheeler segment- the overall contraction of the economy and fall in GDP growth. For India too, GDP is estimated to contract by 4.5% for 2020, following an extended lockdown and slow recovery.

According to SIAM data, the industry produced a total 26,362,282 vehicles including Passenger Vehicles, Commercial Vehicles, Three Wheelers, Two Wheelers and Quadricycles in April-March 2020 as against 30,914,874 in April-March 2019, registering a de-growth of (-) 14.73 percent over the same period last year.

### Segment wise Domestic Sales

The sale of Passenger Vehicles declined by (-) 17.88 percent in April-March 2020 over the same period last year. Within the Passenger Vehicles, the sales of Passenger Cars and Vans declined by (-) 23.58, percent and (-) 39.23 percent respectively while sales of Utility Vehicles marginally increased by 0.48 percent in April-March 2020 over the same period last year.

The overall Commercial Vehicles segment registered a de-growth of (-) 28.75 percent in April- March 2020 as compared to the same period last year. Within the Commercial Vehicles, Medium & Heavy Commercial Vehicles (M&HCVs) and Light Commercial Vehicles declined by (-) 42.47 percent and (-) 20.06 percent respectively in April-March 2020 over the same period last year.

Sale of Three Wheelers declined by (-) 9.19 percent in April-March 2020 over the same period last year. Within the Three Wheelers, Passenger Carrier and Goods Carrier declined by (-).8.28 percent and (-)13.27 percent respectively in April-March 2020 over April-March 2019.

Two Wheelers sales registered a de-growth of (-) 17.76 percent in April-March 2020 over April-March 2019. Within the Two Wheelers segment, Scooters, Motorcycles and Mopeds declined by (-) 16.94 percent, (-) 17.53 percent and (-) 27.64 percent respectively in April-March 2020 over April-March 2019.

### Exports

In April-March 2020, overall automobile exports registered a growth of 2.95 percent. While Commercial Vehicles and Three Wheelers exports declined by (-) 39.25 percent and (-) 11.54 percent, respectively. However, Passenger Vehicles exports marginally increased by 0.17 percent and Two wheelers exports registered a growth of 7.30 percent in April-March 2020 over the same period last year.

### Opportunities & Threats

We have laid out our new vision - to be the future of mobility. This entails exploring emerging opportunities in the mobility space while continuing to excel in the core mobility segments the Company operates in. Our continued focus

on corporate governance and on enhancing the efficiency curve with the use of talent, teamwork and technology will enable us to lead the way for the industry.

Comprehensive efforts were demonstrated across the Company to optimise capacities, investments, and obsolescence across the value chain.

- In December 2018 India pitched to boost its exports in auto components in the market of China.
- 100 per cent FDI allowed under automatic route for auto component sector.
- Government announces an incentive-based vehicle scrappage policy for removal of the old and polluting vehicles, registered between 1<sup>st</sup> April 1995 and 31<sup>st</sup> March 2005, from the Indian roads.

Further, Vehicle Electrification development needs call for systems integration of heat management, energy management, acoustics, software integration; predictive analysis; attribute engineering, vehicle package design, optimised electrical distribution, durable electronics, verification and validation and it seems this transition is not in harmony with the future goals of the industry. Usually, an internal combustion engine (ICE) of most of the cars works on more than 2,000 moving parts, but the engine of an electric vehicle doesn't require more than 20 similar parts/components.

### **Safety first**

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.

### **BSVI transition – Challenges and solutions**

Vertical ramp up and ramp down between BS-IV and BS-VI was crucial considering the numbers to be managed across the entire plant setup. However, considering that the manufacturing set-ups are developed as part of a long-term strategy, the challenge could be addressed with well thought comprehensive planning and cohesive team work. We are now geared up to ramp up production rapidly.

### **Product Wise Performance**

All products of the Company come under single primary business segment. Therefore, requirement for analysing segment wise or product wise performance does not arise.

### **Outlook**

Uncertainty prevailing in the environment due to thrust provided by the government in the budget towards fast moving EV will become a reality a bit too sooner, then entire industry in India will undergo a metamorphism and will affect all the existing vehicle manufactures and the components suppliers like our company.

Nearly 50% of the domestic auto component players are either making engine parts or the transmission drive, which will have no place in an electric car, which runs on batteries. There is also a question mark on the kind of batteries that will ultimately survive; whether it will be lithium-ion or something else will depend mostly on the cost of the battery and its safety features.

Further, interestingly, in a post-pandemic scenario the emphasis on personal mobility/own vehicles for social distancing will drive the demand for two-wheelers of all categories and price points across India and other parts of the developing world. It is expected that rural demand for two-wheelers may rebound faster than the urban demand, because of satisfactory agri-income in the medium term and low base volumes.

### **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 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 to the Audit Committee, the detailed analysis of the tasks assigned to them in every meeting of the Committee. The Audit Committee meets periodically to review the adequacy and efficacy of the internal control systems.

### **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 Ind AS financial statements 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 (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) 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 2019-20, revenue from operations was Rs. 58,887.69 lacs as compared to Rs. 63,695.15 lacs in

2018-19, registering a decrease of 7.55%. Before interest, depreciation and taxes, there is operational profit of Rs. 5263.37 Lacs decline by 37.17% in year 2019-20 over Rs. 8377.70 Lacs in 2018-19.

#### Key Financial Ratios

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, 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. Please note that there is no significant change of 25% or more in the Key Ratios viz. Debtors Turnover, Inventory Turnover, Interest Coverage Ratio, Current Ratio, and Operating Profit Margin, except for Net Profit Margin which has reduced to -6.32% in FY 2020 from -2.87% in FY 2019 and Debt Equity ratio which has been increased to 3.18 in FY 2020 from 2.30 in FY 2019.

#### Change in Return on Net Worth

S. No.	Particulars	FY2020	FY2019
i)	Return on Net Worth*	-27.84%	-10.67%

\* Return on Net Worth is computed as Net Profit by Average Net Worth. Decline in Return on Net Worth is primarily due to decline in Net Profit.

#### Human Resources & Industrial Relations

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 establish 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 Resource and continues to invest in a wide variety of HR activities for its sustainable growth and social objectives.

#### 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 31, 2020

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

## ANNEXURE 'B' TO BOARD'S REPORT

### REPORT ON CORPORATE GOVERNANCE

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

This Report, therefore, states compliance as per requirements of the Companies Act, 2013 and Listing Regulations, as applicable to the Company. As have been seen, the Company's corporate governance practices and disclosures have gone well beyond complying with the statutory and regulatory requirements as stipulated in the applicable laws, including Listing Regulations.

#### Kotak Committee on Corporate Governance

With the aim of improving standards of Corporate Governance of listed companies in India, Securities and Exchange Board of India on May 9, 2018 amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, based on the report of the Kotak Committee on Corporate Governance, some of which became applicable from October 01, 2018 and many from April 01, 2019 respectively. The Company ensures that it incorporates the amendments introduced in the Listing Regulations and the same are complied with on or before the effective date.

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

The Company's Corporate Governance philosophy derives from the values of integrity, excellence & responsibility. It emphasizes wealth creation for society, protection & interest enhancement for all stakeholders, without compromising the environment and health of society at large. This helps the company to perform better thus culminating into higher productivity of the corporate resources. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

The Company adheres to the highest ethical standards which are combined with an unwavering commitment to certain core values – transparency, fairness in all dealings, quality consciousness, customer satisfaction, and ethical governance practices. The Company believes that corporate governance has a role to ensure that the Directors of the Company are subject to their duties, obligations, accountability and responsibilities, to act in the best interest of the Company and to remain accountable to the shareholders and other beneficiaries for their corporate actions. The Company also believes that an active, well informed and independent Board is necessary to ensure the highest standard of corporate governance. The Board is responsible for and committed to the sound principles of corporate governance in the Company.

The Company has complied with the requirements of Corporate Governance as stipulated under the Listing Regulations, as applicable, the details of which are as under:

#### 2. BOARD OF DIRECTORS

The Board is entrusted with an ultimate responsibility of management, directions and performance of the Company. As its primary role is fiduciary in nature, the board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosures. The Board exercises its duties with care, skill and diligence. It sets strategic goals and seeks accountability for their fulfilment. It also directs and exercises appropriate control to ensure that the Company is managed in a manner that fulfils stakeholder's aspirations and societal expectations.

**Committees of the Board:** The Board has constituted the following Committees viz. Audit Committee, Risk Management Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee. Each of the said Committee has been mandated to operate within a given framework.

##### 2.1 Composition of the Board

The Board consists of eminent individuals from Industrial, Managerial, Technical, Financial and Banking background. The Company is managed by the Board of Directors in co-ordination with senior management team. The composition and strength of the Board is periodically reviewed to ensure that it remains aligned with statutory as well as business requirements.

The Listing Regulations mandate that for a Company with non-executive Chairman, atleast one – third (i.e. 33%) of the Board should be Independent Directors. As on March 31, 2020, our Board comprised of 6 (Six) directors

consisting of Non-Executive and Independent Chairman, a Managing Director, one Whole-time Director, one Non-Executive and Non-Independent Director and three Independent Directors including Chairman. Independent Directors constitute 50% of the Board's strength – more than the requirements of the Companies Act, 2013 and 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 Mr. Sunil Kant Munjal, Mr. Bhagwan Dass Narang and Ms. Jyothi Prasad<sup>^</sup> and Non-Executive and Non-Independent Director namely Dr. Anil Kumar Gupta<sup>^^</sup>. These directors bring to the Board wide range of experience & skills.

*Dr. Vinayshil Gautam, Independent Director, ceased to be the Director with effect from 14<sup>th</sup> Annual General Meeting (AGM) held on September 25, 2019 upon completion of his term as an Independent Director. The Board appreciated the guidance and support provided by him during his tenure.*

*Retd. Justice Vikramajit Sen has been appointed as a Non-Executive Independent Director of the Company w.e.f. August 08, 2019 and resigned w.e.f. November 11, 2019, due to pre-occupation in some other assignments. Pursuant to Clause (7B) of Para A of Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Obligations, 2015, there were no material reasons other than provided.*

<sup>^</sup> *Ms. Jyothi Prasad has been appointed as a Non-Executive Independent Director of the Company w.e.f. November 13, 2019, subject to the approval of shareholders at ensuing Annual General Meeting.*

<sup>^^</sup>*Dr. Anil Kumar Gupta has resigned as Whole-Time Director of the Company w.e.f. August 08, 2019 and is appointed as Non-Executive Director w.e.f. August 09, 2019, and his appointment as a Non-Executive Director is approved by the shareholders at the 14<sup>th</sup> Annual General Meeting.*

## 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 2019-20, 5 (Five) meetings of the Board of Directors of the Company were held on May 27, 2019, August 08, 2019, November 13, 2019, December 28, 2019 and February 10, 2020. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013, Listing Regulations and the Secretarial Standards by the Institute of Company Secretaries of India.

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

Name of Directors	No. of Board Meetings held	No. of Board Meetings attended	Attendance at last AGM
Mr. Sunil Kant Munjal	5	4	Yes
Mr. Neeraj Munjal	5	5	Yes
Mrs. Charu Munjal	5	5	Yes
Mr. Bhagwan Dass Narang	5	5	Yes
Dr. Vinayshil Gautam <sup>1</sup>	2	2	No
Dr. Anil Kumar Gupta <sup>2</sup>	5	4	Yes
Ms. Jyothi Prasad <sup>3</sup>	2	2	Not Applicable

<sup>1</sup> Ceased to be Director w.e.f September 25, 2019

<sup>2</sup> Resigned as a Whole-Time Director w.e.f August 08, 2019 and is appointed as Non-Executive Director w.e.f. August 09, 2019

<sup>3</sup> Appointed as an Additional Non-Executive Independent Director w.e.f. November 13, 2019 subject to approval of shareholders at the ensuing AGM

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 February 10, 2020. All the Independent Directors were present at the Meeting and discussed among other matters, the performance of the Company and flow of information to the Board, competition strategy, leadership, strengths and weaknesses, governance, compliance, human resource matters, performance of Board as a whole and performance of the Executive Directors of the Board including the Chairman after considering the views of Executive and Non-Executive Directors.

#### 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 Number of other Board of Directors' Committees in which the Director is a Member or Chairperson

In accordance with Regulation 26 of the Listing Regulations, none of the Directors holds directorship in more than 7 listed companies with effect from April 1, 2020. Further, none of them hold memberships of more than 10 Committees of the Board nor any Director is a Chairman of more than 5 Committees of Board excluding private limited companies, foreign companies and companies under section 8 of the Companies Act 2013. All directors have informed about their Directorships, Committee memberships/Chairmanships including any change in their positions. Relevant details of the Board of Directors as on March 31, 2020 are given below:

Name	Category	No. of Directorships in listed entities including this listed entity	No. of Committee Memberships in Audit/ Stakeholder Committee including this listed entity	No. of post of Chairperson in Audit/ Stakeholder Committee held in listed entity including this listed entity
Mr. Sunil Kant Munjal <i>Chairman</i>	Independent Director	3	3	-
Mr. Neeraj Munjal <i>Managing Director</i>	Executive Director	1	1	-
Mrs. Charu Munjal <i>Executive Director</i>	Executive Director	2	-	-
Dr. Anil Kumar Gupta <sup>4</sup>	Non-Executive Director	2	2	-
Mr. Bhagwan Dass Narang	Independent Director	3	6	3
Ms. Jyothi Prasad <sup>5</sup>	Independent Director	2	6	4

None of the Independent Directors holds any shares (as own or on behalf of other person on beneficial basis) in the Company as on March 31, 2020.

<sup>4</sup> Resigned as a Whole-Time Director w.e.f August 08, 2019 and is appointed as Non-Executive Director w.e.f. August 09, 2019

<sup>5</sup> Appointed as an Additional Non-Executive Independent Director w.e.f. November 13, 2019 subject to approval of shareholders at the ensuing AGM

**Notes:**

1. Private Limited Companies, Foreign Companies and Companies under sections 8 of the Companies Act, 2013 are excluded for the above purposes.
2. Only Audit committee and Stakeholders' Relationship committee are considered for the purpose of committee positions in accordance with Regulation 26 of Listing Regulations.
3. Mr. Neeraj Munjal and Mrs. Charu Munjal are related to each other. None of other directors are related inter-se.

**Name of equity listed entities where directors of the Company held directorships as on March 31, 2020**

Name of Director	Name of Listed entities	Category
Mr. Sunil Kant Munjal	• Shivam Autotech Limited	Chairman, Non – Executive and Independent Director
	• DCM Shriram Limited	Non – Executive and Independent Director
	• Escorts Limited	Non – Executive and Independent Director
Mr. Neeraj Munjal	• Shivam Autotech Limited	Managing Director
Mrs. Charu Munjal	• Shivam Autotech Limited	Whole-Time Director
	• Munjal Showa Limited	Non – Executive and Non – Independent Director
Dr. Anil Kumar Gupta	• Shivam Autotech Limited	Non – Executive and Non – Independent Director
	• Akar Auto Industries Limited	Non – Executive and Independent Director
Mr. Bhagwan Dass Narang	• Shivam Autotech Limited	Non – Executive and Independent Director
	• Dish TV India Limited	Non – Executive and Independent Director
	• VA Tech Wabag Limited	Chairman, Non – Executive and Independent Director
Ms. Jyothi Prasad	• Shivam Autotech Limited	Non – Executive and Independent Director
	• Granules India Limited	Non – Executive and Independent Director

**2.5 Re - Appointment of Directors**

In accordance with the Companies Act, 2013 and the Articles of Association of the Company, Dr. Anil Kumar Gupta, Non-Executive Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself 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.

**2.6 Performance Evaluation of Board Members**

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

**2.7 Availability of Information to Board Members**

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

- Annual operating plans and budget, capital budgets and updates.
- Quarterly results of the Company
- Minutes of meeting of Audit, Nomination and Remuneration, Stakeholders' Relationship, Risk Management and Corporate Social Responsibility Committees and abstracts of circular resolution passed.
- General notices of interest received from directors.
- Dividend Data including unpaid dividend figures for previous years.
- Information on recruitment and remuneration of senior officers including appointment or removal of the Chief Financial Officer and Company Secretary.
- Materially important litigations, show cause, demand and penalty notices.
- Any issues that involves possible public or product liability claims of a substantial nature

- Any significant development involving human resource management.
- Details of foreign exchange exposure and the steps taken by the management to limit risks of adverse exchange rate movement.
- Non Compliance with any regulatory, statutory or listing requirements.

## 2.8 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 risks involved. Detailed presentations on the Company's business segments were made at the separate meetings of the Independent Directors held on 10-Feb-2020.

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

[http://www.shivamautotech.com/pdf/Details\\_of\\_Familiarization\\_Programme.pdf](http://www.shivamautotech.com/pdf/Details_of_Familiarization_Programme.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 2019-20 pursuant to the Policy are as follows:

- Efficiency of internal controls, risk management system, strategy followed and new initiatives taken with regard to risk management.
- Discussion on the state of economy, readiness for BS-VI norms and annual budget plan.
- To familiarize Independent Directors regarding Independent Directors' Data Bank Registration and also regarding scale and details of operations of the Company.
- New initiatives and strategic decisions regarding Company's business and update on borrowing programme and liquidity position of the Company

## 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
Mr. Sunil Kant Munjal	<p>He is the Chairman of Hero Enterprise with interests in insurance distribution, steel-making, real estate and corporate training. He also supports start-ups on digital learning, community transportation, healthcare, women empowerment and education.</p> <p>He has made strategic investments in several areas like Mergers &amp; Acquisitions, Impact Investing, Finance &amp; Banking, Macro-economy, Corporate Strategy, Succession Planning, Business process and improvements, Restructuring etc.</p> <p>He has also served as President of the CII and AIMA; been a member of Prime Minister's Council on Trade &amp; Industry that regularly interacts with the Indian Prime Minister on economic issues.</p> <p>He is also President of the Ludhiana Sanskritik Samagam which supports performing arts across North India. He sits on the boards of the IIM Ahmedabad (IIMA), ISB, and SRCC.</p>

Mr. Neeraj Munjal	<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>
Mrs. Charu Munjal	<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>
Dr. Anil Kumar Gupta	<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 34 years carrier in CSIR and published large number of National and International Scientific Publications.</p>
Mr. Bhagwan Dass Narang	<p>He has rich experience in banking, Finance and Taxation, Business process and improvements, Impact Investing, Commercial experience including communications, marketing, branding and business systems, practices and improvement, General Management and Strategic planning.</p> <p>He has handled special assignments viz. Chairman for the panel on Serious Financial Frauds appointed by RBI, appointed as Chairman of Governing Council of National Institute of Banking Studies &amp; Corporate Management, Chairman of IBA's Advisory Committee.</p>
Ms. Jyothi Prasad	<p>She is an Independent consultant in the area of financial advisory services including IPOs, Mergers &amp; Acquisitions, private Equity and fund raising, investment banking experience, expertise in business, project management and operational aspects.</p> <p>She is at present, associated as a Senior Advisor with Sparrow Advisory, a boutique provider of PE and M&amp;A advice and is involved in their assignments from time to time.</p> <p>The organizations she has worked for include SBI Capital Markets, Peregrine Capital, NM Rothschild (India) and American Orient Capital Markets in various capacities relating to investment banking/corporate finance.</p>

### 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 no inter-se relationships between the Board members except Mr. Neeraj Munjal and Mrs. Charu Munjal being Spouses.

### 2.11 Confirmation on the re-commendations of Committees of the Board

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 2019-20, 4 (four) meetings of the Audit Committee were held on May 27, 2019, August 08, 2019, November 13, 2019 and February 10, 2020. The requisite quorum was present at all the Meetings.

Consequent to resignation of Mr. Surrinder Lal Kapur w.e.f. March 31, 2019, Mr. Bhagwan Dass Narang (Independent Director) was appointed as Chairman of the Committee in meeting held on May 27, 2019. The total strength of the Audit Committee is four members out of which three are Independent directors and one is Non-executive director.

The Board has reconstituted Audit Committee in its meeting held on November 13, 2019 consequent to cessation of term of Dr. Vinayshil Gautam w.e.f. September 25, 2019 and appointment of Ms. Jyothi Prasad as an Additional Non-Executive and Independent Director of the Company w.e.f. November 13, 2019.

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

The Company Secretary acts as the Secretary of the Committee.

The Table below provides the attendance of the Audit Committee members during the FY 2019-20:

Name	Designation	Category of Directorship	No. of Meetings attended
Mr. Bhagwan Dass Narang	Chairman	Independent Director	4
Dr. Vinayshil Gautam	Member	Independent Director	2
Mr. Sunil Kant Munjal	Member	Independent Director	3
Dr. Anil Kumar Gupta <sup>6</sup>	Member	Non-Executive Director	4
Ms. Jyothi Prasad <sup>7</sup>	Member	Independent Director	1

*Dr. Vinayshil Gautam ceased to be member of the Committee effective September 25, 2019.*

### 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 of the Listing Regulations as well as Section 177 of the Companies Act, 2013 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.

<sup>6</sup> Resigned as a Whole-Time Director w.e.f. August 08, 2019 and is appointed as non-executive director w.e.f. August 09, 2019

<sup>7</sup> Appointed as a member of the Committee w.e.f. November 13, 2019

- (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) Considering with the management 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 chief internal auditor.

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, 2020.

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 permanent 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 Financial Statements as required by the Regulation 33 of the Listing Regulations. The Company's quarterly Un-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.

## 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.

During the Financial Year 2019-20, certain modifications in the policy were made and approved by the Board of Directors in their meeting held on May 27, 2019, pursuant to amendments in SEBI (LODR) Regulations, 2015. The revised 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 Company, during the year, had revised the terms of reference in accordance with the amendments in Listing Regulations vide SEBI notification dated May 9, 2018 applicable w.e.f. April 01, 2019. The terms of reference of the NRC now, 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 relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- viii) 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;
- ix) 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 2019-20, 4 (four) meeting of the Nomination and Remuneration Committee were held on May 27, 2019, August 08, 2019, November 13, 2019 and February 10, 2020.

Consequent to cessation of term of Dr. Vinayshil Gautam w.e.f. September 25, 2019, the Board has reconstituted Nomination and Remuneration Committee in its meeting held on November 13, 2019 and Mr. Bhagwan Dass Narang (Independent Director) was appointed as Chairman of the Committee. 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
Mr. Bhagwan Dass Narang	Chairman	Independent Director	4
Dr. Vinayshil Gautam	Member	Independent Director	2
Mr. Sunil Kant Munjal	Member	Independent Director	3
Dr. Anil Kumar Gupta <sup>8</sup>	Member	Non-Executive Director	2

*Dr. Vinayshil Gautam ceased to be member of the Committee effective September 25, 2019.*

### 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, Nomination and Remuneration Committee, Risk Management Committee, Corporate Social Responsibility Committee and Independent Directors' Meeting attended by them.

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

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

Name of Non-Executive Directors	Sitting fees		Independent Director's Meeting	Commission	Total
	Board Meeting	Committee Meeting			
Mr. Sunil Kant Munjal	120,000	180,000	30,000	-	330,000
Mr. Bhagwan Dass Narang	150,000	570,000	30,000	-	750,000
Dr. Vinayshil Gautam <sup>9</sup>	60,000	300,000	-	-	360,000
Dr. Anil Kumar Gupta <sup>10</sup>	60,000	270,000	-	-	330,000
Ms, Jyothi Prasad <sup>11</sup>	60,000	90,000	30,000	-	180,000

#### 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.

<sup>8</sup> Appointed as a member of the Committee w.e.f August 09, 2019

<sup>9</sup> Ceased to be the Independent Director of the Company w.e.f. September 25, 2019

<sup>10</sup> Resigned as a Whole-Time Director w.e.f August 08, 2019 and is appointed as Non-Executive Director w.e.f. August 09, 2019

<sup>11</sup> Appointed as an Additional Non-Executive Independent Director w.e.f. November 13, 2019 subject to approval of shareholders at the ensuing AGM

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	11.52	187.58
Mrs. Charu Munjal	48.00	-	32.06	5.76	85.82
Dr. Anil Kumar Gupta <sup>12</sup>	6.84	-	28.79	0.82	36.45

#### 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 year 2019-20. There is no severance fees paid to the directors.
- 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.

### 5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee has been constituted according to Section 178(5) of the Companies Act, 2013 read with Regulation 20 of the Listing Regulations.

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

During the Financial Year 2019-20, 6 (six) meetings of the Stakeholders' Relationship Committee were held on April 10, 2019, May 27, 2019, July 15, 2019, August 08, 2019, November 13, 2019 and February 10, 2020. The requisite quorum was present at all the Meetings.

The Board has re-constituted stakeholders' Relationship committee in its meeting held on November 13, 2019 consequent to cessation of Dr. Vinayshil Gautam w.e.f. September 25, 2019 and appointment of Ms. Jyothi Prasad as an Additional Non-Executive and Independent Director of the company w.e.f. November 13, 2019.

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

Name of the Member	Designation	Category of Directorship	No. of Meetings attended
Ms. Jyothi Prasad <sup>13</sup>	Chairman	Independent Director	1
Mr. Bhagwan Dass Narang	Member	Independent Director	6
Dr. Vinayshil Gautam	Member	Independent Director	4
Mr. Neeraj Munjal	Member	Executive Director	6
Dr. Anil Kumar Gupta <sup>14</sup>	Member	Non-Executive Director	6

*Dr. Vinayshil Gautam ceased to be member of the Committee effective September 25, 2019.*

<sup>12</sup> Resigned as Whole-time Director w.e.f. August 08, 2019 and is appointed as Non-Executive Director w.e.f. August 09, 2019

<sup>13</sup> Appointed as member of the Committee w.e.f. November 13, 2019 and Chairperson of the Committee w.e.f. February 10, 2020

<sup>14</sup> Resigned as a Whole-Time Director w.e.f. August 08, 2019 and is appointed as Non-Executive Director w.e.f. August 09, 2019

### Compliance Officer

Ms. Samta Bajaj, 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 Details of shareholders' complaints received during the FY 2019-20 and their status are as follows:

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

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. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee (CSR) has been constituted according to Section 135 of the Companies Act, 2013.

### 6.1 Composition of the Corporate Social Responsibility Committee and number of meetings held:

CSR Committee has met 3 (three) times during the financial year 2019-20 on the following dates: May 27, 2019, August 08, 2019, and November 13, 2019. The composition of the Corporate Social Responsibility Committee and details of the meetings attended by its members are given below. The requisite quorum was present at all the Meetings.

The Board has reconstituted Corporate Social Responsibility Committee in its meeting held on August 08, 2019 consequent to resignation of Dr. Anil Kumar Gupta as a Whole Time Director w.e.f. August 08, 2019 and his further appointment as a Non – Executive Director w.e.f. August 09, 2019.

Name	Designation	Category of Directorship	Attendance out of 3 meeting held
Dr. Anil Kumar Gupta <sup>15</sup>	Chairman	Non-Executive Director	3
Mr. Bhagwan Dass Narang	Member	Independent Director	3
Mrs. Charu Munjal	Member	Executive Director	3

## 6.2 Terms of Reference

- Formulate and recommend to the board, a Corporate Social Responsibility (CSR) policy which shall indicate the activities to be undertaken by the Company;
- Recommend the amount of expenditure to be incurred on the activities referred to above;
- Monitor the CSR policy of the Company from time to time;
- Undertake projects/ initiatives resulting in enhancement in the quality of life and economic well-being of the community, in and around society at large.

## 7. RISK MANAGEMENT COMMITTEE

The Board of the Company has formed a risk management committee to frame, implement and monitor the risk management plan for the Company. The composition of the committee is in conformity with the Listing Regulations with all the members being directors of the Company.

The committee is responsible to assist Board in fulfilling its responsibilities with regards to the identification, evaluation and mitigation of operational, strategic and environmental risks. The Committee has the overall responsibility of monitoring and approving the risk policies and associated practices of the Company. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

### 7.1 Composition of the Risk Management Committee and attendance of members

During the financial year 2019-20, 4 (four) meeting of the Risk Management Committee were held on May 27, 2019, August 08, 2019, November 13, 2019 and February 10, 2020. The requisite quorum was present at all the meetings.

Consequent to cessation of term of Dr. Vinayshil Gautam w.e.f. September 25, 2019, and appointment of Ms. Jyothi Prasad, as an Additional Non-executive and Independent Director w.e.f. November 13, 2019, the Board has reconstituted Risk Management Committee in its meeting held on November 13, 2019 and Dr. Anil Kumar Gupta (Non-Executive Director) was appointed as Chairman of the Committee. The Composition of the Risk Management Committee and details of the meetings attended by its members are given below:

Name	Designation	Category of Directorship	No. of Meetings attended
Dr. Anil Kumar Gupta <sup>16</sup>	Chairman	Non-Executive Director	4
Dr. Vinayshil Gautam	Member	Independent Director	2
Mr. Bhagwan Dass Narang <sup>17</sup>	Member	Independent Director	2
Ms. Jyothi Prasad	Member	Independent Director	1

*Dr. Vinayshil Gautam ceased to be member of the Committee effective September 25, 2019.*

<sup>15</sup> Appointed as the Chairman of the Committee w.e.f. November 13, 2019

<sup>16</sup> Resigned as a Whole-Time-Director w.e.f August 08, 2018 and is appointed as Non-Executive Director w.e.f. August 09, 2019

<sup>17</sup> Appointed as a member of the Committee w.e.f August 08, 2019

## 7.2 Terms of Reference

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

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

## 8. INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on February 10, 2020, 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 Kant Munjal	Chairman	Independent Director	1
Mr. Bhagwan Dass Narang	Member	Independent Director	1
Ms. Jyothi Prasad	Member	Independent Director	1

## 9. RELATED PARTY TRANSACTIONS (RPT)

All transactions entered into with related parties, as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations, during the financial year under review were in the ordinary course of business and on arm's length pricing basis. The omnibus approval of the Audit Committee has been accorded to the Company to enter into contract/ arrangement for sale / purchase / services, etc. with the related parties on arm's length basis in the meeting held on July 28, 2020.

Further, pursuant to SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated March 19, 2020, read with SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/106 dated June 24, 2020 pertaining to further extension of time for submission of financial results for the quarter/half year/financial year ending 31<sup>st</sup> March 2020 to July 31, 2020 due to the continuing impact of the CoVID-19 pandemic, a meeting of the Board of Directors and members of the Audit Committee of the Company was held on Tuesday, the 28<sup>th</sup> day of July, 2020 in which the omnibus approval to enter into contract / arrangement for sale / purchase / services, etc. with the related parties on arm's length basis was taken.

Further, the Board has also ratified the related party transactions entered into by the Company during period between April 01, 2020 to July 27, 2020 as per the details placed before the Board.

## 10. GENERAL BODY MEETINGS

### a) Annual General Meeting

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

Year	Date	Venue	Time	Whether Special resolution passed in previous AGM
2016-17	29.09.2017	Tivoli Garden Resort, Near Chattarpur Mandir, Chattarpur Road New Delhi-110074	11.30 A.M.	-
2017-18	29.09.2018	Tivoli Garden Resort, Near Chattarpur Mandir, Chattarpur Road New Delhi-110074	11:30 A.M.	-
2018-19	25.09.2019	Club Nirvana Patio, Block-K, Nirvana Country, Sector 50, Gurugram-122018, Haryana	12:00 Noon	1. Re-appointment of Mr. Sunil Kant Munjal (DIN 00003902) as an Independent Director of the Company. 2. Re-appointment of Mr. Bhagwan Dass Narang, (DIN 00826573) as an Independent Director of the Company. 3. Approval for payment of minimum remuneration to Executive Directors.

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

During the financial year 2019-20, no Special Resolution was passed through Postal Ballot and as on date, no Special Resolution is proposed to be conducted through Postal Ballot.

## 11. MEANS OF COMMUNICATION

- 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 and Annual Financial Results of the Company are uploaded on NSE Electronic Application Processing System (NEAPS) and BSE Listing in accordance with the Listing Regulations. The quarterly results are published 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.

SEBI vide Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2020/38 dated March 19, 2020 and Circular No. SEBI/HO/DDHS/ON/P/2020/41 dated March 23, 2020 had extended the timeline for submission of financial results under regulations 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to June 30, 2020 and further extended the timeline for submission of financial results under Regulation 33 of the Listing Regulations till July 31, 2020 vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/106 dated June 24, 2020.

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

## 12. GENERAL SHAREHOLDER INFORMATION

### 12.1 Annual General Meeting

The ensuing Annual General Meeting will held on Wednesday, September 30, 2020 at 11:30 A.M. 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.

### 12.2 Financial Calender for FY 2020 – 2021

Financial Year - April 1 to March 31

- First Quarter Results – on or before August 14, 2020
- Second Quarter Results – on or before November 14, 2020

- iii) Third Quarter Results – on or before February 14, 2021
- iv) Fourth Quarter Results – on or before May 30, 2021
- v) Audited Results for the year ended March 31, 2021 – on or before May 30, 2021
- vi) Annual General Meeting for the year ended March 31, 2021 – on or before September 30 2021

### 12.3 Dates of Book Closure

Monday, September 21, 2020 to

Wednesday, September 30, 2020 (both days inclusive)

### 12.4 Listing on Stock Exchanges

The BSE Limited

The National Stock Exchange of India Limited

The Annual Listing Fees for 2020-2021 have been paid to both the Stock Exchanges.

### 12.5 Stock Code

532776 – The BSE Limited

SHIVAMAUTO – The National Stock Exchange of India Limited

### 12.6 Company Identification Number (CIN): L34300HR2005PLC081531 (w.ef. July 18, 2019)

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

### 12.7 Details of Public Funding obtained in the previous three years: The Company has not obtained any public funding in the previous three years.

### 12.8 Demat ISIN Number for NSDL and CDSL

INE637H01024

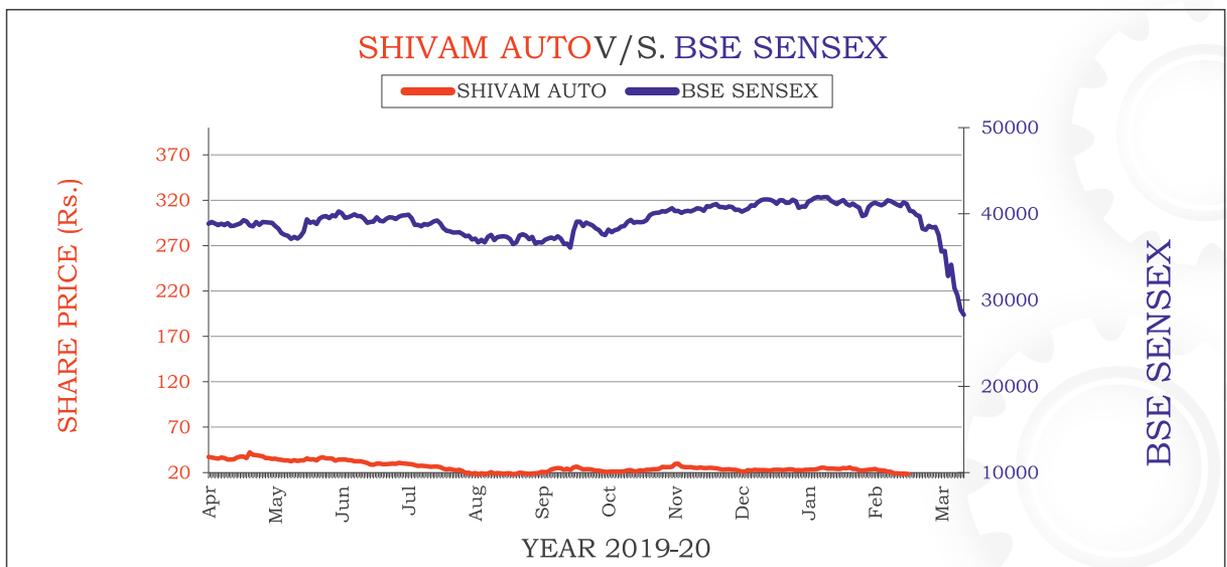
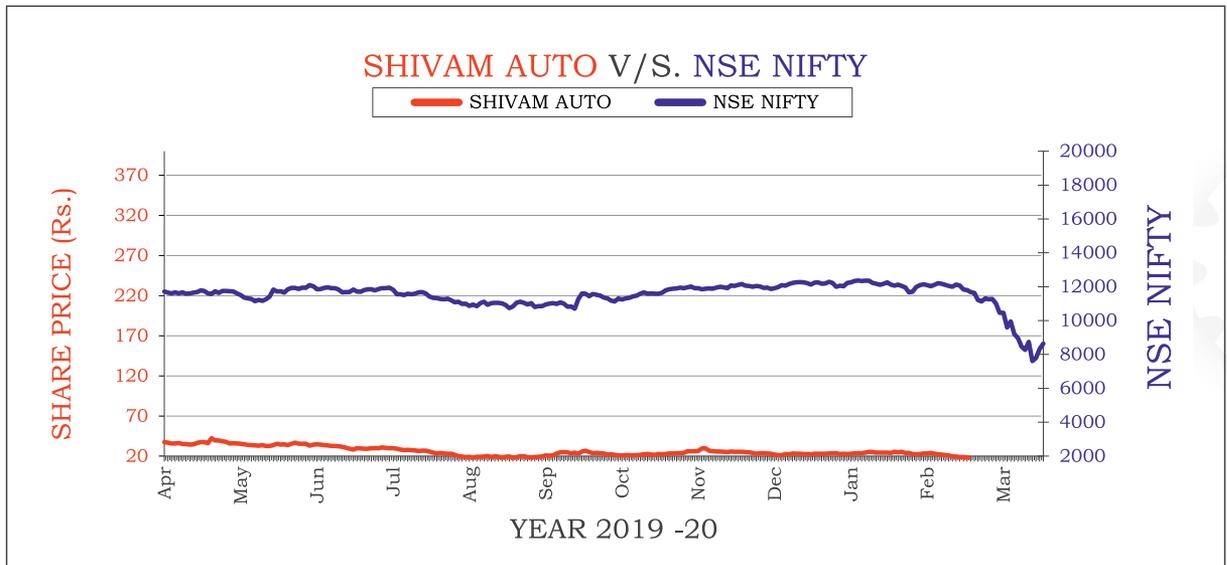
### 12.9 Market Price Data

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

Month	BSE Limited (BSE)				National Stock Exchange (NSE)			
	High (Rs.)	Date	Low (Rs.)	Date	High (Rs.)	Date	Low (Rs.)	Date
Apr' 2019	42.30	23-Apr-19	34.05	11-Apr-19	43.00	22-Apr-19	34.10	10-Apr-19
May' 2019	37.80	27-May-19	31.55	16-May-19	38.00	27-May-19	31.65	16-May-19
Jun' 2019	36.00	3-Jun-19	26.90	20-Jun-19	35.65	4-Jun-19	27.00	20-Jun-19
Jul' 2019	31.50	1-Jul-19	18.20	31-Jul-19	31.95	2-Jul-19	18.20	31-Jul-19
Aug' 2019	21.45	9-Aug-19	17.10	5-Aug-19	21.25	9-Aug-19	17.25	23-Aug-19
Sep' 2019	27.75	23-Sep-19	17.30	4-Sep-19	28.90	23-Sep-19	18.20	3-Sep-19
Oct' 2019	24.35	31-Oct-19	20.45	9-Oct-19	24.40	31-Oct-19	20.25	9-Oct-19
Nov' 2019	31.15	13-Nov-19	22.65	1-Nov-19	31.20	13-Nov-19	22.80	4-Nov-19
Dec' 2019	25.00	9-Dec-19	20.90	12-Dec-19	24.80	2-Dec-19	20.70	12-Dec-19
Jan' 2020	26.20	16-Jan-20	20.90	8-Jan-20	26.25	16-Jan-20	22.15	6-Jan-20
Feb' 2020	25.00	10-Feb-20	16.50	28-Feb-20	25.20	7-Feb-20	16.15	28-Feb-20
Mar' 2020	18.15	2-Mar-20	8.25	24-Mar-20	18.00	2-Mar-20	8.05	24-Mar-20

## 12.10 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:



## 12.11 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**

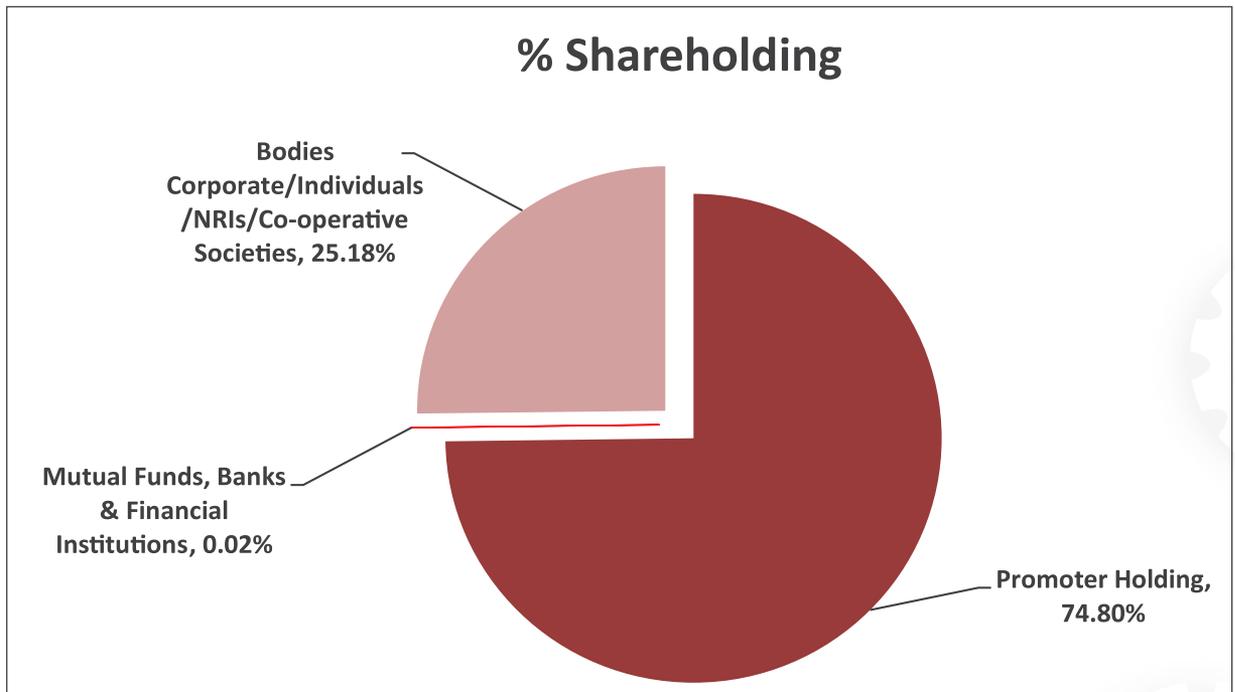
Members are requested to ensure that correspondence for change of address, change in bank details, processing of unclaimed dividend, sub-division of shares, renewals / split / consolidation of share certificates, issue of duplicate share certificates should be signed by the first named Member as per 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 Depository Participant ID & Client ID/ 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

## 12.12 Distribution of Shareholding as on March 31, 2020

No. of shares held	No. of shareholders		No. of shares	
	Numbers	%	Numbers	%
Up to 500	21051	75.51	3,782,707	3.78
501 – 1000	3299	11.83	2,822,715	2.82
1001 – 2000	1643	5.89	2,555,368	2.56
2001 – 3000	776	2.78	1,994,498	1.99
3001 – 4000	253	0.91	917,856	0.92
4001 – 5000	322	1.16	1,557,097	1.56
5001 – 10000	318	1.14	2,345,415	2.35
10001 – 50000	185	0.66	3,562,187	3.56
50001 – 100000	14	0.05	1,056,091	1.06
100001 & above	16	0.06	79,406,066	79.41
<b>Total</b>	<b>27,877</b>	<b>100.00</b>	<b>100,000,000</b>	<b>100.00</b>

## Shareholding pattern as on March 31, 2020

S. No.	Categories	No. of Holders	No. of Shares	% Shareholding
<b>A</b>	<b>Promoter Holding</b>			
I	Dayanand Munjal Investments Pvt Ltd	1	74,795,950	74.80
	<b>Total Promoter Holding</b>	<b>1</b>	<b>74,795,950</b>	<b>74.80</b>
<b>B</b>	<b>Public Holding</b>			
	<i>Institutions</i>			
I	Mutual Funds	3	20,244	0.02
ii	Banks/Financial Institutions	1	3,000	0.00
	<b>Sub Total</b>	<b>4</b>	<b>23,244</b>	<b>0.02</b>
	<i>Non Institutions</i>			
I	<b>Individuals</b>			
	Individuals holding nominal share capital upto Rs. 2 Lacs	26,596	19,169,058	19.17
	Individuals holding nominal share capital in excess of Rs. 2 Lacs	10	3,213,129	3.21
iii	Others:			
	a. Other Corporate Bodies	207	1,773,958	1.77
	b(i). NRI with Repat	205	359,210	0.36
	b(ii). NRI without Repat	108	403,501	0.40
	d. Cooperative Societies	1	6,000	0.01
	e. Trust	1	1,250	0.00
	f. Govt - IEPF Suspense Account	1	254,700	0.26
	<b>Sub Total</b>	<b>27,129</b>	<b>25,180,806</b>	<b>25.18</b>
	<b>Total Public Holding</b>	<b>27,133</b>	<b>25,204,050</b>	<b>25.20</b>
	<b>Grand Total</b>	<b>27,134</b>	<b>100,000,000</b>	<b>100.00</b>



### 12.13 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 has 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 every six months 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/ transmission 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.

### 12.14 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, 2020, 98.58% of the total Equity Capital is held in the demat form with NSDL and CDSL.

**Physical and Demat Shares:**

	<b>As on March 31, 2020</b>	<b>%</b>
No. of Shares held by NSDL	88,876,702	<b>88.88</b>
No. of Shares held by CDSL	9,702,948	<b>9.70</b>
Physical Shares	1,420,350	<b>1.42</b>
<b>TOTAL</b>	<b>100,000,000</b>	<b>100.00</b>

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

Not Issued

**12.16 Foreign Exchange Risk and Hedging Activities**

During the year under review, the Company has fully hedged Letters of credit in foreign currency for Imports of some raw materials, stores & spares and capital goods.

**12.17 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.

**12.18 Address for correspondence**

Ms. Samta Bajaj  
Company Secretary  
10, 1<sup>st</sup> Floor, Emaar Digital Greens, Tower A,  
Sector-61, Golf Course Extension Road, Gurugram, Haryana-122102  
Tel. Nos.: 0124-4698700 Fax: - 0124-4698798  
[cs@shivamautotech.com](mailto:cs@shivamautotech.com)

**12.19 Credit Rating**

For our bank facilities and other debt programs CARE has provided us a long-term rating of 'CARE BBB-/ Negative' and a short-term rating of 'CARE A3+'.

**12.20 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.

**12.21 Secretarial Audit**

- Satyender Kumar & Associates, Company Secretaries have conducted a Secretarial Audit of the Company for the year 2019-20. 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.
- Pursuant to Regulation 40(9) of the Listing Regulations, certificates have been issued on a half-yearly basis, by Satyender Kumar & Associates, Company Secretaries, certifying due compliance of share transfer formalities by the Company.

**12.22 Reconciliation of Share Capital Audit**

As stipulated by SEBI, Satyender Kumar & 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.

Satyender Kumar & 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.

### 12.23 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. 5,27,536/- lying unclaimed in Unpaid Dividend Account in respect of Dividend for the year 2011-12 to the said Fund on November 14, 2019.

## 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 2019-20 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** The Company has complied with the requirements of the Stock Exchanges/ SEBI and Statutory Authorities on all matters related to the capital markets during the last three years except for the delay in submission of Shareholding Pattern pursuant to Regulation 31 of Listing Regulations for the quarter ended March 31, 2016. No other penalties have been imposed or strictures passed against the Company by the stock exchanges, the Securities and Exchange Board of India or any statutory authority on any matter related to capital markets during the last three years. Further, Securities of the Company have not been suspended for trading at any point of time during the year.

**13.3** The Company has adopted a Whistle Blower Policy and has established the necessary Vigil Mechanism as defined under Regulation 22 of the Listing Regulations for Directors and Employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the Audit Committee. The said policy has also been put up on the website of the Company on the link <http://www.shivamautotech.com/pdf/WhistleBlowerPolicy.pdf>.

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

**13.5** The Company does not have any material subsidiary.

**13.6** 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/161imguf\\_6.rpt.pdf](http://www.shivamautotech.com/Uploads/image/161imguf_6.rpt.pdf)

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

### **13.8 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.

### **13.9 Certificate from Practising Company Secretary**

The Company has received a certificate from 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 G** which forms part of this report.

### **13.10 Confirmation on the recommendations of committees of the Board**

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

### 13.11 Audit Fees paid to Statutory Auditors

The details of total fees for all services paid to the Statutory Auditors during the year ended March 31, 2020 are as below:

Particulars	Amount (In Lakhs)
Audit Fees	11.16
Limited Review	4.50
Certification/Other Services	1.40
<b>Total</b>	<b>17.06</b>

### 13.12 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.

### 13.13 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:

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, 2019	<b>1373</b>	<b>769,870</b>
Number of shareholders who approached the Company for transfer of shares and shares transferred from Suspense Account during the year	4	3,500
Aggregate Number of shareholders and the outstanding shares in the Suspense Account lying as on March 31, 2020	<b>1369</b>	<b>766,370</b>

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

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

In terms 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 2019-20, 32,000 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 2012-13. During the financial year, 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).

### 13.15 Prevention of Insider Trading

The Company has framed a Code of Conduct for Prevention on trading based on SEBI (Prohibition of Insider Trading) Regulations 2015. This Code is applicable to all Board Members / Officers / Designated Employees. This Code ensures the prevention of dealing in shares by persons having access to unpublished price sensitive information.

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.

### 13.16 Code of Conduct

The Company has in place a comprehensive Code of Conduct ('the Code') applicable to the Directors and employees. 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.

### 13.17 Review of legal compliance reports

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.

### 13.18 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 para C, D and E of 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.

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

As required under Listing Regulations, Company has received a Certificate from Practicing Company Secretary on compliance of the Corporate Governance norms. The same forms part of this report.

### 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, 2020. The said certificate forms integral part of the Annual Report.

### 13.21 Right Issue

The Board of Directors in their meeting dated December 28, 2019 have approved the further issue of Equity shares to the existing shareholders of the Company on Right basis upto Rs.50 crores. The Company is gearing up the process for equity infusion through right issue.

## 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:

- a. The quarterly and year to date financial results/statements are published in newspapers and posted on Company's website.
- b. The Company continues to adopt best practices to ensure regime of Unmodified Opinion.
- c. The Internal Auditors have direct access to the Audit Committee and the Internal Auditors' presents their Audit Observations to the Audit Committee of Board.

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

Place: Gurugram  
Date: August 31, 2020

## 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, 2020, 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 : July 28, 2020

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

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

## CERTIFICATE OF COMPLIANCE OF CODE OF CONDUCT

I, **Neeraj Munjal**, Managing Director of the Company hereby certify that the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the Financial Year 2019-20.

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

Place: Gurugram  
Date : July 28, 2020

## 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 31st March 2020, 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 above mentioned Listing Regulations, as applicable during the Financial Year ended 31st March, 2020 except that intimation about consolidation of shares to the Stock Exchanges was sent beyond the prescribed period of 24 hours from the occurrence of the event.

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.

Limitations

*The prevailing lockdown on account of COVID-19 situation has impacted the physical verification of the documents and records as being maintained by the Company at their offices and we are constrained to determine the quantum of said impact. We have taken all possible steps to verify the records as made available to us by the Company through electronic medium and taken necessary confirmation/representation from the officials of Company, wherever required.*

**Place: Gurugram  
Date : 31.08.2020**

For **SATYENDER KUMAR & ASSOCIATES**  
**Company Secretaries**  
**Sd/-**  
**Satyender Kumar**  
**(Proprietor)**  
**C.P. No. 5189**  
**FCS 4087**  
**UDIN: F004087B000637161**

## **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:**

The Company is making continuous efforts on ongoing basis for energy conservation by adopting innovative measures to reduce wastage and optimise consumption. Some of the specific measures undertaken by the Company

Energy Projects & activities taken up:

- Green Infrastructure
- Use of Timers to stop m/c /Hydraulic Power Pack during idle hours
- Energy Efficient LED Light deployment/replacement activities continues across all plants to reduce fixed consumption
- Induction Heater Auto Run to start with Press cycle
- Auto Air Blast in CNC Turning Centre
- Forward planning for optimized usage of energy sources (Direct & Indirect) to control cost
- Strengthened up training to identify the energy efficiency improvement projects.
- Focused Energy review meetings by Management
- Alternate method for curing being looked into to reduce the water consumption
- Plugging Air Leakages at Regular Intervals
- Use of coil cooler in DG Set
- LPG type evaporator replaced by heater
- Chillers/AC/Panel AC temperature setting to be done at bare minimum required temperature.
- Provision of Energy Efficient Pumps for ETP/STP, Water Supply and Fire Systems
- Usage of recycle waste
- Onsite waste water treatment and its usage.
- Rain water harvesting

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

The Company has installed Roof Top Solar Power Systems at Binola and Rohtak plants as an alternate source of energy, which has resulted in reducing electricity bills.

### **B) TECHNOLOGY ABSORPTION**

#### **Efforts made towards Technology Absorption**

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 everchanging 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.

Successful migration from BS-IV to BS-VI technology through in-house R&D efforts across entire range of models as a part of mandatory regulatory requirement of new emission standards before March 31, 2020.

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

We believe in the utmost safety and stability of our riders. In order to achieve that, we have introduced the state-of-the-art **German Braking System using German Technology**. It is a braking system which enables you to apply both brakes at once with just a lever, enhancing the rider's safety by improving the stability of the vehicle and reducing the braking distance by 20%.

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

The efforts of the Company are focused on catering the requirement of our existing customers for their new models and indigenization of various components. The research and development is an ongoing exercise and suitable efforts will continue to be made in future. The expenditure incurred on research, development and improvement of products is an indirect cost which is reflected in the financials of the company.

<b>C) FOREIGN EXCHANGE EARNINGS/ OUTGO: (RUPEES IN LACS)</b>	
Earnings	894.85
Outgo	4218.11

**FORM No. MR-3**  
**SECRETARIAL AUDIT REPORT**

**For The Financial Year ended on 31st March, 2020**

(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**

CIN: L34300HR2005PLC081531

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 and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering financial year ended on 31<sup>st</sup> March, 2020 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the Company during the audit period)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
  - (c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable to the Company during the audit period)
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during audit the period)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued; Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent.
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (Not applicable to the Company during the audit period)
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)
- 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/regulations of the following:

- (i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Listing agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except a) Two forms were filed with additional fees with the Ministry of Corporate Affairs; b) Intimation about consolidation of shares to the Stock Exchanges was sent beyond the prescribed period of 24 hours from the occurrence of the event.

#### **We further report that,**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman 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 is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

We further report that 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

- (a) the Registered Office of the Company has been shifted from National Capital Territory (NCT) of Delhi to State of Haryana vide Order dated June 04, 2019 of Central Government (Powers delegated to Regional Director). The Board of Directors of the Company has approved shifting of Registered Office to Gurugram, Haryana at new premises w.e.f. June 11, 2019 and new Corporate Identity Number (CIN) - L34300HR2005PLC081531 has been issued by the Registrar of Companies, NCT of Delhi & Haryana on July 18, 2019.

- b) The Board of Directors in their meeting held on 28.12.2019 have approved the further Issue of Equity Shares to the existing shareholders of the Company on rights basis upto Rs. 50,00,00,000/- (Rupees Fifty Crore). The Company has appointed lead manager in this regard, however the Securities have not yet been offered during the audit period hence the SEBI (ICDR) Regulations are not yet applicable.

Limitations

*The prevailing lockdown on account of COVID-19 situation has impacted the physical verification of the documents and records as being maintained by the Company at their offices and we are constrained to determine the quantum of said impact. We have taken all possible steps to verify the records as made available to us by the Company through electronic medium and taken necessary confirmation/representation from the officials of Company, wherever required.*

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

**Place: Gurugram**  
**Date : 31.08. 2020**

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

**UDIN: F004087B000637093**

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.

**Annexure - 1**

The Members,

**Shivam Autotech Limited**

CIN: L34300HR2005PLC081531

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

Sector – 61, Golf Course Extension Road,

Gurugram, Haryana – 122102

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

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

For **SATYENDER KUMAR & ASSOCIATES**  
Company Secretaries

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

**Place: Gurugram**

**Date : 31.08. 2020**

## ANNUAL REPORT ON CSR ACTIVITIES

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

At Shivam Autotech Limited, Corporate Social Responsibility (CSR) has played a pivotal role in improving the lives of communities and society at large, and in and around our operations, with an objective to energize, involve and enable them to realize their potential. This has also enabled us to fulfil our commitment to be a socially responsible corporate citizen.

#### Objective of CSR policy

The main objective of SHIVAM's CSR policy is

- To lay down guidelines to make CSR a key business process for sustainable development for the society.
- To take projects/ initiatives resulting in enhancement in the quality of life and economic well-being of the community, in and around society at large.

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

The Company implement the CSR Programmes through Company personnel or through external implementing agencies and ensure proper governance, monitoring and reporting thereof. The CSR Policy can be accessed at the following link on the company's website;

[http://www.shivamautotech.com/pdf/CSR\\_POLICY.pdf](http://www.shivamautotech.com/pdf/CSR_POLICY.pdf)

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

Name of Director	Designation	Category
Dr. Anil Kumar Gupta <sup>1</sup>	Chairman of the Committee	Non-Executive Director
Mr. Bhagwan Dass Narang	Member	Non-Executive and Independent Director
Mrs. Charu Munjal	Member	Whole Time Director

### 3. Average net profit/loss of the company for last three financial years for the purpose of computation of CSR: Rs. (826.46) Lacs

### 4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Nil

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

- Total amount to be spent for the financial year: NIL
- Amount unspent: NIL
- Manner in which the amount spent during the financial year:

Date	Details	Purpose	Place	Amount (In Rs.)
31-08-2019	Khushi Kinship for Humanitarian, Social and Holistic Intervention	Khushi Projects & Admin Expenses	Delhi	3,70,000
14-02-2020	Khushi Kinship for Humanitarian, Social and Holistic Intervention	To Empower Young Artists	Delhi	1,20,000
<b>Total</b>				<b>4,90,000</b>

<sup>1</sup> Appointed as the Chairman of the Committee w.e.f. November 13, 2019

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

The Company has contributed in trusts and NGO's for promoting education and young artists. The amount has been earmarked by the Company for the identified projects to be executed in the coming financial year(s). Though not obligatory now under Section 135 of the Companies Act, 2013 and rules made thereunder, the company is still continuing with its community service projects.

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

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

To pursue these objectives we will continue to:

- a. Uphold and promote the principles of inclusive growth and equitable development.
- b. Develop Community Development Plans based on needs and priorities of host communities and measure the effectiveness of community development programmes.
- c. Work actively in areas of preventive health and sanitation, education, skills for employability, livelihoods and income generation, waste resource management and water conservation for host communities for enhancing Human Development Index.
- d. Collaborate with likeminded bodies like governments, voluntary organizations and academic institutes in pursuit of our goals. Interact regularly with stakeholders, review and publicly report our CSR initiatives.

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

**Sd/-**  
**Anil Kumar Gupta**  
**Chairman, Corporate Social Responsibility Committee**  
**DIN: 02643623**

**Date: August 31, 2020**  
**Place: Gurugram**

**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, 2020.**

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

Executive Directors	Ratio
Mr. Neeraj Munjal	41.96
Mrs. Charu Munjal	19.20
Dr. Anil Kumar Gupta <sup>2</sup>	8.16

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

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

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase/decrease
Mr. Neeraj Munjal	0.00%
Mrs. Charu Munjal	0.00%
Dr. Anil Kumar Gupta <sup>3</sup>	-
Mr. Davendra Ujjayan	-0.16%
Ms. Shivani Kakkar <sup>4</sup>	-

- c. **The percentage increase in the median remuneration of employees in the financial year:** 1.40%
- d. **The number of permanent employees on the rolls of Company as on March 31, 2020:** 918
- e. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average percentile increase in the salaries of employees was around 3-4% 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	Share-holding
1.	Mr. Neeraj Munjal	Managing Director	Director	187.58	B.Com & DIBM 31 years	53	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.

<sup>2&3</sup> Resigned as the Whole-Time Director of the Company w.e.f August 08, 2019

<sup>4</sup> Resigned as the Company Secretary of the Company w.e.f. January 25, 2020

b. Details of top ten employee except Managing Director:

Names of Top 10 employees of the Company in terms of remuneration 2019-20											
S. No	Name	Designation	Remuneration Received	Nature of employment (whether contractual or otherwise)	Qualification	Experience (in years)	Date of Commencement of employment	Age (in years)	Previous employment held by the employee before joining the company	Equity Shares of the Company held by the Employee	whether employee is relative of any director or manager, if yes, name such director or manager
1	CHARU MUNJAL	Executive Director	8,581,536	Permanent	Diploma in Textile Management	20 yrs	28-05-2013	48	N.A.	NIL	Yes, Spouse of Mr. Neeraj Munjal, Managing Director
2	DAVENDRA UJLAYAN	Vice President	6,859,800	Permanent	CS, DIRM, FCA, FII	31 yrs	12-03-2007	57	BOYSEN INDIA LTD	10	No
3	SURESH KUMAR	General Manager	4,409,136	Permanent	BE-Mechinical & Diploma	26 yrs	25-08-2010	47	SATA VIKASH INDIA PVT. LTD.	NIL	No
4	RAJESH KUMAR SRIVASTAVA	General Manager	4,208,500	Permanent	Diploma in Electrical Engineering	34 yrs	02-04-2007	53	RANAUC AUTOMOTIVE COMPONENTS LIMITED	NIL	No
5	SANJEEV GOEL	Dy. General Manager	3,642,792	Permanent	B.Tech-Mechinical & Diploma	34 yrs	01-03-2000	51	AMTEK AUTO LTD.	NIL	No
6	VIVEK SHARMA	General Manager	3,472,632	Permanent	BE-Mechinical	23 yrs	01-03-2013	47	PUNJ LLOYD LIMITED.	NIL	No
7	MANOJ KUMAR AGARWAL	Dy. General Manager	3,350,928	Permanent	B.Tech-Mechinical & Diploma	32 yrs	15-12-1999	53	BENDA AMTEK LTD.	NIL	No
8	ANSHUMAN SHARMA	Dy. General Manager	2,905,416	Permanent	PGD-PMIR, Master of Labour mgt	22 Yrs	22-07-2013	44	ASAHI INDIA GLASS LTD.	NIL	No
9	KAMAL SHARMA	Asst. General Manager	2,680,116	Permanent	Diploma-Mechanical	31 yrs	07-02-2000	52	ESCORTS LTD	NIL	No
10	AJAY KUMAR SINGH	Asst. General Manager	2,664,007	Permanent	B.S Mechanical Engineering	18 yrs	11-12-2001	45	STERLING TOOLS LIMITED	NIL	No

## 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, 1<sup>st</sup> Floor, Emaar Digital Greens,  
Tower A, 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, 1<sup>st</sup> 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 31<sup>st</sup> March, 2020 and relevant registers, records, forms and returns maintained by the Company and as made available to us by electronic means 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 31<sup>st</sup> March, 2020, 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. Sunil Kant Munjal	00003902	14/02/2006
2.	Mr. Neeraj Munjal	00037792	29/07/2005
3.	Mr. Bhagwan Das Narang	00826573	14/02/2006
4.	Dr. Anil Kumar Gupta	02643623	09/08/2019
5.	Mrs. Charu Munjal	03094545	28/05/2013
6.	Ms. Jyothi Prasad	06947488	13/11/2019

- Note: a) Mr. Vinayshil Gautam (DIN:00037909) has ceased to be an Independent Director of the Company at the Annual General Meeting held on 25.09.2019.
- b) Dr. Anil Kumar Gupta (DIN: 02643623) has resigned from the designation of Whole Time Director w.e.f. August 08, 2019 and is appointed as Non-Executive Director of the Company w.e.f. August 09, 2019 and was regularized as a Non-Executive Director of the Company at the Annual General Meeting held on 25.09.2019.
- c) Retd. Justice Vikramajit Sen (DIN: 00866743), was appointed as an Independent Director of the Company w.e.f. 8.8.2019 and has resigned from the directorship w.e.f. November 11, 2019.

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 31<sup>st</sup> March, 2020.

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

**Place: Gurugram**  
**Date : 31.08. 2020**

**Sd/-**  
**Satyender Kumar**  
**(Proprietor)**  
**C.P. No. 5189**  
**FCS 4087**  
**UDIN: F004087B000637104**

## Form No. MGT-9

**Extract of Annual Return as on the financial year ended on March 31, 2020**

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

### I. REGISTRATION AND OTHER DETAILS

- i) CIN : L34300HR2005PLC081531
- ii) Registration Date : 29-Jul-2005
- iii) Name of the Company : Shivam Autotech Limited
- iv) Category/Sub-Category of the Company : Public Company Limited by Shares/Indian Non –Govt. Company
- v) Address of the Registered Office and Contact Details : 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  
Email: [info@shivamautotech.com](mailto:info@shivamautotech.com)
- vi) Whether listed Company : Yes
- vii) Name, Address and contact details of Registrar and Transfer Agents, if any : MCS Share Transfer Agent Limited  
F-65, 1<sup>st</sup> Floor, Phase-I,  
Okhla Industrial Area,  
New Delhi-110 020  
Tel: 011-41406149-52  
Fax No: 011-41709881  
E-mail: [admin@mcsregistrars.com](mailto:admin@mcsregistrars.com)

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No	Name and description of main products/ services	NIC Code of the Product/Service	% to total turnover of the Company
1.	Manufacture of bearings, gears, gearing and driving elements.	28140	100%

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

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

#### IV. SHARE HOLDING PATTERN

(Equity Share Capital Break Up as Percentage of Total Equity)

##### i) Category –wise Share Holding

Category of Shareholders	No of Shares held at the beginning of the year As on April 1, 2019				No of shares held at the end of the year As on March 31, 2020				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
(a) Individual/HUF									
(b) Central Govt									
(c) State Govt (s)									
(d) Bodies Corp.	74795950	0	74795950	74.80%	74795950	0	74795950	74.80%	0.00%
(e) Banks/FI									
(f) Any Other									
Sub Total (A) (1):-	<b>74795950</b>	<b>0</b>	<b>74795950</b>	<b>74.80%</b>	<b>74795950</b>	<b>0</b>	<b>74795950</b>	<b>74.80%</b>	<b>0.00%</b>
(2) Foreign									
(a) NRIs- Individuals									
(b) Other- Individuals									
(c) Bodies Corp.									
(d) Banks/FI									
(e) Any Other									
Sub Total (A) (2):-	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A) = (A) (1) + (A) (2)	<b>74795950</b>	<b>0</b>	<b>74795950</b>	<b>74.80%</b>	<b>74795950</b>	<b>0</b>	<b>74795950</b>	<b>74.80%</b>	<b>0.00%</b>
B. Public Shareholding									
1. Institutions									
(a) Mutual Funds	41188	1000	42188	0.04%	20244	0	20244	0.02%	(0.02)%
(b) Banks/FI	53739	3000	56739	0.06%	0	3000	3000	0.00%	(0.06)%
(c) Central Govt (s)									
(d) State Govt (s)									
(e) Venture Capital Funds									
(f) Insurance Companies									
(g) FI's									
(h) Foreign Venture Capital Funds									
(i) Others (Specify) • Foreign Portfolio Investors	0	0	0	0.00%	0	0	0	0%	0.00%
Sub total (B) (1):-	<b>94927</b>	<b>4000</b>	<b>98927</b>	<b>0.10%</b>	<b>20244</b>	<b>3000</b>	<b>23244</b>	<b>0.02%</b>	<b>(0.08)%</b>
2. Non Institutions									
a) Bodies Corp.	2276194	52000	2328194	2.33%	1721958	52000	1773958	1.77%	(0.56)%
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	16445400	1254482	17699882	17.7%	17889208	1279850	19169058	19.17%	1.47%
ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	4022551	154618	4177169	4.18%	3213129	0	3213129	3.21%	(0.97)%

Category of Shareholders	No of Shares held at the beginning of the year As on April 1, 2019				No of shares held at the end of the year As on March 31, 2020				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of total shares	
<b>(c) Others (Specify)</b>									
• <b>Cooperative Societies</b>	6000	0	6000	0.01%	6000	0	6000	0.01%	0.00%
• <b>Non Resident Individual</b>	581828	85500	667328	0.67%	677211	85500	762711	0.77%	0.10%
• <b>NBFC's registered with RBI</b>	850	0	850	0.00%	0	0	0	0.00%	(0.00)%
• <b>Trust</b>	3000	0	3000	0.00%	1250	0	1250	0.00%	0.00%
• <b>IEPF</b>	222700	0	222700	0.22%	254700	0	254700	0.25%	0.03%
Sub total (B) (2) :-	<b>23558523</b>	<b>1665983</b>	<b>25105123</b>	<b>25.11%</b>	<b>23763456</b>	<b>1417350</b>	<b>25180806</b>	<b>25.18%</b>	<b>0.06%</b>
Total Public Shareholding (B)= (B) (1) + (B) (2)	<b>23653450</b>	<b>1550600</b>	<b>25204050</b>	<b>25.20%</b>	<b>23783700</b>	<b>1420350</b>	<b>25204050</b>	<b>25.20%</b>	-
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+ B+C)</b>	<b>98449400</b>	<b>1550600</b>	<b>100000000</b>	<b>100.00%</b>	<b>98579650</b>	<b>1420350</b>	<b>100000000</b>	<b>100.00%</b>	

**(ii) Shareholding of Promoters**

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

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

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

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

S. No	Folio No	Name	PAN	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-19 to 31-03-20)		Category			
				No of Shares at the Beginning (01-04-19) / end of the Year (31-03-20)	% of total shares of the Company				Shares	% of total shares of the Company				
1	1203760000210771	ANIL KUMAR GOEL	AAJPG2552Q	1420000	1.42	01-04-2019					INDIAN PUBLIC			
				1420000	1.42	31-03-2020	NIL	NIL						
2	1203760000210765	SEEMA GOEL	AHAPG8015A	500000	0.5	01-04-2019					INDIAN PUBLIC			
				500000	0.5	31-03-2020	NIL	NIL						
3	IN30246110029333	RAJAN VASUDEV DAPKI	AAWPD3172C	670003	0.67	01-04-2019						INDIAN PUBLIC		
						05-04-2019				670003	0.67			
						12-04-2019	-3729	Sale		666274	0.67			
						19-04-2019	-1271	Sale		665003	0.67			
						26-04-2019	-10000	Sale		655003	0.66			
						10-05-2019	10500	Purchase		665503	0.67			
						17-05-2019	5000	Purchase		670503	0.67			
						24-05-2019	-750	Sale		669753	0.67			
						31-05-2019	-29750	Sale		640003	0.64			
						07-06-2019	-31543	Sale		608460	0.61			
						21-06-2019	-115000	Sale		493460	0.49			
						05-07-2019	-750	Sale		492710	0.49			
						12-07-2019	130000	Purchase		622710	0.62			
		19-07-2019	750	Purchase		623460	0.62							
		26-07-2019	-1742	Sale		621718	0.62							
		02-08-2019	6742	Purchase		628460	0.63							
		16-08-2019	5000	Purchase		633460	0.63							

S. No	Folio No	Name	PAN	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-19 to 31-03-20)		Category
				No of Shares at the Beginning (01-04-19) / end of the Year (31-03-20)	% of total shares of the Company				Shares	% of total shares of the Company	
						06-09-2019	105000	Purchase	738460	0.74	
						13-09-2019	-30000	Sale	708460	0.71	
						27-09-2019	-10000	Sale	698460	0.7	
						11-10-2019	10000	Purchase	708460	0.71	
						25-10-2019	-10000	Sale	698460	0.7	
						08-11-2019	-20000	Sale	678460	0.68	
						15-11-2019	-397600	Sale	280860	0.28	
						22-11-2019	-88860	Sale	192000	0.19	
						29-11-2019	-25000	Sale	167000	0.17	
						14-02-2020	-2250	Sale	164750	0.16	
						28-02-2020	25000	Purchase	189750	0.19	
						06-03-2020	35000	Purchase	224750	0.22	
						13-03-2020	50000	Purchase	274750	0.27	
						20-03-2020	25000	Purchase	299750	0.3	
						31-03-2020					
4	IN30014210033480	LINCOLN P COELHO	AEGPC1227D	200000	0.2	01-04-2019					INDIAN PUBLIC
				200000	0.2	31-03-2020	NIL	NIL			
5	IN30210510207504	ANITA RAWAT	ADJPR8383D	150000	0.15	01-04-2019					INDIAN PUBLIC
				150000	0.15	31-03-2020	NIL	NIL			

S. No	Folio No	Name	PAN	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-19 to 31-03-20)		Category	
				No of Shares at the Beginning (01-04-19) / end of the Year (31-03-20)	% of total shares of the Company				Shares	% of total shares of the Company		
6	IN30429510861065	SURESH NAMDEV BANDEKAR	AAPB3117B	0	0	01-04-2019					INDIAN PUBLIC	
						20-09-2019	144004	Purchase	144004	0.14		
						27-03-2020	1000	Purchase	145004	0.15		
				145004	0.15	31-03-2020						
7	IN30012610656850	SUMAN LATA	AAXPS8311D	109770	0.11	01-04-2019					INDIAN PUBLIC	
						31-12-2019	32680	Purchase	142450	0.14		
				142450	0.14	31-03-2020						
8	IN30292710341085	JIM FINANCIAL SERVICES LIMITED	AAACJ5977A	322887	0.32	01-04-2019					OTHER BODY CORPORATE	
						18-10-2019	-6000	Sale	316887	0.32		
						15-11-2019	-80047	Sale	236840	0.24		
						07-02-2020	5000	Purchase	241840	0.24		
						06-03-2020	-34993	Sale	206847	0.21		
						13-03-2020	-65713	Sale	141134	0.14		
						27-03-2020	-3032	Sale	138102	0.14		
9	IN30154931101479	A V DHARMAKRISHNAN	AFRPD3556N	129280	0.13	01-04-2019					INDIAN PUBLIC	
				129280	0.13	31-03-2020	NIL	NIL				
10	IN30169612422599	SHARDA MAHESHWARI	AIZPM9914E	124000	0.12	01-04-2019					INDIAN PUBLIC	
				124000	0.12	31-03-2020	NIL	NIL				

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

Sl. No.	Name of the Directors and Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
1.	Mr. Sunil Kant Munjal				Nil		
2.	Mr. Neeraj Munjal				Nil		
3.	Mrs. Charu Munjal				Nil		
4.	Mr. Bhagwan Dass Narang				Nil		
5.	Dr. Vinayshil Gautam <sup>1</sup>				Nil		
6.	Dr. Anil Kumar Gupta <sup>2</sup>				Nil		
7.	Ms. Jyothi Prasad <sup>3</sup>				Nil		
8.	Mr. Davendra Ujlayan				As per below table		
9.	Retd. Justice Vikramajit Sen <sup>*</sup>				Nil		
10.	Ms. Shivani Kakkar				Nil		
11.	Mr. Dinesh Kumar Mishra <sup>4</sup>				Nil		
12.	Ms. Samta Bajaj <sup>5</sup>				Nil		

\*Resigned w.e.f. November 11, 2019

Name	Shareholding		Date	Reason	Increase / Decrease in Shareholding	Cumulative Shareholding during the year	
	No of Shares at the Beginning (01-04-19) / end of the Year (31-03-20)	% of total shares of the Company				Shares	% of total shares of the Company
Mr. Davendra Ujlayan	10	0.00	01/04/2019	-	-	-	0.00%
	10	0.00	31/03/2020	-	-	-	0.00%

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

(Rupees in Lacs)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
<b>i) Principal Amount</b>	21884.79	4238.63		26123.42
<b>ii) Interest due but not paid</b>	-			-
<b>iii) interest accrued but not due</b>	186.57			186.57
<b>Total (i+ii+iii)</b>	<b>22071.36</b>	<b>4238.63</b>		<b>26309.99</b>
Change in Indebtedness during the financial year				
<b>Addition</b>	5317.62			5317.62
<b>Reduction</b>	(3980.15)	(2287.14)		(6267.29)
<b>Net Change</b>	<b>1337.47</b>	<b>(2287.14)</b>		<b>(949.69)</b>
46 Indebtedness at the end of the financial year				
<b>i) Principal Amount</b>	23222.26	1951.49		25173.75
<b>ii) Interest due but not paid</b>				
<b>iii) Interest accrued but not due</b>	278.46			278.46
<b>Total (i+ii+iii)</b>	<b>23500.72</b>	<b>1951.19</b>		<b>25452.21</b>

<sup>1</sup> Cessation w.e.f. September 25, 2019

<sup>2</sup> Appointed as a Non-Executive Director w.e.f. August 09, 2019

<sup>3</sup> Appointed as a Non-Executive and Independent Director w.e.f. November 13, 2019

<sup>4</sup> Appointed as a Whole-time key managerial personnel of the company w.e.f. February 10, 2020

<sup>5</sup> Appointed as a Company Secretary w.e.f. February 10, 2020

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and /or Manager:

(Rupees in Lacs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/manager		
		Neeraj Munjal, MD	Charu Munjal, WTD	Anil Kumar Gupta, WTD <sup>6</sup>
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17 (1) of the Income Tax Act 1961	96.00	48.00	6.84
	(b) Value of perquisites u/s 17 (2) Income Tax Act 1961	80.06	32.06	28.79
	(c) Profits in lieu of salary under Section 17 (30) Income tax Act 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission as 2% of profit Others, Specify	-	-	-
5	Others, Please Specify - Provident Fund	11.52	5.76	0.82
	<b>Total (A)</b>	<b>187.58</b>	<b>85.82</b>	<b>36.45</b>

### B. Remuneration to other Directors

(Rupees in Lacs)

Sl. No	Particulars of Remuneration	Name of Directors				Total Amount
1.	Independent Directors	Mr. Sunil Kant Munjal	Mr. Bhagwan Dass Narang	Dr. Vinayshil Gautam <sup>7</sup>	Ms. Jyothi Prasad <sup>8</sup>	
	Fee for attending board committee meetings	3.30	7.50	3.60	1.80	<b>16.20</b>
	Commission	-	-	-	-	-
	Others, Please specify	-	-	-	-	-
	Total (1)					
2.	Other Non-Executive Directors	Dr. Anil Kumar Gupta <sup>9</sup>				
	Total (2)	3.30	-	-	-	<b>3.30</b>
	<b>Total Remuneration</b>					<b>19.50</b>

<sup>9</sup> Appointed as a Non-Executive Director of the Company w.e.f. August 09, 2020

<sup>6</sup> Resigned as a Non-Executive Director w.e.f. August 08, 2020

<sup>7</sup> Ceased to be Independent Director w.e.f. September 25, 2020

<sup>8</sup> Appointed as Non-executive and Independent director w.e.f. November 13, 2020

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

(Rupees in Lacs)

Sl. No	Particulars of Remuneration	Key Managerial Personnel			
		Company Secretary - Ms. Shivani Kakkar <sup>10</sup>	CFO – Mr. Davendra Ujlayan	Whole-time KMP- Mr. Dinesh Kumar Mishra <sup>11</sup>	Company Secretary- Ms. Samta Bajaj <sup>12</sup>
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17 (1) of the Income Tax Act 1961	8.06	55.37	2.44	0.68
	(b) Value of perquisites u/s 17 (2) Income Tax Act 1961	-	-	-	-
	(c) Profits in lieu of salary under Section 17 (30) Income tax Act 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission as % of profit Others, Specify	-	-	-	-
5	Others, Please Specify	-	-	-	-
	<b>Total</b>	<b>8.06</b>	<b>55.37</b>	<b>2.44</b>	<b>0.68</b>

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

There were no penalties, punishment or compounding of offences during the year ended March 31, 2020.

<sup>10</sup> Resigned as Company Secretary w.e.f. January 25, 2020

<sup>11</sup> Appointed as Whole-Time KMP w.e.f. February 10, 2020

<sup>12</sup> Appointed as Company Secretary of the Company w.e.f. February 10, 2020

## Independent 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, 2020, 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 the significant 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 prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, thereof ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the loss and total comprehensive losses, 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 specified under section 143(10) of the Act (SAs). 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:

- i. Note 50 to the financial statement, which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management. Further, our attendance at the physical inventory verification done by the management was impracticable under the current lock-down restrictions imposed by the Government and we have therefore, relied on the related alternate audit procedures to obtain comfort over the existence and condition of inventory at year end.
- ii. Note 7 in the financial statements, wherein management has recognized deferred tax assets on the assumption that there would be sufficient future taxable profits, more fully been explained in the said note for reversal of such deferred tax assets.
- iii. Note 43 in the financial statements, regarding the booking of material consumption and accounting impact of physical verification observations, more fully been explained in the said note.
- iv. Note 51 in the financial statements, regarding old trade receivables against which legal proceedings has been initiated by the Company and impairment provisions made of Rs. 477.75 Lakhs, more fully been explained in the said note.

Our opinion is not modified in respect of above matters.

##### Key Audit Matters

Key audit matters (KAM) are those matters that, in our professional judgment were of most significance in our audit of the financial statements of the current year. 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 is 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 and Corporate Governance, 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.

### **Management's Responsibilities for the Financial Statements**

The Company's Board of Directors is 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, total comprehensive losses, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standard (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, thereof.

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 is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 controls 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 system in place and the operating effectiveness of such control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "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, based on our audit 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 of the aforesaid financial statements;
  - 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 cash flow and the statement of changes in equity 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 Accounting standard specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, thereof;
  - e) On the basis of the written representations received from the directors as on March 31, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with 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 explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and
  - 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, 2020 on its financial position in its financial statements – Refer Note 31 and 32 to the financial statements;
- ii. The Company has made provisions, as required under the applicable law of accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
- iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020.

For **NSBP & Co.**  
Chartered Accountants  
Firm's Registration No. 001075N

**Sd/-**  
**Deepak K. Aggarwal**

Partner  
Membership No: 095541  
UDIN:- 20095541AAAAFA5128

Place: New Delhi  
Date: July 28, 2020

**Annexure A to the Independent Auditor's Report to the Members of Shivam Autotech Limited on its financial statements dated July 28, 2020.**

**Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Companies Act, 2013 ("the Act") as referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements' section**

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management according to a phased program designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, the fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification, discrepancies have duly been adjusted in the financials.
- (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 deed of immovable properties are held in the name of the company.
- (ii) The inventories of the Company except for stock lying with third parties and stock in transit, have been physically verified by the management at reasonable intervals. In our opinion and the procedures of physical verification of inventory followed by the Management are reasonable in relation to the size of the Company and nature of its business. Discrepancies noticed on such physical verification of inventory as compared to book records were material and have been properly dealt with in the books.
- Further, our attendance at inventory physical verification was impracticable under the current lock-down restrictions imposed by the Government and we have therefore, relied on the related alternate audit procedures to obtain comfort over the existence and condition of inventory at year end, also refer to our report on Internal Financial Controls in Annexure B of this report.
- (iii) The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly, clauses 3(iii) (a) to (c) of the Order are not applicable.
- (iv) According to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable. Hence, clause 3(iv) of the Order is not applicable to the Company.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public within the meaning of directives issued by the Reserve Bank of India and provisions of sections 73 to 76 or any other relevant provisions of the Act and the Rules framed thereunder.
- (vi) According to the information and explanation given to us, The Central Government has not prescribed maintenance of cost records under section 148(1) of the Act in respect of business carried out by the company. Therefore, reporting under clause 3(vi) of the order is not applicable to the Company.
- (vii) (a) According to the records of the Company examined by us and the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Investor Education and Protection Fund, Income Tax, Value Added Tax, Wealth Tax, Service Tax, Custom Duty, Excise duty, Cess and any other material statutory dues, as applicable, within the prescribed time with the appropriate authorities during the year, except for the payment to Employees' Provident Fund, Employees' State Insurance, Goods and Service Tax and Tax Deducted at Source and there are no such undisputed amounts payable which have remained outstanding as at March 31, 2020 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and as per the books and records examined by us, there are no dues of Custom Duty, Excise Duty, Service Tax and Sales Tax/ Value Added Tax/Goods & Service Tax and Cess which have not been deposited on account of any dispute, except the following in respect of disputed Income Tax along with the forum where dispute is pending:

S. No.	Name of the Statute	Nature of Dues	Amount (Rs. Lakhs)	Period to which the amount relates	Forum where the dispute is pending
1.	Income Tax Act, 1961	Demand raised on assessment	426.08	2008-09	Assessing officer , New Delhi
2.	Income Tax Act, 1961	Demand raised on assessment	13.49	2009-10	Assessing officer , New Delhi

S. No.	Name of the Statute	Nature of Dues	Amount (Rs. Lakhs)	Period to which the amount relates	Forum where the dispute is pending
3.	Income Tax Act, 1961	Demand raised on assessment	7.00	2010-11	Assessing officer , New Delhi
4.	Income Tax Act, 1961	Demand raised on assessment	0.01	2012-13	Assessing officer , New Delhi
5.	Income Tax Act, 1961	Demand raised on assessment	58.03	2013-14	Assessing officer , New Delhi
6.	Income Tax Act, 1961	Demand raised on assessment	1.54	2014-15	Assessing officer , New Delhi
7.	Income Tax Act, 1961	Demand raised on assessment	28.75	2015-16	Assessing officer , New Delhi

The income tax demand amounts have been extracted from the income tax online portal and as confirmed by the management that appeal effect for the same has not yet been reflected on the online portal.

- (viii) According to the information and explanations given to us and as per the books and records examined by us, the Company has not defaulted in repayments of its dues to banks and financial institution. The Company has not taken any loan from debenture holders and Government. The company has availed the moratorium during COVID-19 period and accordingly certain principal and interest were not paid as per the terms of the repayment schedule and the same is not being treated as default.
- (ix) According to the information and explanations given by the management, the Company has not raised any monies by way of initial public offer or further public offer during the financial year, and the terms loans raised by the Company have been applied for the purpose for which they are obtained. Where such end use has been stipulated by the lender(s).
- (x) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year, nor have we been informed of such case by the management of the company.
- (xi) In our opinion, and according to the information and explanations given to us, the managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company, hence clause (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion, and according to the information and explanations given to us during the course of audit, transactions with the related parties are in compliance with section 177 and section 188 of the Act and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) In our opinion and on the basis of information and explanations given to us, the Company has not entered into non-cash transactions with directors and persons connected with him. Hence, the provisions of section 192 of Act are not applicable.
- (xvi) In our opinion and on the basis of information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **NSBP & Co.**  
Chartered Accountants  
Firm's Registration No. 001075N

**Sd/-**  
**Deepak K. Aggarwal**  
Partner

Membership No: 095541  
UDIN:- 20095541AAAAFA5128

Place: New Delhi  
Date: July 28, 2020

**Annexure B to the Independent Auditor's Report to the members of Shivam Autotech Limited ('the Company') on its financial statement dated July 28, 2020.**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 1(f) of 'Report on Other Legal and Regulatory Requirements' section**

We have audited the internal financial controls over financial reporting of **Shivam Autotech Limited** ("the Company") as of March 31, 2020 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 Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 over financial reporting of the company based on our audit.

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

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

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

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

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

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

### Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness with reference to its financial statements as at March 31, 2020.

- i. The Company's internal control system in respect of supervisory and review controls over process of booking of material consumption, booking of proper inventory and accounting of returnable gate pass, reconciliation of old stock lying with third party and allocation of fixed and variable overheads on product costing on periodical basis were not operating effectively during the current financial year to arrive at the correct value of stock including physical number, which could potentially result in material misstatement of cost of goods sold and inventories as on March 31, 2020.

Based on physical verification of Inventories, consumption and reconciliation of closing stock as done by the Management subsequently, necessary remedial measures have been taken to arrive at the correct value of inventories as on March 31, 2020 and also to arrive at cost of goods sold for the year then ended.

- ii. The Company's internal control system in respect of credit facility monitoring and proper review and follow up procedure for the realisation against the trade receivables are not operating effectively and due to deficiency in the control, the company's trade receivables has been become doubtful. The company has initiated the legal proceeding against the old doubtful trade receivables and also has made the adequate provision for expected credit loss based on assessment of these overdue trade receivables.
- iii. The Company's internal control weakness has been observed in respect of approval of expenses/reimbursement of expenses and payment to the vendors/employees were not operating effectively.
- iv. Due to issues and bugs in software the system is not able to calculate the depreciation correctly. All variations in depreciation on account of these issues are updated in the system manually on the basis of manual depreciation calculation. The management is in continuous discussions with the software provider to fix this anomaly in the system so that correct output can be obtained directly from the system.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

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, 2020, 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, 2020.

### Explanatory paragraph

We have also audited, in accordance with the Standards on Auditing issued by 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, 2020, and the statement of profit and loss, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2020 financial statements of the Company and this report does not affect our report dated July 28, 2020, which expressed an unmodified opinion on these financial statements.

For **NSBP & Co.**  
Chartered Accountants  
Firm's Registration No. 001075N

**Sd/-**  
**Deepak K. Aggarwal**  
Partner

Membership No: 095541  
UDIN:- 20095541AAAAFA5128

Place: New Delhi  
Date: July 28, 2020

## Balance Sheet as at 31 March 2020

(All amounts are in lakhs unless otherwise stated)

	Note	As at 31 March, 2020	As at 31 March, 2019
<b>A) ASSETS</b>			
<b>1) Non - current assets</b>			
(a) Property, plant and equipment	4	43,779.43	46,517.55
(b) Right-of-use assets	5.1	924.52	-
(c) Capital work - in - progress	5.2	2,753.72	27.48
(d) Intangible assets	4	110.83	166.19
(e) Intangible assets under development	5.3	72.30	41.94
(f) Financial assets	6		
(i) Loans	6.1	678.22	687.81
(ii) Others	6.2	355.73	22.47
(g) Deferred tax assets (net)	7	3,335.15	1,644.51
(h) Income tax assets (net)	8	455.73	429.33
(i) Other non - current assets	9	81.14	1,176.36
		52,546.77	50,713.64
<b>2) Current Assets</b>			
(a) Inventories	10	8,599.05	10,896.81
(b) Financial assets	11		
(i) Trade receivables	11.1	7,143.51	9,391.43
(ii) Cash and cash equivalents	11.2	321.36	82.20
(iii) Bank Balances other than (ii) above	11.3	414.61	559.05
(iv) Loans	11.4	37.32	53.12
(v) Others	11.5	27.26	148.77
(c) Other current assets	12	3,262.48	3,324.86
		19,805.59	24,456.24
<b>Total Assets</b>		<b>72,352.36</b>	<b>75,169.88</b>
<b>B) EQUITY AND LIABILITIES</b>			
<b>1) EQUITY</b>			
(a) Equity share capital	13	2,000.00	2,000.00
(b) Other equity		11,516.73	15,267.71
		13,516.73	17,267.71
<b>2) LIABILITIES</b>			
<b>Non - current liabilities</b>			
(a) Financial liabilities	14		
Borrowings	14.1	20,373.17	19,866.82
Lease Liabilities		887.19	-
(b) Provisions	15	662.29	482.63
(c) Other non-current liabilities	16	25.45	26.36
		21,948.10	20,375.81
<b>Current liabilities</b>			
(a) Financial liabilities	17		
(i) Borrowings	17.1	17,801.45	17,399.16
(ii) Trade payables	17.2		
- Dues to micro & small enterprises		1,367.71	229.36
- Other trade payable		8,811.15	10,258.75
(iii) Lease Liabilities		99.86	-
(iv) Other financial liabilities	17.3	7,791.00	8,867.55
(b) Other current liabilities	18	1,000.54	714.45
(c) Provisions	19	15.82	57.10
		36,887.53	37,526.37
<b>Total Equity &amp; Liabilities</b>		<b>72,352.36</b>	<b>75,169.88</b>
Corporate Information	1		
Basis of preparation of financial statement	2		
Significant accounting policies	3		
The accompanying notes 1 to 53 form an integral part of the financial statement.			

As per report of even date

**For NSBP & Co.**

Chartered Accountants

Firm Regn. No. 001075N

Sd/-

**Deepak K. Aggarwal**

Partner

Membership No. 095541

Place : New Delhi

Dated : July 28, 2020

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

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

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

Place : Gurugram

Sd/-  
**Charu Munjal**  
Whole Time Director  
DIN: 03094545

Sd/-  
**Samta Bajaj**  
Company Secretary  
M No A50269

## Statement of Profit and Loss for the year ended 31 March 2020

(All amounts are in lakhs unless otherwise stated)

	Note	For the year ended 31 March, 2020	For the year ended 31 March, 2019
I. Revenue from operations	20	58,783.26	63,557.49
II. Other income	21	104.43	137.66
<b>III. Total income (I + II)</b>		<b>58,887.69</b>	<b>63,695.15</b>
IV Expenses			
Cost of raw materials consumed	22	24,070.83	24,013.71
Changes in inventories of finished goods and work-in-progress.	23	1,149.89	(1,035.39)
Consumptions of Stores		5,568.28	7,128.22
Job work charges		4,057.07	5,716.44
Employee benefits expense	24	6,128.62	6,165.65
Finance cost	25	5,306.36	4,871.76
Depreciation and amortization expenses	26	5,381.24	4,875.70
Other expenses	27	12,649.63	13,328.82
<b>Total expenses</b>		<b>64,311.92</b>	<b>65,064.91</b>
<b>V Profit/(Loss) before exceptional item and tax (III - IV)</b>		<b>(5,424.23)</b>	<b>(1,369.76)</b>
<b>VI Exceptional Item</b>		-	-
<b>VII Profit/(Loss) before tax (V+VI)</b>		<b>(5,424.23)</b>	<b>(1,369.76)</b>
<b>VIII Tax expense:</b>	28		
(1) Current tax		-	-
(2) Deferred tax		(1,710.79)	412.77
(3) Earlier year tax adjustment		-	38.92
<b>IX Net Profit/(Loss) for the year after tax from continuing operations (VII-VIII)</b>		<b>(3,713.44)</b>	<b>(1,821.45)</b>
<b>X Profit / (Loss) from discontinued operation after tax</b>		-	-
<b>XI Profit / (Loss) for the Year</b>		<b>(3,713.44)</b>	<b>(1,821.45)</b>
<b>XII Other comprehensive income</b>			
A. (i) Item that will not be reclassified to profit or loss	29	(57.67)	(8.68)
(ii) Income tax relating to items that will not be reclassified to profit or loss	28	20.15	3.04
B. (i) Items that will be reclassified to profit or loss	29	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	28	-	-
<b>Total other comprehensive income/(loss) net of taxes</b>		<b>(37.52)</b>	<b>(5.64)</b>
<b>XIII Total Comprehensive income / (loss) for the year (XI+XII)</b>		<b>(3,750.96)</b>	<b>(1,827.09)</b>
<b>XIV Earning per equity share (Face value of Rs 2/- per share)</b>	30		
(1) Basic		(3.71)	(1.82)
(2) Diluted		(3.71)	(1.82)
Corporate Information	1		
Basis of preparation of financial statements	2		
Significant accounting policies	3		
The accompanying notes 1 to 53 form an integral part of the financial statement.			

As per report of even date

**For NSBP & Co.**

Chartered Accountants

Firm Regn. No. 001075N

**Sd/-**

**Deepak K. Aggarwal**

Partner

Membership No. 095541

Place : New Delhi

Dated : July 28, 2020

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

**Sd/-**

**Neeraj Munjal**

Managing Director

DIN : 00037792

**Sd/-**

**Davendra Ujlayan**

VP- Finance

PAN: AAFPU2249C

Place : Gurugram

**Sd/-**

**Charu Munjal**

Whole Time Director

DIN: 03094545

**Sd/-**

**Samta Bajaj**

Company Secretary

M No A50269

## Cash Flow Statement for the year ended March 31, 2020

(All amounts are in lakhs unless otherwise stated)

	Year ended 31 March, 2020	Year ended 31 March, 2019
<b>A Cash flow from operating activities</b>		
<b>Net Profit Before Taxation and Extraordinary activities</b>	(5,424.23)	(1,369.76)
<b>Adjustments for:</b>		
Depreciation and amortisation expenses	5,381.24	4,875.70
Provision for Doubtful debts	452.00	21.40
Loss/(Profit) on sale of property, plant and equipments	(6.15)	0.63
Interest income on deposits	(38.73)	(38.66)
Finance costs	5,306.36	4,871.76
<b>Operating profit before working capital changes</b>	<b>5,670.49</b>	<b>8,361.07</b>
<b>Adjustment for working capital changes:</b>		
(Increase)/Decrease in Trade receivables	1,795.92	(1,137.54)
(Increase)/Decrease in Inventories	2,297.76	(1,932.12)
Increase/(Decrease) in Trade payable	(309.25)	5,052.96
(Increase)/Decrease in Loans & advances/ Other current assets	16.92	(1,243.88)
Increase/(Decrease) in Current liabilities & provisions	966.00	309.19
<b>Cash from operations</b>	<b>10,437.84</b>	<b>9,409.68</b>
Direct taxes paid (net of refunds)	(26.40)	(6.89)
<b>Net cash from operating activities</b>	<b>10,411.44</b>	<b>9,402.79</b>
<b>B Cash flow from investing activities</b>		
Purchase of fixed assets including capital work in progress and capital advances	(4,371.34)	(6,802.91)
Proceeds from sale of property, plant and equipments	7.20	10.03
Interest received	38.95	38.45
<b>Net cash used in investing activities</b>	<b>(4,325.19)</b>	<b>(6,754.43)</b>
<b>C Cash flow from financing activities</b>		
Proceeds from/(repayment of) from short term borrowings (net)	402.29	2,430.19
Proceeds from/(repayment of) of long term borrowings (net)	(949.67)	(227.73)
Repayment of Lease Liabilities	(85.25)	-
Finance costs	(5,214.46)	(4,788.99)
<b>Net cash used in financing activities</b>	<b>(5,847.09)</b>	<b>(2,586.53)</b>
<b>Net (decrease)/increase in cash or cash equivalents</b>	<b>239.16</b>	<b>61.83</b>
Cash or cash equivalents at beginning of the year	82.20	20.37
<b>Cash or cash equivalents at the end of the year</b>	<b>321.36</b>	<b>82.20</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 set out in IND AS-7 specified under section 133 of the Companies Act 2013.		
<b>Components of cash and cash equivalents as at</b>	<b>As at 31-Mar-20</b>	<b>As at 31-Mar-19</b>
<b>Cash and cash equivalents:</b>		
Cash and cash equivalents	321.36	82.20
<b>Cash and cash equivalents</b>	<b>321.36</b>	<b>82.20</b>

As per report of even date

**For NSBP & Co.**

Chartered Accountants

Firm Regn. No. 001075N

Sd/-

**Deepak K. Aggarwal**

Partner

Membership No. 095541

Place : New Delhi

Dated : July 28, 2020

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

Sd/-

**Neeraj Munjal**

Managing Director

DIN : 00037792

Sd/-

**Davendra Ujlayan**

VP- Finance

PAN: AAFPU2249C

Place : Gurugram

Sd/-

**Charu Munjal**

Whole Time Director

DIN: 03094545

Sd/-

**Samta Bajaj**

Company Secretary

M No A50269

## Statements of changes in equity as at March 31, 2020

(All amounts are in lakhs unless otherwise stated)

### A Equity Share capital

Particulars	Balance As at 31 March, 2020	Changes during the year	Balance As at 31 March, 2019	Changes during the year	Balance As at 31 March, 2018
Balance of Equity Share Capital	2,000.00	-	2,000.00	-	2,000.00

### B Other Equity

	Reserves and Surplus			Other comprehensive income	Total
	Capital redemption reserve	General reserve	Surplus in statement of profit and loss	Actuarial loss/ gain on defined benefit obligation	
<b>Balance As at 01.04.2018</b>	<b>5.00</b>	<b>5,068.62</b>	<b>12,021.45</b>	<b>(0.28)</b>	<b>17,094.79</b>
Losses for the year			(1,821.45)		(1,821.45)
Actuarial Loss on gratuity	-	-	-	(5.64)	(5.64)
<b>Balance As at 31.03.2019</b>	<b>5.00</b>	<b>5,068.62</b>	<b>10,200.00</b>	<b>(5.92)</b>	<b>15,267.70</b>
Losses for the year			(3,713.47)		(3,713.44)
Actuarial Loss on gratuity				(37.52)	(37.52)
<b>Balance As at 31.03.2020</b>	<b>5.00</b>	<b>5,068.62</b>	<b>6,486.56</b>	<b>(43.44)</b>	<b>11,516.74</b>

The description of the nature and purpose of each reserve within equity is as follows:

- Surplus in statement of profit and loss represents undistributed profits of the Company which can be distributed to its equity shareholders in accordance with the requirement of the Companies Act, 2013.
- 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 Companies Act, 2013.
- Other Comprehensive Income represent the balance in equity for items to be accounted in Other Comprehensive Income. 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.
- 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 amount before a company can declare dividend, however Companies Act 2013, transfer of any amount to general reserve is at the discretion of the Company.

Corporate Information

1

Basis of preparation of financial statements

2

Significant accounting policies

3

The accompanying notes 1 to 53 form an integral part of the financial statement.

As per report of even date

**For NSBP & Co.**

Chartered Accountants

Firm Regn. No. 001075N

Sd/-

**Deepak K. Aggarwal**

Partner

Membership No. 095541

Place : New Delhi

Dated : July 28, 2020

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

Sd/-

**Charu Munjal**

Whole Time Director

DIN: 03094545

Sd/-

**Samta Bajaj**

Company Secretary

M No A50269

Sd/-

**Neeraj Munjal**

Managing Director

DIN : 00037792

Sd/-

**Davendra Ujlayan**

VP- Finance

PAN: AAFPU2249C

Place : Gurugram

## Notes to Financial Statements for the year ended March 31, 2020

(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 had five state-of-the-art manufacturing facilities, located at Binola, Manesar, Haridwar, Bengaluru & Rohtak. The Company is listed on the National Stock Exchange and Bombay Stock Exchange of India. These financial statements are presented in Indian Rupees (Rs.).

### 2 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 Tuesday, July 28, 2020.

#### 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;

## Notes to Financial Statements for the year ended March 31, 2020

(All amounts are in lakhs unless otherwise stated)

- Impairment test of financial and non-financial assets;
- Recognition and measurement of provisions and contingencies;
- Fair value measurement of financial instruments.

### 3 Significant 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.

	<b>Useful Life as per Schedule II of Companies Act, 2013 (in years)</b>
- Plant & Machinery	15
- Buildings	30
- Computers	3
- Office equipment	5
- Furniture & fixtures	10
- Vehicles	8
- Lease hold Improvements	Amortised over the period of lease

## Notes to Financial Statements for the year ended March 31, 2020

(All amounts are in lakhs unless otherwise stated)

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.

### 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 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**

## Notes to Financial Statements for the year ended March 31, 2020

(All amounts are in lakhs unless otherwise stated)

**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 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.

## Notes to Financial Statements for the year ended March 31, 2020

(All amounts are in lakhs unless otherwise stated)

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. 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.

## Notes to Financial Statements for the year ended March 31, 2020

(All amounts are in lakhs unless otherwise stated)

### 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.

#### 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 that 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.

## Notes to Financial Statements for the year ended March 31, 2020

(All amounts are in lakhs unless otherwise stated)

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.

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.

## Notes to Financial Statements for the year ended March 31, 2020

(All amounts are in lakhs unless otherwise stated)

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

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Financial instruments designated as Hedge Instruments are mark to market using the valuation given by the bank on the reporting date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

### 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 substantively 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.

## Notes to Financial Statements for the year ended March 31, 2020

(All amounts are in lakhs unless otherwise stated)

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.

### 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,

## Notes to Financial Statements for the year ended March 31, 2020

(All amounts are in lakhs unless otherwise stated)

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 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.

### **Transition**

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2020.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. Applied the practical expedient to make the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

## Notes to Financial Statements for the year ended March 31, 2020

(All amounts are in lakhs unless otherwise stated)

### 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".

## Notes to Financial Statements for the year ended March 31, 2020

(All amounts are in lakhs unless otherwise stated)

### 4 Property, plant & equipment

Particulars	A. Tangible Asset											Grand Total				
	Freehold Land	Building	Plant & Equipment	Computers	Office equipment	Furniture & fixtures	Vehicles	Lease hold improvements	Total Tangible assets	Intangible assets						
<b>Gross Block (at cost)</b>																
<b>As at 01 April 2018</b>	<b>5,754.84</b>	<b>10,476.66</b>	<b>57,263.48</b>	<b>307.38</b>	<b>342.39</b>	<b>331.31</b>	<b>597.12</b>	<b>149.58</b>	<b>75,222.77</b>	<b>580.79</b>						<b>75,803.56</b>
Additions	-	267.62	6,634.62	26.74	12.52	62.22	47.31	-	7,051.02	7.82						7,058.85
Disposals			(15.40)						(15.40)							(15.40)
<b>As at 31 March 2019</b>	<b>5,754.84</b>	<b>10,744.28</b>	<b>63,882.70</b>	<b>334.12</b>	<b>354.91</b>	<b>393.53</b>	<b>644.43</b>	<b>149.58</b>	<b>82,258.39</b>	<b>588.61</b>						<b>82,847.01</b>
Additions	-	274.53	1,933.51	11.18	4.19	57.19		140.97	2,421.57	19.47						2,441.04
Disposals							(70.71)		(70.71)							(70.71)
<b>As at 31 March 2020</b>	<b>5,754.84</b>	<b>11,018.81</b>	<b>65,816.21</b>	<b>345.30</b>	<b>359.10</b>	<b>450.72</b>	<b>573.72</b>	<b>290.55</b>	<b>84,609.25</b>	<b>608.08</b>						<b>85,217.34</b>
<b>Depreciation/Amortisation</b>																
<b>As at 01 April 2018</b>	-	<b>1,392.27</b>	<b>28,542.50</b>	<b>236.77</b>	<b>246.45</b>	<b>166.06</b>	<b>287.26</b>	<b>74.89</b>	<b>30,946.20</b>	<b>341.36</b>						<b>31,287.56</b>
Charge for the year	-	349.77	4,269.80	37.11	28.74	29.50	69.56	14.92	4,799.38	81.06						4,880.44
Disposals			(4.74)						(4.74)							(4.74)
<b>As at 31 March, 2019</b>	-	<b>1,742.04</b>	<b>32,807.56</b>	<b>273.88</b>	<b>275.19</b>	<b>195.56</b>	<b>356.82</b>	<b>89.81</b>	<b>35,740.84</b>	<b>422.42</b>						<b>36,163.26</b>
Charge for the year		375.90	4,601.08	32.08	27.11	31.87	69.55	21.04	5,158.64	74.83						5,233.47
Disposals							(69.66)		(69.66)							(69.66)
<b>As at 31 March 2020</b>	-	<b>2,117.94</b>	<b>37,408.64</b>	<b>305.96</b>	<b>302.30</b>	<b>227.43</b>	<b>356.71</b>	<b>110.85</b>	<b>40,829.82</b>	<b>497.25</b>						<b>41,327.07</b>
<b>Net Block</b>																
<b>As at 31 March, 2018</b>	<b>5,754.84</b>	<b>9,084.39</b>	<b>28,720.98</b>	<b>70.61</b>	<b>95.94</b>	<b>165.25</b>	<b>309.86</b>	<b>74.69</b>	<b>44,276.57</b>	<b>239.43</b>						<b>44,516.00</b>
<b>As at 31 March, 2019</b>	<b>5,754.84</b>	<b>9,002.24</b>	<b>31,075.14</b>	<b>60.24</b>	<b>79.72</b>	<b>197.97</b>	<b>287.61</b>	<b>59.77</b>	<b>46,517.55</b>	<b>166.19</b>						<b>46,683.75</b>
<b>As at 31 March, 2020</b>	<b>5,754.84</b>	<b>8,900.87</b>	<b>28,407.57</b>	<b>39.34</b>	<b>56.80</b>	<b>223.29</b>	<b>217.01</b>	<b>179.70</b>	<b>43,779.43</b>	<b>110.83</b>						<b>43,890.27</b>

Lease hold improvements have been amortised over period of lease. Refer Note No. 44 for charges.

## Notes to Financial Statements for the year ended March 31, 2020

(All amounts are in lakhs unless otherwise stated)

<b>5.1 Right-of-use-Assets</b>		<b>As at 31 March, 2020</b>	
<b>Gross Block (at cost)</b>			
<b>As at 01.04.2019</b>		-	
Additions		1,072.29	
Disposals		-	
<b>As at 31.03.2020</b>		1,072.29	
<b>Amortisation</b>			
<b>As at 01.04.2019</b>		-	
Charge for the year		147.77	
Disposals		-	
<b>As at 31.03.2020</b>		147.77	
Net Block as at 31.03.2020		924.52	
<b>Net Block as at 31.03.2019</b>		-	
<b>5.2 Capital- Work-In-Progress</b>		<b>As at 31 March, 2020</b>	<b>As at 31 March, 2019</b>
Opening CWIP		27.48	584.19
Add: Additions during the year		3,812.28	14.53
Less: capitalised during the year		1,086.04	571.24
<b>Total Capital Work in Progress*</b>		<b>2,753.72</b>	<b>27.48</b>
*Includes pre-operative expenditure pending capitalisation of Rs. Nil (Previous year Rs Nil)			
<b>5.3 Intangible Assets Under Development</b>		<b>As at 31 March, 2020</b>	<b>As at 31 March, 2019</b>
Intangible Assets under Development			
Opening		41.94	-
Add: Additions during the year		30.36	41.94
Less: Capitalised during the year		-	-
<b>Total</b>		<b>72.30</b>	<b>41.94</b>
<b>6 Financial Asset: Non Current</b>			
<b>6.1 Loans</b>		<b>As at 31 March, 2020</b>	<b>As at 31 March, 2019</b>
Unsecured considered good			
-Security Deposits		678.22	687.81
<b>Total</b>		<b>678.22</b>	<b>687.81</b>
<b>6.2 Other Financial Assets</b>		<b>As at 31 March, 2020</b>	<b>As at 31 March, 2019</b>
Bank Deposit with Maturity above 12 months including interest thereon		355.73	22.47
<b>Total</b>		<b>355.73</b>	<b>22.47</b>
*Out of total Rs. 235.02 Lakhs (PY Rs. 22.47 Lakhs) is held as margin money with government departments and others.			
<b>7 Deferred Tax Liability/assets</b>		<b>As at 31 March, 2020</b>	<b>As at 31 March, 2019</b>
Deferred tax liability		(3,544.07)	(3,763.21)
Deferred tax assets		5,199.16	3,727.66
MAT Credit Entitlement (due to last year tax adjustments)		1,680.06	1,680.06
<b>Total</b>		<b>3,335.15</b>	<b>1,644.51</b>

## Notes to Financial Statements for the year ended March 31, 2020

(All amounts are in lakhs unless otherwise stated)

### (i) Movement in deferred tax items

FY 2019-20	Balance as on 01-04-2019	Recognised in Statement of Profit & Loss	Recognised in other comprehensive income	Balance as on 31-03-2020
Deferred tax (liability)/asset in relation to Depreciation on Property, plant & equipment	(3,737.58)	(354.82)		(4,092.40)
Provision for doubtful trade receivables	9.00	157.94		166.94
Borrowings - Processing Fees	(25.63)	(17.16)		(42.79)
Expenses allowed on payment basis	188.60	247.39	(20.15)	415.84
Recognition of DTA on unabsorbed depreciation	3,530.06	1,677.44		5,207.50
<b>Deferred tax Assets/(Liability)</b>	<b>(35.55)</b>	<b>1,710.79</b>	<b>(20.15)</b>	<b>1,655.09</b>
MAT Credit Entitlement	1,680.06			1,680.06
<b>Net Deferred tax Assets/ (Liability)</b>	<b>1,644.51</b>	<b>1,710.79</b>	<b>(20.15)</b>	<b>3,335.15</b>

FY 2018-19	Balance as on 01-04-2018	Recognised in Statement of Profit & Loss	Recognised in other comprehensive income	Balance as on 31-03-2019
Deferred tax liability / (asset) in relation to Depreciation on Property, plant & equipment	(3,222.56)	(515.02)		(3,737.58)
Provision for doubtful trade receivables	1.50	7.50		9.00
Borrowings - Processing Fees	(42.30)	16.67		(25.63)
Expenses allowed on payment basis	193.92	(2.28)	(3.04)	188.60
Recognition of DTA on unabsorbed depreciation	3,449.70	80.36		3,530.06
<b>Deferred tax Assets/(Liability)</b>	<b>380.26</b>	<b>(412.77)</b>	<b>(3.04)</b>	<b>(35.55)</b>
MAT Credit Entitlement	1,680.06			1,680.06
<b>Net Deferred tax Assets/(Liability)</b>	<b>2,060.33</b>	<b>(412.77)</b>	<b>(3.04)</b>	<b>1,644.51</b>

Deferred tax includes an amount of Rs. 5,207.50 Lakhs, which relates to carried forward unabsorbed depreciation which can be carried forward for indefinite period. The company has incurred losses mainly due to depressed in automobile sector and expansion of customer base. The management is hopeful that the company will earn adequate profit in future to set off the Deferred Tax Assets created on unabsorbed depreciation.

8	Income Tax Asset (Net)	As at	As at
		31 March, 2020	31 March, 2019
	<b>Income Tax Assets</b>		
	Tax refund receivable (net of provision)	455.73	429.33
	<b>Total</b>	<b>455.73</b>	<b>429.33</b>

9	Other Non Current Assets	As at	As at
		31 March, 2020	31 March, 2019
	Others	81.14	1,176.36
	<b>Total</b>	<b>81.14</b>	<b>1,176.36</b>

## Notes to Financial Statements for the year ended March 31, 2020

(All amounts are in lakhs unless otherwise stated)

10 Inventories *	As at 31 March, 2020	As at 31 March ,2019
<b>Valued at cost or net realisable value,unless otherwise stated (Refer note i of note no 3)</b>		
<b>(As taken, valued and certified by the management)</b>		
a) Raw materials	1,485.60	1,634.36
b) Work-in-progress	2,326.43	3,336.31
c) Finished goods	224.56	406.77
d) Stores and spares	4,476.89	5,476.01
e) Others (Scrap)	85.57	43.36
<b>Total</b>	<b>8,599.04</b>	<b>10,896.81</b>
*Refer note 44-II for charges		
11 Financial Asset: Current	As at 31 March, 2020	As at 31 March ,2019
<b>11.1 Trade Receivables</b>		
<b>Unsecured, Considered good</b>		
- From related party	-	211.39
- From others	7,143.51	9,180.04
- Doubtful	477.75	25.75
Less: Allowance for doubtful debts	(477.75)	(25.75)
<b>Total</b>	<b>7,143.51</b>	<b>9,391.43</b>
<b>11.2 Cash &amp; cash equivalents</b>	<b>As at 31 March, 2020</b>	<b>As at 31 March ,2019</b>
Balances with banks		
- in Current Accounts	316.75	68.33
Cash in hand	4.61	13.87
<b>Total</b>	<b>321.36</b>	<b>82.20</b>
<b>11.3 Bank Balance,other than cash &amp; cash equivalents</b>	<b>As at 31 March, 2020</b>	<b>As at 31 March ,2019</b>
Earmarked balance		
- Unpaid dividend	31.19	36.69
Other Balance		
- in fixed deposit (original maturity exceeding three months but upto one year)*	383.42	522.36
<b>Total</b>	<b>414.62</b>	<b>559.05</b>
*Lodged as security with banks for credit limit		
11.4 Loans	As at 31 March, 2020	As at 31 March ,2019
Unsecured considered good		
Loans to employees	37.32	53.12
<b>Total</b>	<b>37.32</b>	<b>53.12</b>

## Notes to Financial Statements for the year ended March 31, 2020

(All amounts are in lakhs unless otherwise stated)

11.5 Others Financial Asset	As at 31 March, 2020	As at 31 March, 2019
Unsecured, considered good		
Interest receivable on deposit with bank	-	0.22
Unbilled Revenue	27.26	148.55
<b>Total</b>	<b>27.26</b>	<b>148.77</b>

12 Other Current Asset	As at 31 March 2020	As at 31 March 2019
Prepaid expenses	168.28	176.09
Balance with government authorities	870.89	1,064.93
Budgetary support from Government	1,149.49	1,149.49
Power Open Access Receivable	96.71	100.11
Other receivable from Government	46.23	20.66
Advances other than capital advances	928.87	781.95
Advances to employee	2.01	31.62
<b>Total</b>	<b>3,262.48</b>	<b>3,324.86</b>

13 Equity Share Capital	As at 31 March, 2020	As at 31 March, 2019
<b>Authorised Share Capital</b>		
12,50,00,000 (previous year- 12,50,00,000) equity shares of Rs. 2/- each	2,500.00	2,500.00
<b>Issued, Subscribed and Fully Paid Up</b>		
10,00,00,000 (previous year- 10,00,00,000) equity shares of Rs 2/- each	2,000.00	2,000.00
<b>Total</b>	<b>2,000.00</b>	<b>2,000.00</b>
<b>(i) Reconciliation of number and amount of equity shares outstanding:</b>	No. of Shares	No. of Shares
<b>At the beginning of the year</b>	100,000,000	100,000,000
Changes during the year	-	-
<b>Outstanding at the end of the year</b>	<b>100,000,000</b>	<b>100,000,000</b>

### 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, 2020, the amount of dividend per share recognised as distributed to equity shareholder was Rs NIL ( March 31, 2019 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.

### (ii) Details of shareholders holding more than 5% shares in the company

Particulars	As at 31 March, 2020	As at 31 March, 2019
Dayanand Munjal Investments Pvt Ltd (holding company)		
No. of Shares	74,795,950	74,795,950
% of Holding	74.80%	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.

## Notes to Financial Statements for the year ended March 31, 2020

(All amounts are in lakhs unless otherwise stated)

### 14 Financial Liability : Non Current

14.1 Borrowing	As at 31 March, 2020	As at 31 March ,2019
Secured		
Term loans:		
From banks	23,222.26	21,884.79
Less: Shown in current maturities of long term borrowings*	(3,727.29)	(3,896.10)
Unsecured		
From banks	-	-
From others	1,951.49	4,238.63
Less: Shown in current maturities of long term borrowings*	(1,013.99)	(2,287.14)
IND AS Adjustment	(59.30)	(73.36)
<b>Total</b>	<b>20,373.17</b>	<b>19,866.82</b>

\* Amount disclosed under the head 'Other Financial Liabilities' note no. 17.3

Note: Refer note -44 I and III for borrowing terms and repayment of loan

15 Provision	As at 31 March, 2020	As at 31 March ,2019
<b>Provision for employee benefits</b>		
- Gratuity	330.86	180.60
- Leave Encashment	331.43	302.04
<b>Total</b>	<b>662.29</b>	<b>482.63</b>

16 Other non-current liabilities	As at 31 March, 2020	As at 31 March ,2019
Deferred Income - Government Grant	25.45	26.36
<b>Total</b>	<b>25.45</b>	<b>26.36</b>

### 17 Financial Liability : Current

17.1 Short Term Borrowings	As at 31 March 2020	As at 31 March 2019
<b>Secured - at amortised cost</b>		
<b>Bank</b>		
- Cash Credit	14,301.45	13,899.16
<b>Unsecured</b>		
<b>Others</b>		
- Working Capital Demand Loan	3,500.00	3,500.00
<b>Total</b>	<b>17,801.45</b>	<b>17,399.16</b>

Refer note no. 44- II and III for borrowing terms and repayment of loan

17.2 Trade Payables	As at 31 March, 2020	As at 31 March ,2019
a) Micro and small enterprises (Refer note no 33)	1,367.71	229.36
b) Due to related party	281.86	312.73
c) Others	8,529.30	9,946.02
<b>Total</b>	<b>10,178.86</b>	<b>10,488.11</b>

## Notes to Financial Statements for the year ended March 31, 2020

(All amounts are in lakhs unless otherwise stated)

17.3 Other Financial Liabilities	As at 31 March, 2020	As at 31 March, 2019
Current maturities of long term debt		
a) From Banks	3,727.29	3,896.10
b) From others	1,013.99	2,287.14
Interest Accrued But Not Due on Borrowings	278.46	186.57
Security Deposit	52.81	37.76
Retention Money	15.53	29.60
Unpaid Dividend*	31.19	36.69
Other Payables		
a) Capital Creditors	1,229.09	1,498.00
b) Accrued salary & Benefits **	389.98	536.83
c) Advance from customers	639.67	2.96
d) Expenses Payable	370.70	306.32
e) Others	42.29	49.59
<b>Total</b>	<b>7,791.00</b>	<b>8,867.55</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. 11.48 lakhs due to related parties (previous year Rs 27.47 lakhs)

18 Other current Liabilities	As at 31 March, 2020	As at 31 March, 2019
Withholding and other taxes	999.63	713.54
Deferred Income - Government Grant	0.91	0.91
<b>Total</b>	<b>1,000.54</b>	<b>714.45</b>

19 Provision for employee benefits	As at 31 March, 2020	As at 31 March, 2019
- Gratuity	7.68	33.93
- Leave Encashment	8.14	23.17
<b>Total</b>	<b>15.82</b>	<b>57.10</b>

20 Revenue From Operation	For the Year Ended 31 March, 2020	For the Year Ended 31 March, 2019
<b>a) Sales of products</b>	57,031.35	59,637.85
<b>b) Other operating revenues</b>		
From scrap sale	1,550.12	2,083.63
Budgetary support - GST Refund	-	1,665.36
Sales - Others	128.42	36.87
From Job work	73.37	133.77
	1,751.91	3,919.63
<b>Total Revenue From Operations</b>	<b>58,783.26</b>	<b>63,557.49</b>

## Notes to Financial Statements for the year ended March 31, 2020

(All amounts are in lakhs unless otherwise stated)

21	<b>Other Income</b>	<b>For the Year Ended 31 March, 2020</b>	<b>For the Year Ended 31 March ,2019</b>
	a) Interest Income from bank deposits and others	37.66	37.70
	b) Miscellaneous receipts	58.64	98.08
	c) Profit on sale of property, plant and equipments (net)	6.15	-
	d) Interest income at amortized cost	1.07	0.96
	e) Government grant	0.91	0.91
		<b>104.43</b>	<b>137.66</b>
22	<b>Cost of Material Consumed</b>	<b>For the Year Ended 31 March, 2020</b>	<b>For the Year Ended 31 March ,2019</b>
	Opening balance of the raw material inventory	1,634.36	916.07
	Add : Purchases during the year	23,922.07	24,732.00
		25,556.43	25,648.07
	Closing balance of the raw material inventory	1,485.60	1,634.36
	<b>Total cost of raw materials consumed</b>	<b>24,070.83</b>	<b>24,013.71</b>
23	<b>(Increase) / Decrease in Stocks</b>	<b>For the Year Ended 31 March, 2020</b>	<b>For the Year Ended 31 March ,2019</b>
	<b>Opening balance of the Inventories</b>		
	Work - in - process	3336.31	2,642.63
	Finished goods	406.77	91.13
	Process scrap	43.36	17.30
		3,786.45	2,751.06
	<b>Closing balance of the Inventories</b>		
	Work - in - process	2,326.43	3,336.31
	Finished goods	224.56	406.77
	Process scrap	85.57	43.36
		2,636.56	3,786.45
	<b>Net (Increase) / Decrease in Stocks</b>	<b>1,149.89</b>	<b>(1,035.39)</b>
24	<b>Employee benefit expenses</b>	<b>For the Year Ended 31 March, 2020</b>	<b>For the Year Ended 31 March ,2019</b>
	Salaries, wages, allowances & commission including gratuity and retirement benefits	5,348.85	5,313.57
	Contribution to provident and other funds	321.34	311.92
	Staff welfare expenses	458.43	540.16
	<b>Total</b>	<b>6,128.62</b>	<b>6,165.65</b>

## Notes to Financial Statements for the year ended March 31, 2020

(All amounts are in lakhs unless otherwise stated)

25	<b>Finance cost</b>	<b>For the Year Ended 31 March, 2020</b>	<b>For the Year Ended 31 March, 2019</b>
	Interest on term loans	2,797.22	2,643.57
	Interest on cash credit	1,778.50	1,590.23
	Interest others (including cash discount)	500.72	476.03
	Interest on lease liabilities	113.82	-
	<b>Other Borrowing Cost*</b>	116.10	161.93
	<b>Total Finance cost</b>	<b>5,306.37</b>	<b>4,871.76</b>
	*Mainly consist of loan processing facilities from bank.		
26	<b>Depreciation and Amortization</b>	<b>For the Year Ended 31 March, 2020</b>	<b>For the Year Ended 31 March, 2019</b>
	a) Depreciation of tangible assets	5,158.64	4,794.64
	b) Amortization of Right-of use assets	147.77	-
	c) Amortization of intangible assets	74.83	81.06
	<b>Total Depreciation and Amortization Expenses</b>	<b>5,381.24</b>	<b>4,875.70</b>
27	<b>Other expenses</b>	<b>For the Year Ended 31 March, 2020</b>	<b>For the Year Ended 31 March, 2019</b>
	Power and fuel consumption	3,923.16	4,285.24
	Packing material consumption	187.29	263.34
	Repair and maintenance on		
	- Machinery	740.95	1,110.19
	- Building	234.06	236.94
	- Other	192.08	197.03
	Lease rent	55.21	157.25
	Wages to contractors	4,339.80	4,521.38
	Rates and taxes	64.66	88.37
	Charity and donation	0.00	102.60
	Corporate social responsibility expenses	4.90	2.95
	Loss on sale of property, plant and equipment (net)	-	0.63
	Insurance	321.59	254.87
	Legal and professional	211.21	178.73
	Payment to auditor (Refer details below)	18.39	15.27
	Foreign Exchange losses (net)	68.58	39.74
	Travelling and conveyance	576.10	644.93
	Printing and stationery	2.11	1.95
	Postage, telegram and telephones	24.70	30.73
	Selling expenses	137.95	117.87
	Board & secretarial expenses	55.83	59.46
	Security expenses	277.05	279.56
	Freight and forwarding charges	623.54	442.29
	Provision for doubtful debts	452.00	21.40
	Miscellaneous expenses	138.47	276.12
	<b>Total Other Expenses</b>	<b>12,649.63</b>	<b>13,328.82</b>

## Notes to Financial Statements for the year ended March 31, 2020

(All amounts are in lakhs unless otherwise stated)

<b>Other expenses</b>		<b>For the Year Ended 31 March, 2020</b>	<b>For the Year Ended 31 March ,2019</b>
<b>Payment to auditor</b>			
As auditor:			
	-Audit Fee	11.16	10.14
	-Limited review	4.50	2.05
	-Certification/other services	1.40	-
	Reimbursement of expenses	1.33	3.08
		<b>18.39</b>	<b>15.27</b>
<b>28</b>	<b>Tax Expense</b>	<b>For the Year Ended 31 March, 2020</b>	<b>For the Year Ended 31 March ,2019</b>
	Current tax	-	-
	Deferred Tax	(1,710.79)	412.77
	Deferred Tax - Ind AS	20.15	3.04
	Earlier year tax adjustment	-	38.92
		<b>(1,690.64)</b>	<b>454.72</b>
<b>29</b>	<b>Other Comprehensive Income</b>	<b>For the Year Ended 31 March, 2020</b>	<b>For the Year Ended 31 March ,2019</b>
	<b>Item that will not be reclassified to profit or loss</b>		
	Re-measurement of defined benefit plans	(57.67)	(8.68)
	Income tax relating to items that will not be reclassified to profit or loss	20.15	3.04
	<b>Total Other Comprehensive Income</b>	<b>(37.52)</b>	<b>(5.64)</b>
<b>30</b>	<b>Earning per Share</b>	<b>For the Year Ended 31 March, 2020</b>	<b>For the Year Ended 31 March ,2019</b>
	Net profit for calculation of basic and diluted EPS (Rs. In Lakhs)	(3,713.44)	(1,821.45)
	Total number of equity shares outstanding at the end of the year	100,000,000	100,000,000
	Weighted average number of equity shares in calculating basic and diluted EPS	100,000,000	100,000,000
		<b>(3.71)</b>	<b>(1.82)</b>
<b>31</b>	<b>Contingent Liabilities (not provided for) in respect of:</b>		
	<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
	a) Letter of credit opened by banks	1,183.37	1,610.82
	b) PF liability where the cases are pending at various stages of appeal.	70.00	-
	c) Income tax demands where the cases are pending at various stages of appeal with the authorities*	534.91	6.45

\* The Income Tax demand have been extracted from the Income Tax online portal and appeal effect for the same has not yet been reflected on the online portal.

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

## Notes to Financial Statements for the year ended March 31, 2020

(All amounts are in lakhs unless otherwise stated)

### 32 Commitments:

Particulars	2019-20	2018-19
a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	728.59	1,555.24
b) Estimated amount of contracts remaining to be executed on other than capital account and not provided for (net of advances)	-	-

### 33 Details of Dues to Micro and Small Enterprises as per MSMED Act, 2006 to the extent of information available with the Company

Particulars	2019-20	2018-19
a) Principal amount and Interest due thereon remaining unpaid to any supplier as at end of each accounting year	1,432.71	229.36
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	65.00	-
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.

### 34 Details of Opening and Closing Inventory of Finished Goods:

Class of Product	2019-20	2018-19
a) <b>Opening stock</b>		
Gear Components	406.77	91.13
b) <b>Closing stock</b>		
Gear Components	224.56	406.77

### 35 CIF Value of Imports

Particulars	2019-20	2018-19
a) Stores & Spares	467.31	517.99
b) Capital goods	3,147.19	2,805.83
c) Raw Material	528.31	450.58
<b>Total</b>	<b>4,142.81</b>	<b>3,774.40</b>

### 36 Expenditure in Foreign Currency (Accrual basis):

Particulars	2019-20	2018-19
a) Foreign travelling	55.86	93.08
b) Consultancy charges	19.43	27.43
<b>Total</b>	<b>75.29</b>	<b>120.51</b>

## Notes to Financial Statements for the year ended March 31, 2020

(All amounts are in lakhs unless otherwise stated)

### 37 Earnings in Foreign Currency :

Particulars	2019-20	2018-19
a) Export of goods at FOB value	894.85	452.43

### 38 Details regarding imported and indigenous materials consumed during the year:

Class of Goods	Imported		Indigenous		Value of total consumption
	Value (Rs. in lakhs)	% to total consumption	Value (Rs. in lakhs)	% to total consumption	Value (Rs. in lakhs)
Raw materials & components (C.Y)	528.31	2.19%	23,542.52	97.81%	24,070.83
Raw materials & components (P.Y)	450.58	1.88%	23,563.13	98.12%	24,013.71
Stores, spares, tools & dies Consumed (C.Y.)	467.31	8.39%	5,100.97	91.61%	5,568.28
Stores, spares, tools & dies Consumed (P.Y.)	517.99	7.27%	6,610.23	92.73%	7,128.22

The Figures in below rows are of previous year

### 39 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 wise disclosure required by IND AS 108 are made as follows:

##### a) Revenues from sale of products to external customers

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
India	57,888.41	63,078.76
Outside India	894.85	478.73
	58,783.26	63,557.49

##### b) Segment Assets

Total of non-current assets other than financial instruments, investment in subsidiaries, joint ventures and associate and deferred tax assets broken down by location of the assets, is shown below:

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
India	47,721.93	47,929.52
Outside India	-	-

#### (iii) Information about major customers:

Particulars	Year ended 31 March, 2020		Year ended 31 March, 2019	
	Amount	Percentage	Amount	Percentage
Hero MotoCorp Limited	36,017.83	61%	40,105.00	65%

## Notes to Financial Statements for the year ended March 31, 2020

(All amounts are in lakhs unless otherwise stated)

### 40 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.

#### 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	2019-20		2018-19	
	Gratuity (Funded)	Leave encashment	Gratuity (Funded)	Leave encashment
Current Service cost	82.10	35.18	79.00	42.52
Net Interest cost	16.55	25.09	9.17	22.97
Expenses recognized in the statement of profit & loss	98.65	97.91	88.17	83.97

#### B. Balance Sheet

##### (i) Details of Plan assets/ (liabilities) for Gratuity and Leave Encashment

Particulars	2019-20		2018-19	
	Gratuity (Funded)	Leave encashment	Gratuity (Funded)	Leave encashment
Defined benefit obligation	1,004.51	339.57	828.68	325.20
Fair value of plan assets	665.97	-	614.15	-
Net Asset/(Liability) recognized in the Balance Sheet	(338.54)	(339.57)	(214.53)	(325.20)

##### (ii) Changes in the present value of the defined benefit obligation are as follows:

Particulars	2019-20		2018-19	
	Gratuity (Funded)	Leave encashment	Gratuity (Funded)	Leave encashment
Opening defined benefit obligation	828.68	325.20	732.79	294.75
Interest cost	63.94	25.09	57.12	22.97
Current service cost	82.10	35.18	79.00	42.52
Past service cost	-	-	-	-
Benefit paid	(28.95)	(83.54)	(18.90)	(53.52)
Actuarial (gains)/losses on obligation	58.74	37.63	(21.32)	18.48
Closing defined benefit obligation	1,004.51	339.57	828.68	325.20

## Notes to Financial Statements for the year ended March 31, 2020

(All amounts are in lakhs unless otherwise stated)

### (iii) Changes in the fair value of plan assets (Gratuity) are as follows:

Particulars	2019-20	2018-19
Opening fair value of plan assets	614.15	615.11
Actual return on Plan Assets	47.39	47.94
Contribution during the year	3.48	0.00
Benefit paid	(28.95)	(18.90)
Return on plan assets , excluding amount recognised in net interest expense	1.07	(30.00)
Acquisition Adjustment	28.83	-
Closing fair value of plan assets	665.97	614.15

### (iv) The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	2019-20 %	2018-19 %
Discount rate (%)	6.85%	7.70%
Expected salary increase (%)	6.00%	6.00%
<b>Demographic Assumptions</b>		
Mortality rate (% of IALM 06-08)	100%	100%
Retirement Age (year)	58 Years	58 Years
Attrition / Withdrawal rates, based on age: (per annum)		
Up to 30 years	3.00%	3.00%
31 - 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

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	2019-20	2018-19
Provident fund	305.44	292.24
Employee State Insurance	14.90	19.02
Labour welfare fund	1.00	0.66
Total	321.34	311.92

### vi Sensitivity analysis of the defined benefit obligation:

Particulars	2019-20		2018-19	
	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	1,004.51	339.57	828.68	325.20
Impact due to increase of 0.50%	438.98	148.98	362.69	143.24
Impact due to decrease of 0.50%	577.91	194.78	476.22	185.88

## Notes to Financial Statements for the year ended March 31, 2020

(All amounts are in lakhs unless otherwise stated)

Particulars	2019-20		2018-19	
	Gratuity (Funded)	Leave encashment	Gratuity (Funded)	Leave encashment
<b>Impact of the change in Salary increase</b>				
Present value of obligation at the end of the period	1,004.51	339.57	828.68	325.20
Impact due to increase of 0.50%	577.45	194.75	476.31	186.05
Impact due to decrease of 0.50%	437.96	148.65	361.48	142.78

Sensitivities due to mortality & withdrawals are insignificant & hence ignored.

### vii Other comprehensive income (OCI):

Particulars	2019-20		2018-19	
	Gratuity (Funded)	Leave encashment	Gratuity (Funded)	Leave encashment
Actuarial (gains) / losses				
- changes in demographic assumptions	(0.29)	-	-	-
- changes in financial assumptions	108.70	-	11.18	-
- experience variance (i.e. Actual experience vs assumptions)	(49.67)	-	(32.49)	-
- others	-	-	-	-
Return on plan assets, excluding amount recognised in net expense	(1.07)	-	30.00	-
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	57.67	-	8.68	-

### 41 Related Party Transaction

#### a) List of Related Parties

##### (i) Key Managerial Personnel

Mr. Neeraj Munjal, Managing Director

Dr. Anil Kumar Gupta, Non-Executive Director w.e.f. 09.08.2019

Mrs. Charu Munjal, Whole Time Director

Mr. Davendra Ujlayan, VP- Finance

Mr. Dinesh Kumar Mishra, AGM- Finance w.e.f. 10.02.2020

Ms. Shivani Kakkar, Company Secretary upto 25.01.2020

Ms. Samta Bajaj, Company Secretary w.e.f. 10.02.2020

Mrs. Jyothi Prasad, Independent Director w.e.f. 13.11.2019

Dr. Vinayshil Gautam - Independent Director, upto 25.09.2019

Mr. Sunil Kant Munjal - Independent Director

Mr. Bhagwan Dass Narang - Independent Director

Mr. Surrinder Lal Kapur-Independent Director, upto 31.03.2019

## Notes to Financial Statements for the year ended March 31, 2020

(All amounts are in lakhs unless otherwise stated)

(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

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	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
<b>Sale of Goods &amp; Services</b>						
Munjal Showa Limited			1,308.16	1,681.12	1,308.16	1,681.12
Pushti Metal Industries LLP			-	7.29	-	7.29
<b>Purchase of goods and services</b>						
Munjal Showa Limited			3.60	3.98	3.60	3.98
Pushti Metal Industries LLP			1,104.27	1,210.50	1,104.27	1,210.50
Earthly Possessions			885.21	1,282.41	885.21	1,282.41
<b>Salary &amp; perquisites</b>						
Neeraj Munjal	176.06	176.06			176.06	176.06
Anil Kumar Gupta	35.63	67.43			35.63	67.43
Charu Munjal	80.06	80.06			80.06	80.06
Davendra Ujlayan	55.37	55.46			55.37	55.46
Dinesh Kumar Mishra <sup>^</sup>	2.44	-			2.44	-
Shivani Kakkar	8.06	9.51			8.06	9.51
Samta Bajaj <sup>^^</sup>	0.68	-			0.68	-
<b>Sitting fees</b>						
Dr. Vinayshil Gautam	3.60	6.90			3.60	6.90
Mr. Sunil Kant Munjal	3.30	2.40			3.30	2.40
Mr. Bhagwan Dass Narang	7.50	6.90			7.50	6.90
Dr. Anil Kumar Gupta <sup>*</sup>	3.30	-			3.30	-
Mr. Surrinder Lal Kapur	-	6.90			0.00	6.90
Ms. Jyothi Prasad <sup>#</sup>	1.80	-			1.80	-

<sup>^</sup> Appointed as Whole-time-KMP of the Company w.e.f. February 10, 2020

<sup>^^</sup> Appointed as Company Secretary of the Company w.e.f. February 10, 2020

<sup>\*</sup> Appointed as Non-executive Director of the Company w.e.f. August 09, 2019

<sup>#</sup> Appointed as Non-executive Independent Director of the Company w.e.f. November 13, 2019

## Notes to Financial Statements for the year ended March 31, 2020

(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	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
<b>Receivable :-</b>						
Munjal Showa Limited			(7.70)	211.39	(7.70)	211.39
Pushti Metal Industries LLP			-	-	-	-
<b>Payable:-</b>						
Munjal Showa Limited			4.01	0.41	4.01	0.41
Pushti Metal Industries LLP			102.92	77.89	102.92	77.89
Earthly Possessions			174.92	234.43	174.92	234.43
Neeraj Munjal	7.45	9.15			7.45	9.15
Charu Munjal	4.03	4.34			4.03	4.34
Anil Kumar Gupta	-	13.98			-	13.98

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.

## 42 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 31 March, 2020	As at 31 March, 2019
Not later than one year	126.32	208.24
Later than one year and not later than five years	525.23	719.90
Later than five years	980.23	980.23
<b>Total</b>	<b>1,631.78</b>	<b>1,908.37</b>

## 43 Inventory Physical verification and inventory consumption

Due to issues and bugs in software the system is not able to update bill material (BOM) and other quantitative data in the system on real time basis. All variations on account of these issues are updated in the system manually on the basis of physical verification of stock on a regular basis bringing the value of cost of goods sold to its correct value. The management is in continuous discussions with the software provider to fix this anomaly in the system so that all outputs can be obtained on real time basis.

## Notes to Financial Statements for the year ended March 31, 2020

(All amounts are in lakhs unless otherwise stated)

### 44 Summary of borrowing arrangement

#### I Long Term Borrowings

##### From Bank

Particulars	As at 31 March, 2020	As at 31 March, 2019	Rate of interest	Security	Repayment terms
IDFC First Bank Ltd.	1,919.53	3,016.40	10%-11%	First pari passu on entire fixed assets of Rohtak & Bengaluru Plant, respectively with other lenders.	Repayable in 18 quarterly installments beginning from August, 2017
IDFC First Bank Ltd.- 15Cr	1,250.00	1,500.00	9.5%-10%	First charge on entire fixed assets of Haridwar Plant (including land and building) excluding plant and machinery exclusively charged to other lenders.	Repayable in 66 Monthly Equal installments beginning from May, 2019
IDFC First Bank Ltd.- 28.5Cr	1,708.16	2,369.39	9.5%-10%	First charge on entire fixed assets of Haridwar Plant (including land and building) excluding plant and machinery exclusively charged to other lenders.	Repayable in 49 Monthly Equal installments beginning from Oct, 2018
Kotak Mahindra Bank Ltd.	1,485.00	2,250.00	10.52%-11%	First pari passu on entire fixed assets of Rohtak & Bangalore Plant, respectively with other lenders.	Repayable in 19 quarterly installments beginning from December, 2016
Yes Bank Ltd. - 50Cr	3,400.00	4,200.00	9%-10.5%	First pari passu on entire fixed assets of Rohtak & Bangalore Plant, respectively with other lenders.	Repayable in 22 quarterly installments beginning from June, 2018
Yes Bank Ltd. - 50Cr	4,365.00	4,753.00	9.25%-9.50%	First pari passu on specific fixed assets of all plants respectively with other lenders.	Repayable in 24 quarterly installments beginning from December, 2018
Yes Bank Ltd. - 100Cr	6,313.62	3,796.00	9.5%-10.5%	First pari passu on specific fixed assets of all plants respectively with other lenders.	Repayable in 24 quarterly installments beginning from June, 2020
HDFC Bank Ltd. - 55 Cr	2,000.00	-	10.00%	First pari passu on movable fixed assets of all plants except Manesar with other lenders, Exclusive charge on movable fixed asset of manesar Plant.	Repayable in 36 monthly installment beginning from October, 2020
RBL Bank Ltd.- 26 Cr	780.95	-	10.45%	First pari passu charge by the way of hypothecation on entire movable fixed assets (Plant and Machinery) of the Haridwar Plant First pari passu charge by the way of equitable mortgage on entire fixed assets (Land and Building) of the Haridwar Plant	Repayable in 42 monthly installment beginning from March, 2020
<b>Total</b>	<b>23,222.26</b>	<b>21,884.79</b>			

## Notes to Financial Statements for the year ended March 31, 2020

(All amounts are in lakhs unless otherwise stated)

Particulars	As at 31 March, 2020	As at 31 March, 2019	Rate of interest	Security	Repayment terms
<b>From Others</b>					
<b>Binola Plant</b>					
Hero Fincorp Ltd.	-	274.31	13.00%	Unsecured	Repayable in 60 monthly installments beginning from September, 2014.
Hero Fincorp Ltd.	388.99	1,464.32	11.50%	Unsecured	Repayable in 36 monthly installments beginning from August, 2017
Hero Fincorp Ltd.	1,562.50	2,500.00	11.90%	Unsecured	Repayable in 8 quarterly installments beginning from July, 2019
	<b>1,951.49</b>	<b>4,238.63</b>			
Ind AS Impact	<b>(59.30)</b>	<b>(73.36)</b>			
<b>Total</b>	<b>25,114.45</b>	<b>26,050.06</b>			

### II Short Term Borrowings

#### From Bank - Cash Credit

Particulars	As at 31 March, 2020	As at 31 March, 2019	Security
<b>Binola</b>			
IDBI Bank Ltd.	-	(35.36)	
Hero Fincorp Ltd.	3,500.00	3,500.00	First pari-passu charge on present and future current assets of plants situated at Binola and Haridwar.
Kotak Mahindra Bank Ltd.	-	(336.85)	
<b>Haridwar</b>			
IDFC First Bank Ltd.	4,039.90	4,263.77	First pari passu charge on the current assets of Haridwar Plant along with the other working capital bankers.
<b>Others</b>			
HDFC Bank Ltd.	2,774.20	3,510.04	First pari passu charges on the current asset of Binola & Haridwar plant along with the other working capital bankers.
Yes Bank Ltd.	7,487.35	6,497.55	Exclusive charges on all the current assets of Bengaluru plant and first pari pasu charge on all the current assets of Binola plant of the Borrower (Present & future)
<b>Total</b>	<b>17,801.45</b>	<b>17,399.16</b>	

III Due to Covid-19, Vide notification dated March 27, 2020 and May 22, 2020, RBI has granted moratorium for repayment of principal and servicing of interest due on loan. Accordingly the company has opted for a moratorium of six months on the payment of all principal installments and interest pertaining to term loans/ cash credit/WCDL availed from the banks and NBFC'S, falling due after the notification date. The amount on which the Company has availed the moratorium is as follows and the same has not been considered as default.

## Notes to Financial Statements for the year ended March 31, 2020

(All amounts are in lakhs unless otherwise stated)

Name of Bank	Pending Principal as on 31.03.2020	Pending Interest as on Term Loan 31.03.2020	Pending Interest as on CC/WCDL 31.03.2020
Yes Bank Ltd.	-	125.42	50.96
IDFC First Bank Ltd.	-	-	8.05
Kotak Mahindra Bank Ltd.	255.00	13.41	-
Hero Fincorp Limited	-	20.74	33.54
HDFC Bank Ltd.	-	16.99	10.93
RBL Bank Ltd.	-	-	-
<b>Total</b>	<b>255.00</b>	<b>176.56</b>	<b>103.48</b>

### 45 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:-

(i) Operating margins (Earnings before interest and taxes), (ii) Discount Rate, (iii) Growth Rates and (iv) Capital Expenditure

### 46 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

### 47 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, 2020

(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, 2020 and March 31, 2019, 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 31 March, 2020	As at 31 March, 2019
Variable Rate Borrowing	41,023.71	39,283.95
Fixed Rate Borrowing	1,951.49	4,238.63
Ind AS Adjustment	(59.30)	(73.36)
<b>Total</b>	<b>42,915.90</b>	<b>43,449.22</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 31-03-2020	For the year ended 31-03-2019
Interest rate increase by 0.25%	102.56	98.21
Interest rate decrease by 0.25%	(102.56)	(98.21)

#### 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, 2020

(All amounts are in lakhs unless otherwise stated)

The unhedged foreign currency exposure is as follows:

Particulars	Trade Receivable/ Advances to supplier		Trade Paybles	
	Foreign Currency	Rs in lacs	Foreign Currency	Rs in lacs
<b>Foreign Exposure as at 31st March 2020</b>				
CHF	-	-	454,596.97	356.02
EUR	186,132.76	154.64	34,652.25	28.79
JPY	-	-	103,087,999.00	722.65
SGD	-	-	244,594.20	129.66
USD	597,880.28	450.60	95,440.37	71.93
Particulars	Trade Receivable/ Advances to supplier		Trade Paybles	
	Foreign Currency	Rs in lacs	Foreign Currency	Rs in lacs
<b>Foreign Exposure as at 31st March 2019</b>				
CHF	-	-	685.99	0.48
EUR	129,068.90	100.65	29,097.85	22.69
GBP	-	-	-	-
JPY	-	-	114,722,878.00	718.11
SGD	-	-	244,594.20	125.37
USD	42,532.97	29.54	56,137.00	38.98

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 31-03-2020	For the year ended 31-03-2019
USD	+ 50 basis points	2.51	(0.07)
	- 50 basis points	(2.51)	0.07
EURO	+ 50 basis points	0.76	0.50
	- 50 basis points	(0.76)	(0.50)
CHF	+ 50 basis points	(2.27)	(0.00)
	- 50 basis points	2.27	0.00
JPY	+ 50 basis points	(515.44)	(573.61)
	- 50 basis points	515.44	573.61
SGD	+ 50 basis points	(1.22)	(1.22)
	- 50 basis points	1.22	1.22

## Notes to Financial Statements for the year ended March 31, 2020

(All amounts are in lakhs unless otherwise stated)

### 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 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 49. 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 31 March, 2020		As at 31 March, 2019	
	Upto 6 months	More than 6 months	Upto 6 months	More than 6 months
Gross carrying amount (A)	6,519.68	1,101.58	8,529.68	887.50
Expected Credit Losses (B)		477.75		25.75
<b>Net Carrying Amount (A-B)</b>	<b>6,519.68</b>	<b>623.84</b>	<b>8,529.68</b>	<b>861.75</b>

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	As at 31 March, 2020	As at 31 March, 2019
Total current assets	19,805.58	24,456.24
Total current liabilities	36,887.54	37,526.37
<b>Current ratio</b>	<b>0.54</b>	<b>0.65</b>

## Notes to Financial Statements for the year ended March 31, 2020

(All amounts are in lakhs unless otherwise stated)

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 31st March, 2020</b>				
(i)	Borrowings	22,483.42	18,000.18	2,491.59	42,975.19
(ii)	Lease liability	99.86	887.19	-	987.04
(iii)	Other Financial Liability	3,049.72	-	-	3,049.72
(iv)	Trade and other payable	10,178.86	-	-	10,178.86
	<b>Total</b>	<b>35,811.86</b>	<b>18,887.37</b>	<b>2,491.59</b>	<b>57,190.82</b>
<b>II</b>	<b>As at 31st March, 2019</b>				
(i)	Borrowings	23,509.05	16,826.00	3,114.17	43,449.22
(ii)	Lease liability	-	-	-	-
(iii)	Other Financial Liability	2,684.31	-	-	2,684.31
(iv)	Trade and other payable	10,488.11	-	-	10,488.11
	<b>Total</b>	<b>36,681.46</b>	<b>16,826.00</b>	<b>3,114.17</b>	<b>56,621.64</b>

### 48 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 31 March, 2020		As at 31 March, 2019	
				Carrying Amount	Fair Value	Carrying Amount	Fair Value
	<b>Financial assets designated at amortised cost</b>	<b>D</b>	Level 2				
(a)	<u>Non Current</u>						
	- Loans			678.22	678.22	687.81	687.81
	- Others Financial Asset			355.73	355.73	22.47	22.47
(b)	<u>Current</u>						
	- Trade receivables			7,143.51	7,143.51	9,391.43	9,391.43
	- Cash and cash equivalents			321.36	321.36	82.20	82.20
	- Bank Balances			414.61	414.61	559.05	559.05
	- Loans			37.32	37.32	53.12	53.12
	- Others Financial Asset			27.26	27.26	148.77	148.77
	<b>Total</b>			<b>8,978.01</b>	<b>8,978.01</b>	<b>10,944.86</b>	<b>10,944.86</b>

## Notes to Financial Statements for the year ended March 31, 2020

(All amounts are in lakhs unless otherwise stated)

### Financial Liability

Sl. No	Particulars	Note	Fair value hierarchy	As at 31 March, 2020		As at 31 March, 2019	
				Carrying Amount	Fair Value	Carrying Amount	Fair Value
	<b>Financial liability designated at amortised cost</b>	D	Level 2				
(a)	<u>Non Current</u>						
	- Borrowings			20,373.17	20,373.17	19,866.82	19,866.82
	- Lease liabilities			887.19	887.19	-	-
(b)	<u>Current</u>						
	- Borrowings			17,801.45	17,801.45	17,399.16	17,399.16
	- Trade payables			8,811.15	8,811.15	10,258.75	10,258.75
	- Lease liabilities			99.86	99.86	-	-
	- Other financial liabilities			7,791.00	7,791.00	8,867.55	8,867.55
	<b>Total</b>			<b>55,763.82</b>	<b>55,763.82</b>	<b>56,392.28</b>	<b>56,392.28</b>

- 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).

## 49 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.

## Notes to Financial Statements for the year ended March 31, 2020

(All amounts are in lakhs unless otherwise stated)

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. The Company has complied with these covenants and there have been no breaches in the financial covenants of any interest-bearing loans and borrowings.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March, 2019 and 31st March, 2020.

Particulars	As at 31 March, 2020	As at 31 March, 2019
Debt (i)	42,915.89	41,162.08
Cash and cash equivalents	(321.36)	(82.20)
Net Debt	42,594.54	41,079.88
Total Equity	13,516.73	17,267.70
<b>Net debt to equity ratio (Gearing Ratio)</b>	<b>3.18</b>	<b>2.38</b>

(i) Debt is defined as long-term and short-term borrowings

### 50 Impact of COVID

The spread of Covid 19 has affected the business operations post the national lock down. The Company has taken various measures in consonance with Central and State Government advisories to contain the pandemic, which included closing of manufacturing facilities.

Given the uncertainty of quick turnaround to normalcy, post lifting of the lock down, the Company has carried out a comprehensive assessment of possible impact on its business operations, financial assets, contractual obligation and its overall liquidity position, based on the internal and external sources of information and application of reasonable estimates. The Company does not foresee any significant incremental risk to the recoverability of its assets or in meeting its financial obligations over the foreseeable future, given early and required steps taken to contain, protect and mitigate the exposure.

Pursuant to the relaxed guidelines, the Company has now resumed its operations, however, some of the staff continues to operate from home. Since the situation is continuously evolving, the impact assessed in future may be different from the estimates made as at the date of approval of these financial results. Management will continue to monitor any material changes arising due to the impact of this pandemic on financial and operational performance of the Company and take necessary measures to address the situation.

### 51 Trade receivables

During the year, the company has identified certain trade receivables aggregating to Rs. 795.16 lakhs, whose recovery is not as per the payment terms. Based on the management estimate and provisioning norms of the company, the company has made provision of Rs 477.75 lakhs. To take the remedial step, the company has initiated/in the process of filing the legal action against some of the customers for recovery of dues.

## Notes to Financial Statements for the year ended March 31, 2020

(All amounts are in lakhs unless otherwise stated)

### 52 Expenditure incurred on corporate social responsibilities

Details of expenditure on corporate social responsibility activities as per Section 135 of Companies Act, 2013 read with schedule III are as below:

Particulars	( ₹ In Lakhs)	
	Year ended 31 March, 2020	Year ended 31 March, 2019
1. Gross amount required to be spent by the company during the year	-	0.44
	-	<b>0.44</b>
2. Amount spent during the year		
Education	3.70	0.95
Others	1.20	2.00
	<b>4.90</b>	<b>2.95</b>

**53** The previous year's including figures as on the date of transition have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year including figures as at the date of transition are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

As per report of even date

**For NSBP & Co.**

Chartered Accountants  
Firm Regn. No. 001075N

**Sd/-**

**Deepak K. Aggarwal**

Partner

Membership No. 095541

**Place : New Delhi**

**Dated: July 28, 2020**

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

**Sd/-**

**Neeraj Munjal**  
**Managing Director**  
**DIN : 00037792**

**Sd/-**

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

**Place : Gurugram**

**Sd/-**

**Charu Munjal**  
**Whole Time Director**  
**DIN: 03094545**

**Sd/-**

**Samta Bajaj**  
**Company Secretary**  
**M No A50269**





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