

BOARD OF DIRECTORS

CHAIRMAN

Sunil Kant Munjal

MANAGING DIRECTOR

Neeraj Munjal

DIRECTORS

Satyanand Munjal

Brijmohan Lall Munjal

Om Prakash Munjal

Vijay Munjal

Bhagwan Dass Narang

Surrinder Lal Kapur

Vinayshil Gautam

Anil Kumar Gupta

FINANCE TEAM

Davendra Ujlayan, *GM – Finance & Accounts & Company Secretary*

Sanjeev Chaba, AGM-Finance & Accounts

AUDITORS

S. S. Kothari Mehta & Co.

Chartered Accountants

146-149, Tribhuvan Complex

Ishwar Nagar,

Mathura Road, New Delhi – 110065

BANKERS

HSBC Limited

IDBI Limited

ICICI Bank Limited

Punjab National Bank

REGISTERED OFFICE

2A/3, Asaf Ali Road

New Delhi – 110 002

GURGAON PLANT

58th Km. Stone

Delhi – Jaipur Highway

Village: Binola – 122 413

Distt.: Gurgaon (Haryana)

HARIDWAR PLANT

Plot No. 3, Industrial park-II, Phase-I

Village Salempur Mehdood,

Distt. Haridwar (Uttarakhand) - 249 402

SHARE TRANSFER AGENTS

MCS Limited

F-65 1st Floor

Phase-I, Okhla Indl Area

New Delhi-110020

CONTENTS

Notice	2
Explanatory Statement	3
Directors' Report	6
Management Discussion & Analysis Report (Annexure 'A' to Directors' Report)	8
Corporate Governance Report (Annexure 'B' to Directors' Report)	10
Annexure 'C' to Directors' Report	20
Annexure 'D' to Directors' Report	20
Auditors' Report	21
Balance sheet	24
Profit & Loss Account	25
Cash Flow Statement	26
Schedules	28
Notes on Accounts	42
Balance Sheet Abstract & General Business Profile	43

NOTICE

Notice is hereby given that the 4th Annual General Meeting of the Members of **SHIVAM AUTOTECH LIMITED** will be held on Wednesday, the 30th day of September, 2009 at 11.00 A.M. at Tivoli Garden Resort, Near Chattarpur Mandir, Chattarpur Road, New Delhi, to transact the following business:

[A] ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and Profit & Loss Account for the period ended on that date along with the Report of the Directors and the Auditors thereon.
2. To declare dividend to the equity shareholders for the period ended March 31, 2009.
3. To appoint a Director in place of Mr. Sunil Kant Munjal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Vinayshil Gautam who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Surrinder Lal Kapur who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint M/s S.S. Kothari Mehta & Co., Chartered Accountants, New Delhi, the retiring auditors to hold office as auditors from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorize the Audit Committee to fix their remuneration.

[B] SPECIAL BUSINESS

7. Appointment of Mr. Anil Kumar Gupta as Director of the Company:
"RESOLVED THAT Mr. Anil Kumar Gupta, who was appointed as an Additional Director of the Company by the Board of Directors, in terms of Section 260 of the Companies Act, 1956 w.e.f. April 28, 2009 and in respect of whom the Company has received a notice under section 257 of the Companies Act, 1956 together with a deposit of Rs.500 (Rupees five hundred) as required under the Act, be and is hereby appointed as a Director of the Company and the period of his office be liable to determination by retirement of Directors by rotation."
8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:
'RESOLVED THAT in accordance with the provisions of sections 198, 269, 309, 310, 311 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, subject to such approvals as may be necessary, the Company hereby approves the revision in the remuneration of Mr. Neeraj Munjal, Managing Director with effect from April 1, 2009 for the remainder of his tenure in the manner as set out in the Explanatory Statement annexed to the Notice convening this meeting.
RESOLVED THAT except as stated in explanatory statement annexed below, other terms and conditions of appointment as

approved by the shareholders at the Annual General Meeting held on 20th September 2006 shall remain unchanged.

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

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

RESOLVED THAT in supersession of the special resolution passed at the 3rd Annual General Meeting of the company held on 19th September, 2008 and pursuant to the provisions of Section 309 and other applicable provisions of the Companies Act, 1956, a sum not exceeding 0.3% per annum of the net profits of the company, calculated in accordance with the provisions of the Section 198, 349 and 350 of the Act or Rs.6 lac per annum, whichever is less, be paid to and distributed amongst the Non-Executive Independent Directors of the Company or some or any of them in such amounts or proportions and in such manner and in all respect of the profits of the Company for each year of the period of 4 years commencing on 1st April, 2009."

By Order of the Board of Directors
FOR SHIVAM AUTOTECH LIMITED

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

New Delhi
Date: 28th July, 2009

Registered Office:
2A/3, Asaf Ali Road
New Delhi – 110 002

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER.**
2. In order to be valid, proxies duly stamped, should be lodged with Company at its Registered Office not later than forty eight hours before the commencement of the Annual General Meeting.
3. For the convenience of the Members, attendance slip is enclosed elsewhere in the Annual Report. Members / proxies should bring duly filled Attendance Slips sent herewith to attend the meeting along with their copies of the Annual Report.
4. Corporate Members are requested to send a duly certified copy of the Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorising their representatives to attend and vote at the Annual General Meeting.

5. The relevant details as required by Clause 49 of the Listing Agreements entered into with the Stock Exchanges of person seeking appointment/reappointment as Directors under item no.3, 4, 5 & 7 above, are annexed hereto.
6. Explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956, which sets out details relating to Special Business to be transacted at the meeting, is annexed hereto.
7. Pursuant to Section 154 of the Companies Act, 1956, the Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 25, 2009, to Wednesday, September 30, 2009 (both days inclusive).
8. In accordance with SEBI's directions vide their Circular No. DCC/FIT/Cir-3/2001 dated October 15, 2001, arrangements have been made to credit your dividend amount directly to bank account of members through the Electronic Clearing Service (ECS).

In case of holding in physical form, please furnish your bank details in the ECS Mandate Form enclosed separately and return to our Registrars, MCS Limited on or before 24th September 2009. The said details in respect of the shares held in electronic form should be sent to your respective Depository Participant and not to the Registrar as the Registrar is obliged to use only the data provided by the Depository while making payment of dividend.
9. The dividend as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid at par after 30th September 2009 to (i) those shareholders whose names appear on the Company's Register of Members after giving effect to all valid share transfers in physical form lodged with the Company on or before 24th September 2009; (ii) in respect of shares held in electronic form to those beneficiaries whose names appear in the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL) as at the end of business hours on 24th September 2009.
10. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Company Secretary at least seven days before the date of the Meeting, so that the information required may be made available at the meeting.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO.7

Appointment of Mr. Anil Kumar Gupta as a Director of the Company

Mr. Anil Kumar Gupta was appointed as an Additional Director on the Board of Directors at the Board Meeting held on 28th April, 2009. As additional director he holds office upto the date of the ensuing Annual General Meeting of the Company. The company has received notice in writing under section 257 of the Companies Act, 1956, from certain member proposing his candidature for the office of a Director liable to retire by rotation.

The Directors recommend the passing of the Ordinary Resolution.

No director other than Mr. Anil Kumar Gupta may be considered to be concerned or interested in the above.

ITEM NO. 8

Increase in Remuneration of Mr. Neeraj Munjal, Managing Director

Mr. Neeraj Munjal was appointed as Managing Director of the company w.e.f. April 1, 2006 for a period of five years. He holds Diploma in Business Management from Bradford & Ilkley Community College, England, besides having Bachelors Degree in Commerce. Mr. Munjal has over 21 years of experience in auto component sector and served as Whole Time Director of Munjal Auto Industries Limited and Chief executive of Hero Exports.

Shareholding in the Company: Nil

In July, 2009, the Board of Directors and the Remuneration Committee has approved the proposal of increase in his remuneration, subject to the approval of the members. All other terms and conditions of his appointment will remain unchanged.

Increased remuneration will be subject to the overall limits as prescribed under Section 198, 309 and 310 of the Companies Act, 1956 read with Schedule XIII of the said Act and will be effective from April 1, 2009.

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

- (a) **Basic Salary:** Rs. 200,000 per month.
- (b) **Commission:** Not exceeding 1.25% of net profits of the Company in any financial year, subject to a maximum of Rs. 20 lakhs.
- (c) **Benefits, Perquisites & Allowances:** Perquisites and

allowances as detailed in draft agreement proposed to be entered into with Mr. Neeraj Munjal.

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

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

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

ITEM NO. 9

Commission to Non-Executive Independent Directors

The members of the Company had, at the 3rd Annual General of the Company held on 19th September, 2008, approved under the provisions of Section 309 of the Companies Act, 1956, the payment of a commission to the non-executive independent directors of the Company, for each of the five financial years of the Company

commencing from 1st April, 2008, of an amount not exceeding 0.2% per annum of the net profits of the Company computed in accordance with the provisions of the Companies Act, 1956 or Rs.5 Lac per annum in aggregate, whichever is less.

In view of the invariable services being rendered by the said Directors to the Company, and induction of more non-executive independent directors on the Board of the Company it is proposed to marginally increase the amount of the commission to 0.3% of the net profits or Rs. 6 lac per annum in aggregate, whichever is less for the period of four years commencing from 1st April, 2009

All the non-executive independent directors of the company, namely Mr. B.D. Narang, Mr. Surrinder Lal Kapur, Dr. Vinayshil Gautam & Mr. Anil Kumar Gupta are deemed to be concerned or interested in the Resolution at item no.9 of the accompanying Notice, to the extent of the amount that may be received by them as commission.

The Directors, therefore, recommend adoption of the Special Resolution in item No. 9 for the purpose, in accordance with section 309 and other applicable provisions, if any, of the Companies Act, 1956.

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

(in pursuance of Clause 49 of the Listing Agreement)

Name of Director	Mr. Sunil Kant Munjal	Mr. Surrinder Lal Kapur	Dr. Vinayshil Gautam	Mr. Anil Kumar Gupta
Date of Birth	14.12.1957	07.03.1937	03.06.1946	02.04.1951
Date of Appointment	14.02.2006	14.02.2006	14.02.2006	28.04.2009
Qualifications	B.Com, Training in Mechanical Engineering	Advocate	Doctrate in Management	Doctrate in Engineering from University of Delhi.
Expertise in specific functional areas	Information, technology, Insurance, customer relationship, finance and corporate planning.	Expertise in Company laws, industrial laws & industrial finance.	Practioner & Consultant of Management in India and abroad & is attached with IIT, Delhi.	Expertise in the field of mechanical/ metallurgy engineering
List of Companies in which outside Directorship held*	<ol style="list-style-type: none"> 1. Hero Cycles Ltd. 2. Hero Management Service Ltd. 3. Hero Corporate Service Ltd. 4. Hero Motors Ltd. 5. Satyam Auto Components Ltd. 6. Easy Bill Ltd. 7. DCM Shriram Consolidated Ltd. 8. Hero Honda Motors Ltd. 9. Arrow Infrastructure Ltd. 10. Abhyuday Manufacturing & Automotive Ltd. 11. Weave Engineering and Design Ltd. 12. Hero Ergo Life Insurance Company Ltd. 13. Hero Mindmine Institute Ltd. 	<ol style="list-style-type: none"> 1. Yes Bank Ltd. 2. Sara Textiles Ltd. 3. Ansal Housing & Construction Ltd. 4. Uniproducs Ltd. 5. Claris Lifesciences Ltd. 	<ol style="list-style-type: none"> 1. Steel Authority of India Ltd. 2. Moser Baer India Ltd. 3. Ginni Inernational Ltd. 4. Gas Authority of India Ltd. 5. N.P.C.C. 	Director, Advanced Materials & Process Research Institute, Bhopal
Chairman/Member of Committees of Board of Directors of other companies of which he is a Director**	<ol style="list-style-type: none"> 1. Satyam Auto Components Ltd. Chairman – Audit Committee 2. Easy Bill Ltd. Member – Audit Committee 3. Hero Management Service Ltd. Member – Audit Committee 	<ol style="list-style-type: none"> 1. Yes Bank Ltd. Chairman – Audit & Compliance 2. Ansal Housing & Construction Ltd. Member – Audit Committee 3. Uniproducs (India) Ltd. <ol style="list-style-type: none"> (i) Member – Audit Committee (ii) Chairman – Investors Grievance Committee 	<ol style="list-style-type: none"> 1. Steel Authority of India Limited Chairman – Audit Committee 	NIL
No. of Shares held	NIL	NIL	NIL	NIL

* Excluding private limited companies

** Only Audit Committee & Shareholders Grievance Committee considered

By order of the Board Of Directors
FOR **SHIVAM AUTOTECH LIMITED**

New Delhi
Date : 28th July, 2009

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

Registered Office:
2A/3, Asaf Ali Road
New Delhi - 110002

DIRECTORS' REPORT

DEAR SHAREHOLDERS,

The Directors are pleased to present the Annual Report and the Audited Accounts for the financial year ended March 31, 2009.

FINANCIAL RESULTS

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

	(Rs. In Lacs)	
Particulars	2008-09	2007-08
Gross Sales & Other Income	16148.68	14472.50
Profit before Depreciation and Interest	3241.52	3276.73
Depreciation	1179.65	1176.51
Interest	513.16	331.69
Profit before Taxation	1548.71	1768.53
Provision for Taxation (Deferred & Current)	585.45	622.38
Profit after Taxation	963.26	1146.15
Profit available for appropriations	963.26	1146.15
Appropriations		
Amount transferred to General Reserve	300.00	300.00
Proposed Dividend on Equity Shares	150.00	150.00
Tax on Dividend	25.49	25.49
Profit after Appropriations	487.77	670.66

PERFORMANCE

During the year, the Sales of the Company were Rs.16143.66 Lacs. Operating Profit (PBDIT) of the company for the year was Rs.3241.52 Lacs. The Profit before Tax (PBT) was Rs.1548.71 Lacs and Profit after Tax (PAT) was Rs.963.26 Lacs. In the light of the economic down turn conditions prevalent during the whole year, the performance achieved by the company during the year can be regarded as satisfactory.

The Year 2008-09 was sluggish for the Automobile Industries in India as well as throughout the world. The sales of your company in spite of the down turn conditions grew by 12% during the financial year, but the operating profit (PBDIT) declined marginally by about 1% on account of increase in the input costs, interest costs, etc.

DIVIDEND

The Directors recommend a Dividend of Rs.1.50 per equity share for the year (previous year Rs. 1.50 per share). If approved by the shareholders in the forthcoming Annual General Meeting, the Dividend will absorb Rs.150.00 Lacs. The Dividend Distribution Tax borne by the Company will amount to Rs.25.49 Lacs.

BUSINESS PROSPECTS

Indian economy going forward holds lot of growth promise, and with a stable & progressive government at the centre, phenomenal growth can be expected in the coming years. Its overall GDP growth of 6.7%, during the year ended 2008-09, is one of the best amongst major economies of the world.

With the successful commissioning and start of operations at its Haridwar plant during the ongoing financial year 2009-10, the company expects substantial improvement in its performance. The company is concentrating on adding new customers and business. Its main customer Hero Honda Motors Limited (HHML), is the world's largest two wheeler manufacturer, and continues to defy the sluggish trends

across the economy and has reported robust numbers during the year 2008-09 and this trend of growth is continuing during the current year 2009-10 also. Given the future outlook of rural economy in India & performance of our prime customer Hero Honda, we are confident of achieving robust growth in overall performance. The company is also developing newer components for its customers, which will also increase its share of business with HHML and other customers.

CORPORATE GOVERNANCE

The Company believes that Corporate Governance is a way of life than something to be carried out under legal compulsion. The company is committed to the application of best management practices, compliance with law, adherence to ethical standards and discharge of social responsibilities. The company also endeavours to share with its stakeholders openly and transparently information on matters which have a bearing on their economic and reputational interest.

Pursuant to Clause 49 of the Listing Agreement with the stock exchanges, a Management Discussion and Analysis Report and a Report on Corporate Governance are given as Annexures 'A' and 'B' respectively to this Report. All the board members and senior managerial personnel have affirmed compliance with the code of conduct for the F.Y. 2008-09.

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

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the requirements of Section 217(2AA) of the Companies Act, 1956, the Board of Directors hereby confirm:

- (i) That in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same;
- (ii) That the accounting policies which have been selected have been applied consistently and judgments and estimates made 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, 2009 and of the profits of the Company for the year ended on that date;

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

FIXED DEPOSITS

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

FINANCE

The company has met with its working capital requirement from a mix of internal accruals and availing cash credit facilities from its Bankers during the year. In order to part-finance its new Haridwar Plant in Uttarakhand, the company has availed 20 million dollar ECB loans from HSBC & ICICI Bank and a Rupee loan of Rs.15 Crores was utilized during the year from Punjab National Bank for the completion of its Haridwar project. The ECB loans have fully been hedged for both principal and interest.

HARIDWAR PLANT

The company has completed the commissioning of its Haridwar project, and the same has gone on stream on 6th April, 2009. It has installed a state of the art plant, going for the latest & most advanced technology available in the world today, for its kind of business. It would cater to the requirements of its prime customer Hero Honda Motors Limited as a direct online supplier and also is equipped to make very sophisticated cold forging components for various other potential customers.

DIRECTORS

Pursuant to Section 256 of the Companies Act, 1956 and Articles of Association of the Company, Mr. Sunil Kant Munjal, Mr. Surriner Lal Kapur & Dr. Vinayshil Gautam retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Mr. Anil Kumar Gupta was appointed as an Additional Director with effect from 28th April, 2009. As additional director, Mr. Anil Kumar Gupta holds office up to the date of the ensuing Annual General Meeting of the Company.

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

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

AUDITORS

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

AUDITORS' REPORT

The observations of Auditors in their Report, read with the relevant notes to the accounts are self-explanatory and therefore do not require any further explanation.

COST AUDIT

The Directors have appointed M/s Gurdeep Singh & Associates, Cost Accountants, as Cost Auditors to audit the accounts relating to "Engineering Industries" for the year ending 31st March 2010.

ENVIRONMENT

Your Company believes that to create a sustainable enterprise, it is critical to strike the right balance between business, mankind and nature. The company has ensured complete compliance with all applicable environmental regulations and practices.

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

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

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

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

PARTICULARS OF EMPLOYEES

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

HUMAN RESOURCE DEVELOPMENT

As in the past years, the management continued to take a keen interest in Human Resources Development. Harmonious industrial relations continued to prevail at all the units throughout the Company. The management continued to focus on Human Resource Development through in-house and external management development programmes.

ACKNOWLEDGMENTS

Company would like to thank its clients, vendors and investors for their continued support during the year. In particular to its principal customer Hero Honda Motors Limited, the company is thankful for continuing to repose faith as a *direct online supplier* and including it as an integral part of the supply chain management.

Your Directors also place on record their appreciation for the assistance and co-operation received from the banks, government authorities and members during the year under review. Your Directors wish to place on record their appreciation for the committed services of the executives, staff and workers of the company

For and on behalf of the Board
SUNIL KANT MUNJAL
CHAIRMAN

Place: New Delhi
Date: June 29, 2009

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

India's economy grew by 6.7% in the financial year ended March 31, 2009, down from 9% a year earlier, owing to the global economic crisis. The figures beat pessimistic expectations from analysts who had predicted 6% growth for the entire year.

The Key boosts to the economy included a financial stimulus package and cutting of interest rates by the Reserve Bank of India. The newly elected stable government at the centre, has said that its focus would be on the economy and emphasized its top priority would be economic revival and inclusive growth.

INDUSTRY STRUCTURE AND DEVELOPMENT

The year gone by was a catastrophic one for the global automotive industry deeply impacted by an unprecedented global economic crisis with far reaching implications for the global automotive industry. The industry came to a grinding halt on the back of the global financial meltdown & credit freeze resulting in demand contraction at an unparalleled pace and catching most of the OEM's off guard.

Although in India the situation was not that bad as it was globally. The two wheeler sales registered growth of 5% during the year 2008-09 in comparison to 2007-08 numbers. Principal customer of the Company i.e. Hero Honda Motors Limited, clocked a growth of 12% in its numbers during the year 2008-09. It continues to be the industry leader with over 57 percent market share.

OPPORTUNITIES, CHALLENGES, RISK & CONCERN

Risks are inherent in every business, be it external or internal. Economic slowdown and erratic monsoon could impact most segments of the economy, including two-wheeler industry.

The main concerns are:

- A slowdown in the growth of Indian economy further in 2009-10 to about 6 percent in the wake of a global melt down.
- Demand squeeze for automobiles, particularly two wheelers stemming from any variation in the environment, natural calamities, erratic monsoon causing to restrict disposable income of the rural populace and any unforeseen shift in the priority of the consumers; and
- Slowdown in the market conditions – particularly the motorcycle segment of two-wheeler industry – due to high interest rates and reduction in availability of the finance for purchase of a motorcycle to a prospective buyer.
- Continuing upward spiral of the commodities and other inputs/conversion costs cascading into squeezing margins for the OEM component suppliers.
- Volatility in the price of petrol can have an impact on the sensitivity of new vehicle purchases.
- Removal of import tariff barrier, stiff competition from multinationals setting up of their own new facilities in India, frequent changes in the models and design, low volumes, ever changing technology, converting the technology into quality products at competitive price and delivering the same fast is the challenges thrown open to the industry in general and in particular the influence of the home country participation to get business from the vehicle manufacturers of global presence in India.

The long term picture of Auto and Auto Component industry in India is very encouraging. According to Auto Component Manufacturers Association of India (ACMA), the size of the Indian auto components industry is estimated to be around USD 18 Billion in 2007-08. India is estimated to have the potential to become one of the top auto component economies by 2020, according to a study by IBM. According to another study, the auto component industry in India has potential to grow at a CAGR of 13% to reach USD 40 billion by 2015.

India is going to emerge as a manufacturing hub for the global players in the automotive industry which will give a thrust to the auto component manufacturing industry. Over the years, with the continuous up gradation of technology, Indian automotive component industry have been recognized by global automotive players as quality product suppliers.

With the rising rural economy and growing income of urban population, the trend of rising sales in the motor cycle industry is expected to continue in the foreseeable future.

The company has a very strong engineering force specialized in in-house design, new product development, value engineering and capable of adapting new technology. With this strength, the company is confident of not only meeting the challenges but also converting the challenges into opportunities. Moreover, with the new installed capacity of its state of the art plant in Haridwar, the company is looking forward to diversifying its range of products and customers.

OUTLOOK

Your company looks forward to challenging, exciting times ahead as it prepares itself to brace with new opportunities and challenges that abound and preparing itself to respond and tune in to the dictates of the environ. This would call for freshness of approach and concentrated efforts on an ongoing basis to grapple with the changes that lie ahead. In order to meet the rising demand from our main customer, the company has already set up a new state of the art plant at Haridwar in Uttarakhand at an investment of Rs.150 crore.

With the commissioning of its Haridwar project, for Shivam Autotech the future is quite promising, notwithstanding the current downturn in Automotive Industry. Its prime customer Hero Honda has bucked the trend of stagnant sales in the two wheeler industry by notching up impressive 12 % growth in its sales number for the year 2008-09. It continues to do well and its growth will have a direct positive impact on the operations of Shivam Autotech in the years to come. The company is also equipped to make very sophisticated cold forging components for various other potential customers also.

INTERNAL CONTROLS AND ADEQUACY

The company maintains appropriate systems of internal control, including monitoring procedures, to ensure that all assets are safeguarded against loss from unauthorized use. Company policies, guidelines and procedures are in place to ensure that all transactions are authorized, recorded and reported correctly as well as to provide for adequate checks and balances. These systems are regularly

reviewed and wherever necessary are modified or redesigned to ensure better efficiency and effectiveness.

All these measures have facilitated the detection of irregularities at an early stage and timely remedial action without any significant financial loss. The internal audit is conducted by an independent firm of Chartered Accountants, who also reviews the effectiveness and efficiency of these systems and procedures. Audits are finalized and conducted based on internal risk assessment. The Internal Audit Reports are circulated to the Management who initiates action where appropriate and the action taken reports of the management

is considered and discussed by the Audit Committee, and corrective measures recommended for implementation.

CAUTIONARY STATEMENT

The Management Discussion and Analysis Report may contain certain statements that might be considered forward looking. These statements are subject to certain risks and uncertainties. Actual results may differ materially from those expressed in the statement as important factors could influence the company's operations such as government policies, local, political and economic development, risks inherent to the Company's growth and such other factors.

ANNEXURE 'B' TO DIRECTORS' REPORT

Report On Corporate Governance

A. MANDATORY REQUIREMENTS

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Shivam Autotech Limited, is committed to following best global corporate governance practices in all its pursuits. The guiding principle for the company always has been to achieve shareholder's satisfaction and maximize shareholders' value by following best corporate governance norms in true letter and spirit. The company aims at achieving this objective by ensuring transparency in its functioning by truthful and complete communication to all its stakeholders and by inculcating a culture of ethical business conduct in all its operations.

2. BOARD OF DIRECTORS

(a) Composition of the Board

The present strength of the Board as on 31st March, 2009, is nine Directors. The Chairman of the Board is a non-executive Director. The Board comprises of one executive Director and eight non-executive Directors, of whom three are independent.

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

(b) Board / Committee Meetings and procedure

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

During the Financial Year 2008-09, four meeting of the Board of Directors were held on 30th April 2008, 25th July 2008, 24th October 2008 and 30th January, 2009. The maximum interval between any two meetings during this period was 97 days and the gap between any two Board Meetings did not exceed four months.

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

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

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

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

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

Name	Category	No. of Outside Directorships in Public Ltd. Companies	No. of Committee Memberships (including Chairmanship)	No. of Committee Chairmanship
Mr. Satyanand Munjal	Non-Executive	4	2	-
Mr. Brijmohan Lall Munjal	Non-Executive	9	-	-
Mr. Om Prakash Munjal	Non-Executive	10	-	-
Mr. Vijay Munjal	Non-Executive	6	4	-
Mr. Sunil Kant Munjal <i>Chairman</i>	Non-Executive	14	3	1
Mr. Neeraj Munjal <i>Managing Director</i>	Executive	-	-	-
Mr. Bhagwan Dass Narang	Non-Executive & Independent	8	4	2
Mr. Surrinder Lal Kapur	Non-Executive & Independent	5	9	3
Dr. Vinayshil Gautam	Non-Executive & Independent	5	1	1

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

Notes:

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

APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS

Mr. Sunil Kant Munjal, Mr. Surrinder Lal Kapur and Mr. Vinayshil Gautam, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Further, since last AGM, Mr. Anil Kumar Gupta was appointed as Additional Director on the Board of the Company and has been proposed to be appointed as Director by the Shareholders at the ensuing AGM of the Company.

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

3. AUDIT COMMITTEE

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

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

The Audit Committee comprises mainly of Independent Directors and the composition is compatible with the Listing Agreements. Meetings of the Audit Committee were held on 30th April 2008, 25th July 2008, 24th October 2008 and 30th January, 2009

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

The Company Secretary acts as the Secretary of the Committee.

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

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

(b) Terms of Reference

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

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

4. SHAREHOLDERS' GRIEVANCE COMMITTEE

During the year, 4 (four) meetings of the Shareholders' Grievance Committee were held on 30th April 2008, 25th July 2008, 24th October 2008 and 30th January, 2009.

The composition of the Shareholders' Grievance Committee is as follows:

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

Scope of the Committee

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

Compliance Officer

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

Details of shareholders' complaints received during the F.Y. 2008-09 and their status are as follows:

Nature of Complaint / Query	Total Received	Total Replied / Resolved	Pending
1. Inquiry pertaining to non receipt of shares after transfer	4	4	---
2. Request for issue of duplicate share certificates	4	4	---
3. Non receipt of dividend / Revalidation of dividend warrants	49	49	---
4. Communication relating to Transfer / Transmission / Name Deletion / Demat of Shares	6	6	---
5. Miscellaneous i.e. Credit of Shares in Demat A/c's, Quarterly results, Change of Address, Bank Details	14	14	---

5. REMUNERATION COMMITTEE

(a) Terms of Reference

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

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

The Remuneration Committee comprises mainly of Independent Directors. During the year, the Committee met once on 30th April, 2008 to consider the increase in remuneration of Mr. Neeraj Munjal, Managing Director of the Company.

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

(c) Remuneration Policy

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

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

However, in addition to the sitting fees, non-executive & independent directors are entitled to remuneration by way of commission up to 0.20 per cent of profits of the company or Rs.5 lakhs per annum, whichever is less for each year of the period of 5 years commencing on 1st April, 2008 as approved by the shareholders in the last Annual General Meeting held on 19th September, 2008.

Details of Remuneration Paid to Managing Director

(Amount in Rs. Lacs)

Executive Director(s)	Salary	Commission	Perquisites & Allowances	Contribution to PF Fund	Total
Mr. Neeraj Munjal	21.00	20.00	21.00	2.52	64.52

Notes:

- The agreement between the Company and the Managing Director is for a period of five years. Either party is entitled to terminate the Agreement by giving not less than 180 days' notice in writing to the other party.
- *Commission is payable @1.25% of the net profits of the Company computed in accordance with the provisions of the Companies Act, 1956 or Rs. 20 lakhs, whichever is less.
- Presently, the Company does not have Stock Option Scheme.

Details of Remuneration Paid to Non-Executive Directors

Name of Non-Executive Directors	Sitting fees			Commission	Total
	Board Meeting	Committee Meeting			
Mr. Sunil Kant Munjal	80,000	50,000	-		130,000
Mr. Bhagwan Dass Narang	80,000	180,000	109,083		369,083
Mr. Surrinder Lal Kapur	80,000	180,000	109,083		369,083
Dr. Vinayshil Gautam	80,000	100,000	109,084		289,084
Mr. Brijmohan Lall Munjal	20,000	-	-		20,000

6. GENERAL BODY MEETINGS

Annual General Meeting

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

Year	Type	Date	Venue	Time	Whether Special resolution passed in previous AGM
2005-06	AGM	20.09.2006	Essex Farms 4, Aurobindo Marg New Delhi	11:30 a.m.	Yes 1. Appointment of Shri Neeraj Munjal as Managing Director of the Company. 2. Borrowing powers of the Board of Directors u/s 293(1)(d) of the Companies Act, 1956 upto Rs. 100 Crores. 3. Contribution to charitable and other funds upto Rs. 25 Lacs u/s 293(1)(e) of the Companies Act, 1956. 4. Authorising Board of Directors u/s 293(1) (a) of the Companies Act, 1956 upto Rs. 100 Crores.
2006-07	AGM	29.08.2007	Tivoli Garden Resort, Near Chattarpur Mandir, Chattarpur Road New Delhi	11:30 A.M.	NIL
2007-08	AGM	19.09.2008	Tivoli Garden Resort, Near Chattarpur Mandir, Chattarpur Road New Delhi	11.00 A.M	Yes. Authorizing the payment of commission to non-executive independent directors as per provisions of section 198, 309, 349 & 350 of the Companies Act, 1956.

*Since Incorporation only three AGM's of the Company were held.

6. DISCLOSURES

- There are no materially significant related party transactions entered into by the Company with its Promoters, Directors or Management, or relatives etc. that may have potential conflict with the interests of the Company at large. Transactions with related parties are disclosed in Note 15 of Notes to Accounts to the financial statements in the Annual Report.
- The guidelines / accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) have been followed in preparation of the financial statements of the Company.
- There were neither any non-compliance by the Company on any matters relating to capital markets; nor did the Company attract any penalties or strictures by the Stock Exchanges, SEBI or any statutory authority.
- Presently, the Company does not have a Whistle Blower Policy. No personnel of the Company have been denied access to the Audit Committee.
- The Code of Conduct applicable to all Directors and employees of the Company has been posted on the Company's website. For the year under review, all Directors and senior management personnel of the Company have confirmed their adherence to the provisions of the said codes.

8. MEANS OF COMMUNICATION

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

9. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

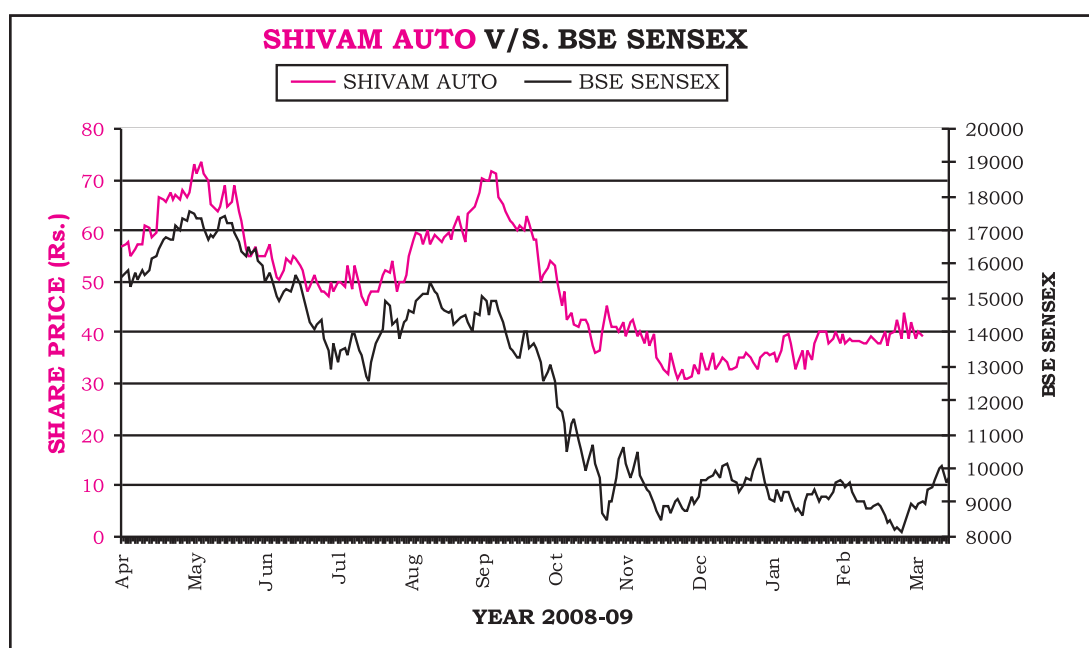
Date	30th September 2009
Day	Wednesday
Time	11.00 A.M.
Venue	Tivoli Garden Resort, Near Chattarpur Mandir, Chattarpur Road, New Delhi – 110001.

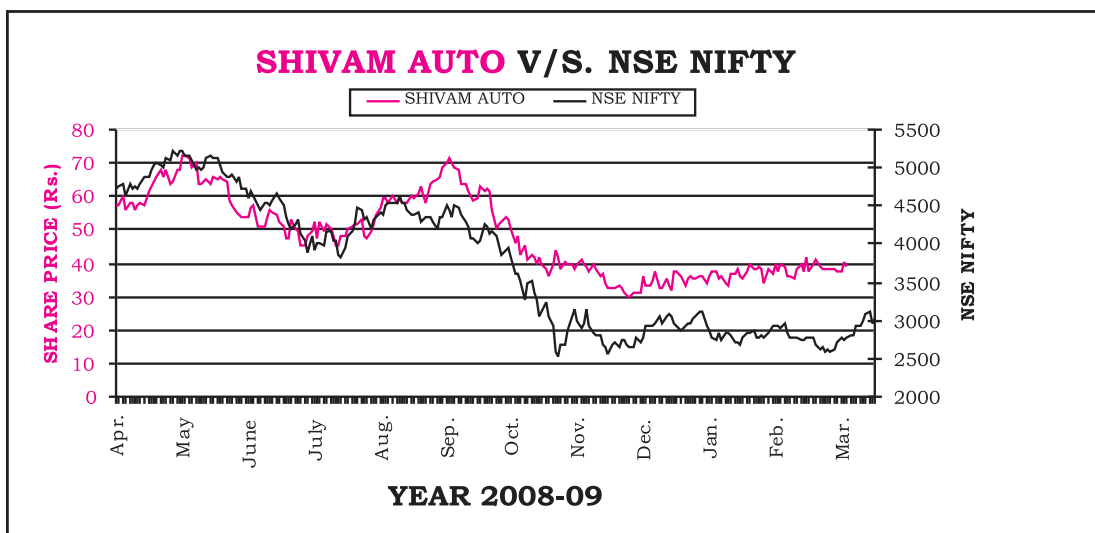
Financial Year	April 1 to March 31
	i) First Quarter Results – last week of July
	ii) Second Quarter Results – last week of October
	iii) Third Quarter Results – last week of January
	iv) Audited Results for the year ended March 31, 2009– June 2009
Dates of Book Closure	Friday, September 25, 2009 to Wednesday, September 30, 2009 (both days inclusive)
Dividend Payment Dates	Within 30 days of AGM
Listing on Stock Exchanges	The Bombay Stock Exchange Limited The National Stock Exchange of India Limited
	The Annual Listing Fees for 2009-2010 have been paid to both the Stock Exchanges.
Stock Code	532776 – The Stock Exchange, Mumbai SHIVAMAUTO – The National Stock Exchange
Demat ISIN Number for NSDL and CDSL	INE 637H01016

MARKET PRICE DATA

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

Month	Bombay Stock Exchange (BSE)					National Stock Exchange (NSE)				
	High (Rs.)	Date	Low (Rs.)	Date	Monthly Volume	High (Rs.)	Date	Low (Rs.)	Date	Monthly Volume
Apr' 08	71.90	22-04-2008	53.20	07-04-2008	18,864	70.90	24-04-2008	51.10	07-04-2008	24,380
May' 08	76.00	05-05-2008	54.20	30-05-2008	66,637	75.00	02-05-2008	53.95	30-05-2008	37,300
Jun' 08	59.80	02-06-2008	48.00	30-06-2008	39,178	57.95	03-06-2008	42.65	30-06-2008	28,004
Jul' 08	54.50	29-07-2008	44.65	01-07-2008	43,621	61.15	24-07-2008	44.00	02-07-2008	18,732
Aug' 08	67.85	29-08-2008	47.30	04-08-2008	139,394	67.90	29-08-2008	48.00	01-08-2008	64,186
Sept' 08	74.00	02-09-2008	47.05	30-09-2008	158,594	72.70	10-09-2008	47.00	30-09-2008	64,946
Oct' 08	58.00	03-10-2008	32.00	27-10-2008	96,253	56.80	06-10-2008	31.50	27-10-2008	40,382
Nov' 08	48.00	04-11-2008	32.00	28-11-2008	21,472	42.35	10-11-2008	31.15	21-11-2008	26,632
Dec' 08	37.50	24-12-2008	30.35	05-12-2008	27,346	37.90	30-12-2008	30.00	03-12-2008	15,399
Jan' 09	39.65	21-01-2009	30.10	09-01-2009	26,081	37.70	22-01-2009	28.20	09-01-2009	16,178
Feb' 09	41.90	09-02-2009	34.35	03-02-2009	21,058	42.65	25-02-2009	33.30	03-02-2009	12,404
Mar' 09	43.60	17-03-2009	36.75	02-03-2009	30,013	45.45	18-03-2009	35.00	03-03-2009	16,784

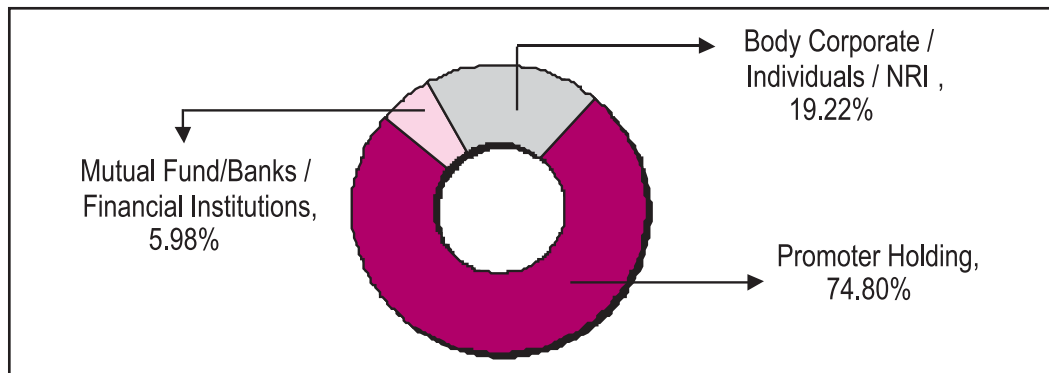



Distribution of Shareholding as on March 31, 2009

No. of shares held	No. of shareholders		No. of shares	
	Numbers	%	Numbers	%
Up to 500	7389	94.19	846564	8.47
501 – 1000	217	2.77	173622	1.74
1001 – 2000	118	1.50	175120	1.75
2001 – 3000	46	0.59	117067	1.17
3001 – 4000	12	0.15	41405	0.40
4001 – 5000	13	0.17	62218	0.62
5001 – 10000	20	0.25	145924	1.46
10001 – 50000	16	0.20	243801	2.44
50001 – 100000	4	0.05	283628	2.84
100001 & above	10	0.13	7910651	79.11
Total	7845	100.00	10000000	100.00

Categories of Shareholders as on March 31, 2009

Categories	Holders (No.)	No. of shares held	% of shareholding
PROMOTER HOLDING			
Indian Promoters (Bodies Corporate)	11	7479595	74.80
Total Promoter Holding	11	7479595	74.80
PUBLIC HOLDING			
Institutions			
• Mutual Funds	5	542806	5.43
• Banks, Financial Institutions	6	55391	0.55
Non-Institutions			
• Bodies Corporate	236	273853	2.74
• Individuals	7512	1602738	16.02
• NRIs	75	45617	0.46
Total Public Holding	7834	2520405	25.20
Grand Total	7845	10000000	100.00



Dematerialisation of Shares and Liquidity

The Company has arrangements with National Securities Depository Ltd. (NSDL) as well as the Central Depository Services (India) Ltd. (CDSL) for demat facility. As on 31st March 2009, 84.40 % of the total Equity Capital is held in the demat form with NSDL and CDSL.

Physical and Demat Shares:

	As on 31/03/2009	%
No. of Shares held by NSDL	7,454,592	74.54
No. of Shares held by CDSL	985,634	9.86
Physical Shares	1,559,774	15.60
TOTAL	10,000,000	100.00

Registrar and Transfer Agents

MCS Limited

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

Share Transfer System

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

Outstanding GDRs / ADRs / Warrants or any

Not Issued

Convertible Instruments, Conversion Date and likely impact on Equity

Plant Location

58th Km Stone, Delhi – Jaipur Highway
 Village – Binola, Distt. Gurgaon – 122 413, Haryana

Address for correspondence

Mr. Davendra Ujjayan
 GM (Finance & Accounts) & Company Secretary
 58th Km Stone, Delhi – Jaipur Highway
 Village – Binola, Gurgaon – 122 413

Tel. Nos.: 0124-2379444-6
 E-mail ID: davendra@shivamautotech.com

B. NON-MANDATORY REQUIREMENTS

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

CEO & CFO CERTIFICATE

We hereby certify to the Board that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2009, and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We are responsible for establishing and maintaining Internal Controls for financial reporting and that we have evaluated the effectiveness of Internal Control Systems of the Company pertaining to financial reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such Internal Controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit committee:
 - (i) Significant changes in Internal Control over financial reporting during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's Internal Control System over financial reporting.

Place: New Delhi
Date: 29th June 2009

(Neeraj Munjal)
Managing Director

(Davendra Ujlayan)
**GM (Finance & Accounts)
& Company Secretary**

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF SHIVAM AUTOTECH LIMITED

We have reviewed the implementation of Corporate Governance procedures by Shivam Autotech Limited during the year ended March 31, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange(s), with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

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

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

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

ARUN K. TULSIAN
(PARTNER)
Membership No. 89907

New Delhi

Date: 29th June 2009

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 2008-09.

Neeraj Munjal
MANAGING DIRECTOR

Place: New Delhi

Date: 29th June 2009

ANNEXURE 'C' TO DIRECTORS' REPORT

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended March 31, 2009.

S. No	Name and Qualification	Designation	Remuneration (In Rs.)	Exp. (Years)	Age (Years)	Date of Commencement of Employment	Previous Employment & Designation
1.	Mr. Neeraj Munjal B.Com, DIBM	Managing Director	64.52	21	42	01.04.2006	Munjal Auto Industries Ltd. Executive Director

NOTES:

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

ANNEXURE 'D' TO DIRECTORS' REPORT

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

All possible steps have been taken by your company to achieve the objective of energy conservation. The following measures have been taken:

(a) Conservation of Energy

- i) Installation of modern electric fittings / equipments which consume less energy than conventional ones.
- ii) Improvement in power factor and optimisation of lighting voltage at various shop levels.
- iii) Training programs were arranged to improve the awareness on energy conservation.
- iv) Reduction of running hours of high load centres.

(b) Technology Absorption, Adaptation and innovation

The Engineering department of the Company continued to provide valuable support for:-

- i) Improvement in quality of existing products.
- ii) Development of new products, and processes for better productivity.
- iii) Quality cost effectiveness.

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

(c) Foreign Exchange Earnings and outgo

(Rs. In Lacs)

	F.Y. ended on March 31, 2009
(a) Total Foreign Exchange Earnings	8.67
(b) Total Foreign Exchange Outgo	2582.82

AUDITORS' REPORT

TO THE MEMBERS OF SHIVAM AUTOTECH LIMITED

We have audited the attached Balance Sheet of Shivam Autotech Limited as at 31st March, 2009 and also the Profit & Loss Account and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto.

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

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

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

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

- a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
- b) In our opinion, proper books of account, as required by law, have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement, dealt with by this report, comply with the Accounting Standards referred to in sub - section (3C) of Section 211 of the Companies Act, 1956.
- e) On the basis of written representations received from the directors as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the Accounting policies and Notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
 - ii) In the case of Profit and Loss Account, of the Profit for the year ended on that date; and
 - iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

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

Chartered Accountants

(ARUN K. TULSIAN)

Partner
M.No.89907

Place: New Delhi
Dated: 29-06-2009

ANNEXURE TO AUDITORS' REPORT

(Annexure referred to in our report of even date)

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a phased programme of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Management has physically verified certain fixed assets during the year. Discrepancies noticed on such verification as compared to book records were not material and have been properly adjusted in the books of accounts.
- (c) Fixed assets disposed off during the year were not substantial.
2. (a) As explained to us, physical verification has been conducted by the management at reasonable intervals in respect of inventory. Further stocks in the possession and custody of third parties as at 31st March 2009 have been verified by the management with reference to confirmations or statement of account or correspondence of the third parties. In our opinion, the frequency of such verification is reasonable.
- (b) The procedures for the physical verification of inventory followed by the management are, in our opinion, reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) In our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account.
3. (a) The Company has not granted any loan, secured or unsecured, to Companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) The company has taken unsecured loan in the nature of advance against supplies, from a Company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding during the year was Rs 1400.00 lacs and year end balance of such loan was Rs NIL. Apart from this, the company has not taken any other loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (c) In our opinion, other terms and conditions of such loan are, prima facie, not prejudicial to the interest of the Company.
- (d) In respect of the aforesaid loan, the company was regular in repayment of principal amount and interest due thereon as per the terms of the acceptance.
4. In our opinion, and according to the information and explanations given to us during the course of audit, there are adequate internal control systems commensurate with size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books & records of the company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control systems.
5. (a) Based upon the audit procedures applied by us and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under section 301 of the Act have been so entered.
- (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Act and aggregating during the year to Rupees five lakhs or more in respect of each party have been made at prices which are reasonable having regard to market prices for such transactions, prevailing at the relevant time, where such market prices are available.
6. The Company has not accepted any deposits from the public within the meaning of section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 including the Companies (Acceptance of Deposits) Rules, 1975.
7. In our opinion, the Company has an internal audit system commensurate with the size & nature of its business.
8. We have broadly reviewed the Cost Accounting records, maintained by the Company pursuant to the Rules prescribed by the Central Government for the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We are, however, not required to make a detailed examination of such books and records.
9. (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-Tax, Sales-Tax, Wealth-Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues have been generally regularly deposited with the appropriate authorities during the year and there are no such undisputed statutory dues outstanding as on the date of Balance Sheet for a period exceeding six months from the date they became payable.
- (b) According to the information & explanations given to us and as per the books and records examined by us, there are no dues in respect of Excise Duty, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Income Tax and Cess which have not been deposited on account of any dispute.

10. The company is in existence for less than 5 years. However, there are no accumulated losses of the Company at the end of the financial year. There are no cash losses during the financial year and in the immediately preceding financial year.
11. According to the information and explanations given to us and as per the books and records examined by us, the Company has not defaulted in repayment of dues to any financial institution or bank.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company does not fall within the category of Chit fund / Nidhi / Mutual Benefit fund / Society and hence the related reporting requirements are not applicable.
14. The Company is not dealing in or trading in shares, securities, debentures, and other investments. Accordingly, the provisions of clause 4 (xiv) of the Order are not applicable to the company.
15. The company has not given any guarantees for loans taken by others from bank or financial institution.
16. In our opinion, and according to the information and explanations given to us, the term loans raised during the year by the Company have been applied for the purpose for which the said loans were obtained, where such end-use has been stipulated by the lender.
17. According to the information and explanations given to us and as per the books and records examined by us, as on the date of balance sheet, the funds raised by the Company on short-term basis have not been applied for long term investments.
18. The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year nor has any outstanding debentures.
20. The Company has not raised any money by way of public issues during the year.
21. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company, noticed and reported during the year, nor have we been informed of such case by the management.

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

Chartered Accountants

(ARUN K. TULSIAN)

Partner

M. No. 89907

Place: New Delhi

Dated: 29-06-2009

BALANCE SHEET AS AT MARCH 31, 2009

	Schedules	As at 31st March, 2009	(Amount in Rs.) As at 31st March, 2008
SOURCES OF FUNDS			
(1) Shareholders' funds			
(a) Share Capital	1	100,000,000	100,000,000
(b) Reserves & Surplus	2	661,040,692	575,930,691
(2) Loan Funds			
Secured Loans	3	1,432,864,392	1,213,667,892
(3) Deferred Tax Liability		58,245,556	64,686,619
(Refer note 13 of Schedule 12)			
TOTAL		2,252,150,640	1,954,285,202
APPLICATION OF FUNDS			
(1) Fixed Assets			
Gross Block	4	1,578,202,110	1,535,912,434
Less: Depreciation		561,582,356	447,825,749
Net Block		1,016,619,754	1,088,086,685
Capital Work in Progress		1,155,474,008	450,767,446
		2,172,093,762	1,538,854,131
(2) Current Assets, Loans & Advances	5		
(a) Inventories		180,984,723	106,880,597
(b) Sundry Debtors		129,685,075	217,772,736
(c) Cash & Bank Balances		5,954,828	243,295,422
(d) Loans & Advances		201,920,835	286,092,605
		518,545,461	854,041,360
Less: Current Liabilities & Provisions	6		
(a) Current Liabilities		283,030,148	213,662,572
(b) Provisions		155,458,435	224,947,717
Net Current Assets		80,056,878	415,431,071
TOTAL		2,252,150,640	1,954,285,202
Notes on Accounts & Accounting Policies	12		

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

ARUN K. TULSIAN
Partner
Membership No. 89907

For and on behalf of the Board
Sunil Kant Munjal
Neeraj Munjal
Bhagwan Dass Narang
Surrinder Lal Kapur
Davendra Ujlayan

Sanjeev Chaba

Chairman
Managing Director
Director
Director
GM (Finance & Accounts)
& Company Secretary
AGM (Finance & Accounts)

Place: New Delhi
Date: 29th June, 2009

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

			(Amount in Rs.)
Schedule		For the year ending 31st March, 2009	For the year ending 31st March, 2008
INCOME			
Gross Sales		1,614,366,207	1,443,844,652
Less:- Excise duty		186,234,314	201,961,181
Net Sales		<u>1,428,131,893</u>	<u>1,241,883,471</u>
Other Income	7	502,278	3,405,645
Increase/(Decrease) in Stocks of Finished goods & WIP	8	13,898,732	(1,760,290)
		<u>1,442,532,903</u>	<u>1,243,528,826</u>
EXPENDITURE			
Raw Material & Components Consumed		494,843,450	327,637,214
Remuneration and Benefits to Employees	9	116,172,401	103,792,760
Manufacturing & Other Expenses	10	507,365,848	484,425,420
Interest & Other Financial Charges	11	51,315,705	33,168,955
Depreciation	4	117,964,528	117,651,323
		<u>1,287,661,932</u>	<u>1,066,675,672</u>
Profit/(Loss) for The Period Before Taxation		<u>154,870,971</u>	<u>176,853,154</u>
Less: Provisions for-			
Income Tax-Current		63,503,498	67,305,133
Deferred Tax		(6,441,063)	(6,643,273)
Wealth Tax		116,555	139,770
Fringe Benefit Tax		1,365,533	1,436,969
Profit after Tax		<u>96,326,448</u>	<u>114,614,555</u>
Add: Profit brought forward from previous year		264,795,857	197,730,553
Net Profit available for appropriation		<u>361,122,305</u>	<u>312,345,108</u>
Less: Appropriations			
Amount transferred to General Reserve		30,000,000	30,000,000
Proposed Dividend on Equity Shares		15,000,000	15,000,000
Provision for Dividend Distribution Tax		2,549,250	2,549,250
Balance carried over to Balance Sheet		<u>313,573,055</u>	<u>264,795,858</u>
Basic & Diluted Earning Per Share face value Rs.10/- each		<u>9.63</u>	<u>11.46</u>
Notes on Accounts & Accounting Policies	12		

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

ARUN K. TULSIAN
Partner
Membership No. 89907

For and on behalf of the Board
Sunil Kant Munjal
Neeraj Munjal
Bhagwan Dass Narang
Surrinder Lal Kapur
Davendra Ujlayan

Sanjeev Chaba

Chairman
Managing Director
Director
Director
GM (Finance & Accounts)
& Company Secretary
AGM (Finance & Accounts)

Place: New Delhi
Date: 29th June, 2009

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009

	As at 31st March, 2009	(Amount in Rs.) As at 31st March, 2008
A. Cash Flow from operating activities		
Profit Before Tax and extra ordinary items	154,870,971	176,853,154
Adjustments for :		
Add		
Depreciation	117,964,528	117,651,323
Loss on sale of Fixed Assets	-	1,697,196
Lease Rent paid	958,362	-
Interest Expenses	51,315,705	33,168,955
	325,109,567	329,370,628
Less		
Gain on Foreign Exchange Rate Fluctuations	119,573	99,533
Interest Income	25,707	181,904
Profit on Sale of Investments	-	285,368
Dividend Income	-	35,643
	145,280	602,448
Operating Profit before working capital changes	324,964,287	328,768,180
Add		
<u>Increase in Current Liabilities / Decrease in Current Assets</u>		
Current Liabilities	-	-
Debtors	88,087,661	7,545,846
Working Capital Finance from Banks	-	65,364,219
Other Current Assets	84,171,771	157,804,225
Current Liability & Provisions	-	57,708,675
	172,259,432	288,422,965
Less		
<u>Decrease in Current Liabilities / Increase in Current Assets</u>		
Inventories	74,104,126	23,750,370
Other Current Assets	-	-
Current Liabilities & Provisions	121,707	120,450,983
Working Capital Finance from Banks	-	-
	74,225,833	144,201,353
Less Direct Taxes Paid	58,250,000	69,461,264
Net Cash from Operating ActivitiesA	364,747,886	403,528,528
B. Cash Flow from investing activities		
Add		
Sale of Fixed Assets	-	960,654
Sale of Investment	-	30,285,368
Dividend Income	-	35,643
Interest Income	25,707	181,904
Profit on Sale of Investment	-	285,368
Gain on Foreign Exchange Rate Fluctuations	119,573	99,533
	145,280	31,848,470
Less		
Purchases of Fixed Assets	536,298,455	835,871,671
Lease Rent paid	958,362	-
	537,256,817	835,871,671
Net Cash used in Investing ActivitiesB	(537,111,537)	(804,023,201)
C. Cash Flow from Financing activities		
Add		
Proceeds from Long Term Borrowings	142,500,000	810,360,488
Sales Tax Subsidy Received	6,332,804	5,435,071
Increase in Share capital	-	-
	148,832,804	815,795,559

Less		
Interest paid	51,315,705	33,168,955
Repayment of Long Term Borrowings	145,000,000	143,426,323
	196,315,705	176,595,278
Net Cash from Financing Activities	(47,482,901)	639,200,281
Net increase/(decrease) in Cash & Cash equivalents	(219,846,553)	238,705,610
Cash and Cash Equivalents at the beginning of the period	243,295,422	4,589,812
Cash and Cash Equivalents at the end of the period	23,448,869	243,295,422
Notes on Accounts	12	12

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

ARUN K. TULSIAN
 Partner
 Membership No. 89907

For and on behalf of the Board

Sunil Kant Munjal
 Neeraj Munjal
 Bhagwan Dass Narang
 Surrinder Lal Kapur
 Davendra Ujlayan

Sanjeev Chaba

Chairman
 Managing Director
 Director
 Director
 GM (Finance & Accounts)
 & Company Secretary
 AGM (Finance & Accounts)

Place: New Delhi
 Date: 29th June, 2009

SCHEDULES TO THE FINANCIAL STATEMENTS

		(Amount in Rs.)
Schedule	For the year ending 31st March, 2009	For the year ending 31st March, 2008
SCHEDULE -1		
SHARE CAPITAL		
Authorised		
1,26,00,000(Previous Year 1,26,00,000) Equity Shares of Rs.10/- each	126,000,000	126,000,000
	126,000,000	126,000,000
Issued, Subscribed & Paid Up		
1,00,00,000 (Previous Year 1,00,00,000) Equity Shares of Rs.10/- each fully paid up	100,000,000	100,000,000
	100,000,000	100,000,000
SCHEDULE -2		
RESERVES & SURPLUS		
Capital Redemption Reserve		
Opening	500,000	500,000
Add:- Transfer from General Reserve	-	-
Closing Balance	500,000	500,000
Sales Tax Subsidy from the Government of Haryana (Refer note 6 of Schedule 12)		
Balance as per last Year	43,772,998	38,337,927
Add:- During the Year	6,332,804	5,435,071
Closing Balance	50,105,802	43,772,998
General Reserve		
Balance as per last Account	266,861,835	236,323,835
Add: - Transferred from Profit & Loss account	30,000,000	30,000,000
- Retirement benefits	-	538,000
Closing Balance	296,861,835	266,861,835
Profit & Loss Account	313,573,055	264,795,858
TOTAL	661,040,692	575,930,691
SCHEDULE -3		
SECURED LOANS		
(A) Term Loans- Gurgaon Plant		
<i>From Banks:</i>		
From IDBI Bank Ltd.	180,000,000	117,500,000
From Hong Kong & Shangai Bank Ltd. (HSBC)	33,750,000	118,750,000
Sub Total:	213,750,000	236,250,000
(B) Term Loans- Haridwar Plant		
From Punjab National Bank	158,388,505	404,710,488
From ICICI Bank Ltd	404,710,488	404,710,488
From Hong Kong & Shangai Bank Ltd. (HSBC)	354,943,750	405,650,000
Sub Total: Term Loans	918,042,743	810,360,488
(C) Working Capital borrowings- Gurgaon Plant		
<i>From Banks</i>		
IDBI Bank Ltd. Cash Credit Account	235,105,190	167,057,404
Short Term Loan from IDBI	20,000,000	-
Sub Total:	255,105,190	167,057,404
(D) Working Capital borrowings- Haridwar Plant		
From Punjab National Bank	45,966,459	-
Sub Total: Working Capital Borrowing	45,966,459	-
TOTAL	1,432,864,392	1,213,667,892

Details of Securities:

1. (a) **Gurgaon Plant:** Term Loans availed from banks are secured by an exclusive charge on the machinery financed from the said loan.
(b) **Haridwar Plant:** Terms loans availed for Haridwar plant is having Parri Passu charge over the entire Plant & Machinery insatilled at Haridwar both present & future.
2. Amount due with in one year Rs.3194.65 lacs (Previous Year Rs.1655.89 lacs)
3. (a) Working Capital facilities availed from IDBI is secured by a first charge on inventories, receivables and all other current assets of the Gurgaon Plant
(b) Working Capital facilities availed from PNB is secured by a first charge on inventories, receivables and all other current assets of the Haridwar Plant

SCHEDULE-4 FIXED ASSETS PARTICULARS	GROSS BLOCK				DEPRECIATION			(Amount in Rs.) NET BLOCK		
	AS ON 01.04.08	ADDITIONS	DEDUCTION/ ADJUSTMENTS	AS AT 31.03.09	AS ON 01.04.08	FOR THE PERIOD	DEDUCTION/ ADJUSTMENTS	TOTAL UPTO 31.03.09	AS AT 31.03.09	AS AT 31.03.08
A. FIXED ASSETS										
LAND	306,611,403	25,850,521	-	332,461,924	-	-	-	-	332,461,924	306,611,403
BUILDING	81,899,444	375,745	-	82,275,189	9,064,946	2,738,750	-	11,803,696	70,471,493	72,834,498
PLANT & MACHINERY	1,093,895,439	23,033,075	10,905,676	1,106,022,838	419,021,603	111,059,439	4,165,412	525,915,630	580,107,208	674,873,836
COMPUTER	7,257,663	1,251,276	133,067	8,375,872	4,675,626	648,610	28,406	5,295,830	3,080,042	2,582,037
OFFICE EQUIPMENTS	11,647,056	1,224,274	75,000	12,796,330	2,733,210	516,327	14,104	3,235,433	9,560,897	8,939,596
FURNITURE & FIXTURE	7,566,206	548,036	-	8,114,242	2,607,580	409,516	-	3,017,096	5,097,146	4,990,894
VEHICLES	19,565,001	-	-	19,565,001	3,332,062	1,887,380	-	5,219,442	14,345,559	16,232,940
INTANGIBLE ASSET (Software & Licences)	7,470,222	1,120,492	-	8,590,714	6,390,722	704,507	-	7,095,229	1,495,485	1,079,500
TOTAL A	1,535,912,434	53,403,419	11,113,743	1,578,202,110	447,825,749	117,964,529	4,207,922	561,582,356	1,016,619,754	1,088,144,704
Previous Year	1,204,989,653	337,905,241	6,982,460	1,535,912,434	334,139,743	117,651,323	3,965,317	447,825,749	1,088,144,704	870,849,910
Capital Work in Progress	450,767,446			1,155,474,008					1,155,474,009	450,767,446

Note:

- Capital work in progress includes pre-operative expenditure pending allocation of Rs.1678.86 Lacs (Previous year Rs. 590.92 lacs)
- Assets taken out of active use for the year is Rs. Nil (Last Year Rs.91.73 lacs)
- Deductions/ Adjustment for the year under Plant & Machinery represent machinery transferred to new unit pending commissioning and disclosed under capital work in progress.

	As at 31st March, 2009	(Amount in Rs.) As at 31st March, 2008
SCHEDULE - 5		
CURRENT ASSETS, LOANS & ADVANCES		
Inventories		
(As taken, valued and certified by management)		
Raw Materials	49,414,216	37,860,858
Work in Process	44,076,313	29,180,966
Finished Goods	586,031	1,520,446
Consumable stores, Spares Dies & Tools	86,565,341	37,994,494
Packing Material	118,822	37,633
Scrap	224,000	286,200
	180,984,723	106,880,597
Sundry Debtors		
(Unsecured, considered good unless otherwise stated)		
For a period exceeding six months	710,570	1,272,180
Other Debts	128,974,505	216,500,556
	129,685,075	217,772,736
Cash & Bank Balances		
Cash in hand	205,931	224,577
Balances with scheduled Banks:		
on current accounts	1,513,624	243,070,845
on fixed deposit account(margin money with bank against letters of credit)	4,235,273	-
	5,954,828	243,295,422
Loans & Advances		
(Unsecured, considered good unless otherwise stated)		
Loans & Advances to Employess	473,967	800,294
Advances recoverable in cash or in kind or value to be received(including Capital advances of Rs. 1,81,72,351/- (Previous Year Rs.4,29,29,962/-)	38,423,110	57,144,299
Advance Tax & Tax deducted at source	129,775,123	206,915,997
Balance with Govt. departments and others	24,505,714	13,296,040
Deposits & Security	8,742,921	7,935,975
	201,920,835	286,092,605
TOTAL	518,545,461	854,041,360
SCHEDULE - 6		
CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
Sundry Creditors*		
Micro, Small and Medium Enterprises	-	-
Others	224,072,786	184,865,350
* including creditors for Capital Supplies Rs.2,74,77,557/- (Previous Year Rs.3,81,64,513 /-)		
Total (A)	224,072,786	184,865,350
Advances From Customers	93,187	124,789
Due to Directors	201,405	2,050,748
Security Deposit	-	548,981
Bank book overdraft	-	-
Other Liabilities	27,490,781	3,493,228
Investor Education & Protection Fund*	-	-

	As at 31st March, 2009	(Amount in Rs.) As at 31st March, 2008
Interest accrued but not due	30,147,785	21,792,146
Unpaid dividend	1,024,204	787,330
Total (B)	58,957,362	28,797,222
Total (A+B)	283,030,148	213,662,572
* There is no amount due and outstanding to be credited to Investor Education and Protection Fund		
Provisions		
Proposed Dividend on equity shares	15,000,000	15,000,000
Dividend Tax	2,549,250	2,549,250
Income Tax	128,782,108	200,242,549
Wealth Tax	348,894	232,339
Fringe Benefit Tax	4,632,390	3,266,857
Retirement Benefits	4,145,792	3,656,721
	155,458,435	224,947,717
SCHEDULE - 7		
OTHER INCOME		
Miscellaneous receipts	302,122	612,374
Interest (TDS Rs. 5296.00, previous year Rs.Nil)	25,707	181,904
Dividend received on current investment (non trade)	-	35,643
Cash Discount	54,876	2,190,823
Profit on Sale of Current Investments	-	285,368
Gain on Foreign Exchange Rate Fluctuations	119,573	99,533
	502,278	3,405,645
SCHEDULE - 8		
INCREASE/(DECREASE) IN STOCKS OF FINISHED GOODS & WORK IN PROCESS		
Closing Stocks		
Finished Goods	586,031	1,520,446
Work in Process	44,076,313	29,180,966
Scrap	224,000	286,200
	44,886,344	30,987,612
Opening Stock		
Finished Goods	1,520,446	8,198,345
Work in Process	29,180,966	24,517,157
Scrap	286,200	32,400
	30,987,612	32,747,902
Increase/ (Decrease)	13,898,732	(1,760,290)
SCHEDULE - 9		
REMUNERATION & BENEFITS TO EMPLOYEES		
Salaries & Wages (Including Managerial Remuneration)	93,101,647	83,805,765
Contribution to Provident Fund and other Funds	8,251,223	7,743,409
Retirement Benefits	2,665,246	3,512,739
Staff & Labour Welfare Expenses	12,154,285	8,730,847
	116,172,401	103,792,760
SCHEDULE - 10		
MANUFACTURING & OTHER EXPENSES		
Stores, Spares, Tools & Dies consumed	116,645,694	127,023,944
Power & Fuel	99,548,968	107,400,592
Packing Materials consumed	549,656	443,715
Rent (including lease rent)	958,362	-

	As at 31st March, 2009	(Amount in Rs.) As at 31st March, 2008
Repair & Maintenance:		
- To Building	4,283,546	5,938,656
- To Machinery	7,414,399	6,278,642
- To Others	1,274,191	1,092,669
Insurance	4,977,522	6,457,313
Rates & Taxes	28,193	393,139
Wages to contractors	36,342,097	29,563,802
Job work charges	196,854,091	154,417,809
Travelling & Conveyance	16,658,184	15,206,687
Auditors Remuneration		
- As Audit fess	305,750	150,000
- Certification & others	60,000	60,000
- Out of pocket expenses	32,567	46,780
- Certification Charges	1,685	-
Professional charges	3,847,984	7,212,167
Freight outward	3,216,480	659,498
Donation	120,000	558,900
Miscellaneous expenses	14,024,646	18,591,345
Loss on sale of Fixed Assets	-	1,697,196
Security service charges	2,233,009	2,143,758
Excise duty difference on stocks of finished goods (Net)	(2,011,176)	(911,193)
	507,365,848	484,425,419

**SCHEDULE - 11
INTEREST & FINANCIAL CHARGES**

Interest :		
- On Fixed Loans	15,197,464	21,638,361
- On working capital borrowings	22,373,395	10,876,020
- Int. -Others	12,758,399	4,876
Bank Charges & Commission	986,447	649,698
	51,315,705	33,168,955

SCHEDULE FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH,2009

SCHEDULE -12

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

I. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Company are prepared under Historical Cost Convention in accordance with applicable Accounting Standards issued by The Institute of Chartered Accountant of India and relevant requirements of the Companies Act,1956. The accounting policies not specifically referred to otherwise are consistent and in consonance with the generally accepted accounting principles.

1) System of Accounting

The Company follows mercantile system of accounting and recognises income & expenditure on accrual basis to the extent measurable and where there is certainty of ultimate realisation in respect of income.

2) Fixed Assets

- a) All fixed assets are valued at cost and stated net of depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use and is net of Cenvat Credit and VAT credit.
- b) Depreciation has been provided for on straight -line method in the manner and at the rates as prescribed in Schedule XIV of the Companies Act, 1956. Fixed Assets costing Rs.5000/- or less are fully depreciated in the year of acquisition
- c) Depreciation on Intangible Assets, being expenditure on software, including licence fees and implementation cost is provided at the rate of 25% considering estimated life thereof.
- d) Expenditure during construction period
Expenditure related to and incurred during implementation of new/expansion projects is included under Capital Work -in-progress and the same is allocated to the respective Fixed Assets on completion of its construction/ erection. Interest on borrowing costs relating to the qualifying asset is worked out on the basis of actual utilisation of funds out of project specific loan and/ or other borrowings to the extent identifiable with the qualifying asset and are capitalised with the cost of qualifying assets.

3) Inventories

- a) Raw material, stores and spares, packing materials, components, work in progress and finished goods are valued at cost or net realisable value, whichever is lower. Cost of purchases is ascertained on first in first out (FIFO) method.
- b) Scrap is valued at estimated net realisable value.
- c) Excise duty liability on Finished Goods lying in factory is accounted for and the corresponding amount is considered for the valuation thereof.

4) Tools & Dies

The consumable Tools & Dies are charged to Profit & Loss Account in the year they are put to use.

5) Sales & Purchases

- (i) Domestic sales are accounted for inclusive of excise duty but net of sales tax. Sales net of excise duty is also disclosed separately.
- (ii) Sales are accounted for at the point of removal of goods from the factory.
- (iii) The cost of purchase consists of purchase price including duties and taxes and other expenditure directly attributable to acquisition but net of Cenvat, Service Tax, Value Added Tax ,trade discount and rebates.

6) Retirement Benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Revised Accounting Standard- AS-15 – Employee Benefits (Revised 2005) issued by the ICAI.

(a) Provident Fund and Employee State Insurance

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

(b) Gratuity

Gratuity is a post employment benefit and is in the nature of a defined benefit plan. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit/obligation at the balance sheet date less the fair value

of plan assets, together with adjustment for unrecognized actuarial gains or losses and past service costs. The defined benefit/obligation is calculated at or near the balance sheet date by an independent actuary using the projected unit credit method. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged or credited to the Profit and loss account in the year to which such gains or losses relate.

(c) Compensated Absences

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

(d) Other Short Term Benefits

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

7) Taxation

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

8) Foreign Currency Transactions

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

9) Impairment of Assets

Specified assets are reviewed for impairment wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which the assets carrying amount exceeds its recoverable amount being the higher of the assets net selling price and its value in use. Value in use is based on the present value of the estimated future cash flows relating to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (I.e. cash generating units) Previously recognized impairment losses, relating to assets other than goodwill, are reversed where the recoverable amount increases because of favourable changes in the estimates used to determine the recoverable amount since the last impairment was recognized. A reversal of an asset impairment loss is limited to its carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized in prior years.

10) Provisions and contingent Liabilities

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

II. NOTES TO ACCOUNTS

1 Details of Contingent Liabilities

	2008-09	(Rs. In lacs) 2007-08
a) Unexpired Letter of Credit	516.96	1,652.19
b) Excise show cause notice being contested by the Company	93.03	83.90

2 Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances) - Rs.883.38 lacs (Previous Year Rs. 2558.22 lacs)

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

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

	2008-09	(Rs. In lacs) 2007-08
Amount Brought Forward from the Previous year	590.92	48.17
Add: Expenditure incurred during the year		
Financial Charges	795.61	481.72
Admn. Charges	291.39	61.01

	Depreciation	0.94	0.02
	Amount carried forward under Capital Work In Progress	1,678.86	590.92
5	Details of Prior period items		(Rs. In lacs)
		2008-09	2007-08
	Expenses	9.08	-
	Income	-	-
		9.08	-
6	Company has availed sales tax incentive amounting to Rs. 501.05 Lacs (Previous Year 437.73 lacs) by the end of 31st March, 2009 in the form of deferment, to be converted later into capital subsidy, in accordance with the scheme of the Govt. of Haryana for development of Industries. The amount is payable to the Government if specified conditions are not fulfilled. Considering the nature of incentive and legal opinion taken by the company, the amount is treated as Capital Receipt and disclosed as such in the Balance Sheet.		
7	Expenditure on insurance includes Rs.6.30 Lacs (Previous Year Rs.6.30 lacs) being the premium paid under Keyman Insurance Schemes to cover risks on life of Key Management personnel. Benefits to the Company under the said scheme depend on various factors including resignation/survival of the said personnel or premature surrender of the policy. Such benefits will be accounted in the year in which they become due.		
8	Micro, Small & Medium Enterprise Development Act,2006 -		
	The Company is in the process of compiling information from its suppliers regarding their status under the above Act and hence disclosure, if any of the amounts unpaid as at the year end together with the interest paid/payable as required has been given to the extent of information available.		
		2008-09	(Rs. In lacs) 2007-08
	(a) The Principal amount and interest due	-	-
	(b) Interest paid under MSMED Act, 2006	-	-
	(c) Interest Due (Other than 9(b))	-	-
	(d) Interest accrued and unpaid	-	-
	(e) Interest due and payable till actual payment	-	-
9	Managerial Remuneration		(Rs. In lacs)
		2008-09	2007-08
	Salaries	21.00	18.00
	Commission	20.00	18.37
	Contribution to PF and other Funds	2.52	2.25
	Other Allowances	21.00	18.00
		64.52	56.62
10	Computation of net profit in accordance with the provisions of Section 349 of the Companies Act, 1956		(Rs. In lacs)
		2008-09	2007-08
	Profit as per Profit & Loss before taxation	1,548.71	1,786.90
	Add:		
	Managerial Remuneration	64.52	36.00
	Loss on sale/ discard of Fixed Assets	-	16.97
	Less:		
	Profit on sale of investments	-	2.85
	Net Profit pursuant to Section 349 for the Purpose of Director Remuneration	1,613.23	1,837.02
	Director's Commission (restricted in terms of the agreements with reference to salaries ,allowances and limits prescribed under the Companies Act)		
	1.25% of Net Profit to the Managing Director	20.45	18.37
	Commission restricted to	20.00	-
	0.20% of Net Profit to the three Non Executive Directors	3.27	-

11 Earning Per Share (EPS) as per Accounting Standard -20

	2008-09	2007-08
Net Profit After Taxation as per Profit & Loss Account	96,326,449.22	114,614,554.20
Basic/ Weighted Average Number of Equity Shares outstanding during the year	10,000,000	10,000,000
Nominal Value of Equity shares	10.00	10.00
Basic & Diluted Earnings Per Share	9.63	11.46

12 Disclosure as per AS 15 (revised)

The principal assumption used in actuarial valuation are given below:-

- Discount rate	8.00%	8.00%
- Expected rate of return on assets	9.00%	0.00%
- Expected rate of future salary increase	5.50%	5.50%

	Gratuity (Funded)	Leave Encashment (Unfunded) (Rs. in lacs)
Change in present value of obligations		
- Present value of obligations as at 01.04.2008	42.88	23.71
- Interest Cost	3.43	1.90
- Current Service Cost	13.28	10.46
- Benefits Paid	(9.73)	(6.09)
- Actuarial loss on obligations	2.81	12.90
Present value of obligations as at 31.03.2009	<u>52.67</u>	<u>42.88</u>
Changes in fair value of plan assets		Not Applicable
- Fair value of plan assets at the beginning of the period	37.02	18.86
- Acquisition adjustment	-	-
- Expected return on plan assets	3.33	1.70
- Contributions	20.98	22.69
- Benefits paid	(9.73)	(6.09)
- Actuarial gain/(loss) on plan assets	(3.33)	(0.14)
Fair value of plan assets at the end of the period	<u>48.27</u>	<u>37.02</u>
Liability recognized in Balance Sheet		
- Present value of obligations as at 31.03.2009	52.67	42.88
- Fair value of plan assets as at the end of the year	48.27	37.02
- Funded Status	(4.39)	(5.86)
- Excess of actual over estimated	(3.33)	(0.14)
- Unfunded status	-	-
- Unrecognised Actuarial (Gain). Loss	(4.39)	(5.86)
- Net (Assets)/ Liabilities recognized in Balance Sheet	<u>4.39</u>	<u>5.86</u>
Expenses recognized in Profit and Loss Account		
- Current Service Cost	13.28	10.46
- Past Service Cost		
- Interest Cost	3.43	1.90
- Expected return on Plan assets		
- Net Actuarial (Gain). Loss recognized during the year	2.81	12.90
Total Expenses	<u>19.52</u>	<u>25.26</u>

Disclosure in respect of previous three annual periods as required by Revised AS 15 is not presented as the management considers it impracticable in absence of requisite information.

Provident Fund and ESI

The Company makes contribution to statutory provident fund and Employee State Insurance in accordance with Employees Provident Fund and Miscellaneous Provision Act, 1952 and Employee State Insurance Act, 1948 respectively. This is post employment benefit and is in the nature of defined contribution plan. Contribution made by the Company during the year is Rs. 82.51 lacs. (Previous year Rs. 77.43 lacs)

13 Deferred Tax Liabilities on taking into account the impact of timing differences between financial statements and estimated taxable income.

The breakup of Deferred Tax Liabilities/ (Assets) (Net) is as under:

A. Deferred Tax Liabilities	2007-08		2008-09		(Rs. In lacs)
	Balance as on 01.04.2007	Charge (Credit) during the year to P & L	Balance as on 01.04.2008	Charge(Credit) during the Year to P & L	Balance as on 31.03.2009
Tax Effect of excess Net Block of Fixed assets as per the books of account over written down value as per the income tax computation	723.20	(63.90)	659.30	(62.75)	596.55
B. Deferred Tax Assets					
Retirement benefits *	(9.90)	(2.53)*	(12.43)	(1.66)	(14.09)
Net Deferred Tax Liabilities (A-B)	713.30	(66.43)	646.87	(64.41)	582.46

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

14 As the Company's business activity falls within a single primary business segment viz. Motorcycles Parts, the disclosure requirements of Accounting Standard (AS-17) "Segment Reporting" issued by the Institute of Chartered Accountants of India, are not applicable.

15 Related parties disclosure:

- a) Key Managerial Personnel
Mr. Neeraj Munjal, Managing Director
- b) Enterprises which are able to exercise significant influence over the company
Hero Cycles Limited
Sunbeam Auto Limited
- c) Enterprises over which key management personnel and their relatives are able to exercise significant influence
Hero Honda Motors Limited
Rockman Industries Limited
Puja Investments Private Limited
Anadi Investments Private Limited
Hero Investments Private Limited
Hero Corporate Services Limited
Munjal Auto Industries Ltd.
Satyam Auto Components Limited
Highway Industries Limited
Dayanand Munjal Investments Limited
Bahadur Chand Investments Private Limited
Thakurdevi Investments Private Limited
Bhagyoday Investments Private Limited
Munjal Investments Private Limited
Highway Industries Limited
Munjal Acme Packaging Systems Ltd.
Arrow Infrastructure Ltd.

d) Transaction with the related parties during the year

i) Key Managerial Personnel

	2008-09	(Rs. In lacs) 2007-08
To the Managing Director:		
Remuneration	44.52	38.25
Commisison	20.00	18.37
Total	64.52	56.62
To other Directors:		
As sitting Fee	8.50	8.40
Commission Paid/Payable	3.27	
Total	11.77	8.40

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

Purchase of Fixed Assets	-	187.50
Payment of rent	-	-
Miscellaneous Purchases and other Services	1.95	-
Balance outstanding at the end of the year payables	0.20	187.56

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

Sale of Goods (inclusive of Excise Duty & Sales Tax)	16,142.51	14,595.99
Purchase of Goods (inclusive of Fixed Assets)	27.26	5.08
Miscellaneous Purchase and other Services	21.24	57.82
Customer loan repaid	900.00	1,687.50
Interest paid on loan	72.31	31.68
Balance outstanding at the end of the year		
Receivables	1,246.36	2,104.12
Payables	16.27	42.51
Loan from Customer	-	-

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

III. ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF 3, 4C and 4D OF PART II OF SCHEDULE VI OF THE COMPANIES ACT,1956

1. Particulars in respect of licenced and installed capacities: in nos.

Class of Goods	Licensed Capacity		Installed Capacity	
	<u>2008-09</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2007-08</u>
Gear Components:				
Forging Components	N.A.	N.A.	22,950,000	22,950,000
Gear Blank Machining	N.A.	N.A.	26,280,000	26,280,000
Gear Finishing	N.A.	N.A.	11,760,000	11,760,000

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

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

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

Class of Goods	Opening Stock				Closing Stock			
	2008-09		2007-08		2008-09		2007-08	
	Qty.(in Nos.)	Value	Qty.(in Nos.)	Value	Qty.(in Nos.)	Value	Qty.(in Nos.)	Value
Gear Components	34991	15.20	189793	81.98	12594	5.67	34991	15.20

3. Details of Production and sales

Class of Goods	Production			Sales		
	2008-09	2007-08	2008-09	2007-08	2007-08	2007-08
	Qty.(in Nos.)	Qty.(in Nos.)	Qty.(in Nos.)	Value	Qty.(in Nos.)	Value
Gear Components	23,815,778	21,198,280	23,838,175	16,143.66	21,353,082	14,438.45

* includes sales of Scrap of Rs.231.33 lacs (Previous Year Rs.168.25 lacs) and Export Sales of Rs. 8.67 lacs (Previous Year Rs.4.86 lacs)

4. Raw Material, processing materials and components consumption:

Class of Goods	2008-09		2007-08		(Amt. In lacs)
	Qty.	Value	Qty.	Value	
	Alloy Steel (Qty. in MT)#	7,335	4,403.70	6,306	2,795.11
Bought out parts (Nos.)	2,194,227	544.73	2,427,319	481.26	
		4,948.43		3,276.37	

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

Class of Goods	2008-09		2007-08		(Amt. In lacs)
	Value	%age	Value	%age	
	Raw Material and Components				
Imported	3.01	0%	-	0%	
Indigenous:	4945.42	100%	3276.37	100%	
	4,948.43		3,276.37		
Stores,spares, Tools & Dies consumed					
Imported	200.55	17%	108.89	9%	
Indigenous	965.91	83%	1,161.35	91%	
	1,166.46		1,270.24		

6. Expenditure in foreign Currency (on cash basis)

	2008-09	2007-08
Foreign Travelling	20.41	27.15
Consultancy Charges	12.88	-
	33.29	27.15

7. CIF Value of Imports

	2008-09	2007-08
Raw Materials, BOP & spares	219.34	108.89
Capital Goods	2,330.20	2,798.46
	<u>2,549.53</u>	<u>2907.35</u>

8. Earning in Foreign Exchange

FOB value of Exports	8.67	4.88
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As per our report of even date
for S. S. KOTHARI MEHTA & CO.
 Chartered Accountants

ARUN K. TULSIAN
 Partner
 Membership No. 89907

For and on behalf of the Board

Sunil Kant Munjal
 Neeraj Munjal
 Bhagwan Dass Narang
 Surrinder Lal Kapur
 Davendra Ujlayan

Sanjeev Chaba

Chairman
 Managing Director
 Director
 Director
 GM (Finance & Accounts)
 & Company Secretary
 AGM (Finance & Accounts)

Place: New Delhi
 Date: 29th June, 2009

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

Balance Sheet Abstract and Company's General Business Profile

I.	Registration Details	
	Registration No.	State Code
	139563	5 5
	Balance Sheet Date	
	31032009	
II.	Capital raised during the year (Amount in Rs.'000)	
	Public Issue	Rights issue
	N I L	N I L
	Bonus Issue	Private Placement
	N I L	N I L
III.	Position of Mobilisation and Deployment of Funds (Amount in Rs.'000)	
	Total Liabilities	Total Assets
	2252151	2252151
	Sources of Funds	
	Paid up capital	Reserve & Surplus
	100000	661041
	Secured Loans	Unsecured Loans
	1432864	N I L
	Deferred Tax Liability	
	58246	
	Application of Funds	
	Net Fixed Assets	Investments
	2172094	N I L
	Net Current Assets	Misc. Expenditure
	80057	N I L
IV.	Performance of Company (Amount in Rs.'000)	
	Turnover	Total Expenditure
	1614366	1287662
	Profit Before Tax	Profit After Tax
	154871	96326
	Earning Per Share in Rs.	Dividend in %
	9.63	15%
V.	Generic Name of Three Principal Products of Company (as per monetary terms)	
	Item Code No.	
	87141900	
	Product description	
	M O T O R C Y C L E P A R T S	

SHIVAM AUTOTECH LIMITED

Regd. Office: 2A/3, Asaf Ali Road, New Delhi – 110 002

4th Annual General Meeting ATTENDANCE SLIP

Folio No. _____

No. of Shares(s) Held: _____

Client ID.*

D.P ID.*

Name(s) in full

Father/Husband's Name

Address as registered with the company

1. _____

2. _____

3. _____

I/We hereby record my/our presence at the 4th Annual General Meeting of the Company being held at The Tivoli Garden Resort, Near Chattarpur Mandir, Chattarpur Road, New Delhi – 110001 on Wednesday, the 30th September, 2009 at 11.00 A.M.

Signature of the Member(s)/Proxy

1. _____ 2. _____ 3. _____

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

Notes:

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

SHIVAM AUTOTECH LIMITED

Regd. Office: 2A/3, Asaf Ali Road, New Delhi – 110 002

4th Annual General Meeting PROXY FORM

Folio No. _____

No. of Shares(s) Held: _____

Client ID.*

D.P. I.D.*

Name(s) in full

Father/Husband's Name

Address as registered with the company

1. _____

2. _____

3. _____

being a member(s) of Shivam Autotech Limited hereby appoint _____ of _____ or _____ falling him / her _____ of _____ as my / our proxy to vote for me / us on my / our behalf at the 4th Annual General Meeting of the Company * at 11.00 a.m. and any adjournment thereof.

Signature of the Member(s)

Signature of Proxy

1. _____ 2. _____ 3. _____

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

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

Affix a
1Rupee
Revenue
Stamp

