

BOARD OF DIRECTORS
CHAIRMAN

Sunil Kant Munjal

MANAGING DIRECTOR

Neeraj Munjal

DIRECTORS

Bhagwan Dass Narang

Surrinder Lal Kapur

Vinayshil Gautam

Anil Kumar Gupta, Director Technical

Charu Munjal, Executive Director

FINANCE TEAM

Davendra Ujlayan

 VP-Finance &
 Company Secretary

AUDITORS

S.S. Kothari Mehta & Co.

Chartered Accountants

146-149, Tribhvan Complex,

Ishwar Nagar, Mathura Road,

New Delhi-110065

BANKERS

IDBI Limited

Punjab National Bank

AXIS Bank Ltd.

ING Vysya Bank

Karnataka Bank

REGISTERED OFFICE

303, 3rd Floor, Square One,

C-2, District Centre, Saket,

New Delhi-110 017

GURGAON PLANT

58th Km. Stone

Delhi-Jaipur Highway

Village: Binola-122 413

Dist. : Gurgaon (Haryana)

HARIDWAR PLANT

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

Village Salempur Mehdood,

Distt. Haridwar (Uttarakhand)-249402

REGISTRAR & TRANSFER AGENTS

MCS Limited

F-65, First Floor,

Okhla Industrial Area, Phase I,

New Delhi-110 020

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NOTICE

Notice is hereby given that the **9th Annual General Meeting** of the Members of **SHIVAM AUTOTECH LIMITED** will be held on Monday, the 29th day of September, 2014 at 11:30 A.M. at Tivoli Garden Resort, Near Chattarpur Mandir, Chattarpur Road, New Delhi-110030, to transact the following business:

[A] ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2014 and Profit & Loss Account for the year 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 year ended March 31, 2014.
3. To appoint a director in place of Dr. Anil Kumar Gupta (DIN 02643623), who retires by rotation and being eligible has offered himself for re-appointment.
4. To appoint a director in place of Mrs. Charu Munjal (DIN 03094545), who retires by rotation and being eligible has offered herself for re-appointment.
5. To appoint M/s S.S. Kothari Mehta & Co., Chartered Accountants, New Delhi, the retiring auditors to hold office as Statutory Auditors for Financial Year 2014-15 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

6. To appoint Mr. Sunil Kant Munjal (DIN 00003902) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Sunil Kant Munjal (DIN 00003902), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting, be and is hereby appointed as an

Independent Director of the Company to hold office for 5 (five) consecutive years from the date of the 9th Annual General Meeting for a term upto the conclusion of 14th Annual General Meeting of the Company in the Calendar year 2019.”

7. To appoint Mr. Bhagwan Dass Narang, (DIN 00038502) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Bhagwan Dass Narang, (DIN 00038502), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years from the date of the 9th Annual General Meeting for a term upto the conclusion of 14th Annual General Meeting of the Company in the Calendar year 2019.”

8. To appoint Mr. Surrinder Lal Kapur, (DIN 00033312) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Surrinder Lal Kapur, (DIN 00033312), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years from the date of the 9th Annual General Meeting for a term upto the conclusion of 14th Annual General Meeting of the Company in the Calendar year 2019.”

9. To appoint Dr. Vinayshil Gautam, (DIN 00037909) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:
- “RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. Vinayshil Gautam, (DIN 00037909), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years from the date of the 9th Annual General Meeting for a term upto the conclusion of 14th Annual General Meeting of the Company in the Calendar year 2019.”
10. To consider revision in the remuneration of Mr. Neeraj Munjal (DIN 00037792) and in this regard 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 provision of Section 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modifications or re-enactment thereof for the time being in force) and subject to such approvals as may be necessary, the Company hereby approves the revision in the remuneration of Mr. Neeraj Munjal, Managing Director (DIN 00037792) with effect from April 01, 2014 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 the explanatory statement annexed below, other terms and conditions of re-appointment as approved by the shareholders at the Annual General Meeting held on September 30, 2011 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.”
11. To modify the terms of appointment of Mrs. Charu Munjal (DIN 03094545), Whole-time Director and in this regard to consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:
- “RESOLVED THAT** pursuant to the provisions of Sections 152, 196 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder and in partial modification of the resolution passed in the Annual General Meeting of the members of the Company held on September 24, 2013 and subject to the approval of Central Government, if any, the approval of the Company be & is hereby accorded to the variation in terms of appointment of Mrs. Charu Munjal (DIN 03094545), to the extent that there will be no break in her office as Whole Time Director in case she is re-appointed on determination of her office by retirement of directors by rotation.
- RESOLVED FURTHER THAT** the other terms of her appointment shall remain unaltered.”
12. To consider revision in the remuneration of Mrs. Charu Munjal (DIN 03094545) and in this regard 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 provision of Section 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modifications or re-enactment thereof for the time being in force) and subject to such approvals as may be necessary, the Company hereby approves the revision in the remuneration of Mrs. Charu Munjal, Whole Time Director (DIN 03094545) designated as “Executive Director” with effect from April 01, 2014 for the remainder of her tenure in the manner as set out in the explanatory statement annexed to the Notice convening this meeting.
- RESOLVED THAT** except as stated in the explanatory statement annexed below, other terms and conditions of re-appointment as approved by the shareholders at the Annual General Meeting held on September 24, 2013 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.”

13. To modify the terms of appointment of Dr. Anil Kumar Gupta (DIN 02643623), Whole-time Director and in this regard to consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 152, 196 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder and in partial modification of the resolution passed in the Annual General Meeting of the members of the Company held on September 25, 2012 and subject to the approval of Central Government, if any, the approval of the Company be & is hereby accorded to the variation in terms of appointment of Dr. Anil Kumar Gupta (DIN 02643623), to the extent that there will be no break in his office as Whole Time Director in case he is re-appointed on determination of his office by retirement of directors by rotation.

RESOLVED FURTHER THAT the other terms of his appointment shall remain unaltered.”

14. To consider revision in the remuneration of Dr. Anil Kumar Gupta (DIN 02643623) and in this regard 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 provision of Section 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modifications or re-enactment thereof for the time being in force), subject to such approvals as may be necessary, the Company hereby approves the revision in the remuneration of Dr. Anil Kumar Gupta (DIN 02643623), Whole Time Director of the Company designated as “Director (Technical)” with effect from December 20, 2013 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 the explanatory statement annexed below, other terms and conditions of re-appointment as approved by the shareholders at the Annual General Meeting held on September 25, 2012 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.”

15. To consider sub-division of shares of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 61 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the provisions of the Memorandum and Articles of Association of the Company and subject to the approvals, consents, permissions and sanctions as may be necessary from the concerned authorities or bodies, the consent of the shareholders of the Company be and is hereby accorded for sub-dividing the equity shares of the of the Company, including the paid up shares, such that each existing equity share of the Company of face value of Rs.10/- (Rupees Ten) each be and is hereby sub-divided into 5 (five) equity shares of the face value of Rs. 2/- (Rupees Two) each.

RESOLVED FURTHER THAT pursuant to subdivision of equity shares of the Company, each Issued, Subscribed and Paid-up Equity share of face value of Rs. 10/- (Rupees Ten) each, shall stand sub-divided into five equity shares of the face value of Rs.2/- (Rupees Two) each fully paid and also each Authorised Equity Share of face value of Rs. 10/- (Rupees Ten) each, shall stand sub-divided into five equity shares of the face value of Rs.2/- (Rupees Two) each.

RESOLVED FURTHER THAT upon the sub-division of the Equity Shares as aforesaid, the existing Share Certificate(s) in relation to the existing Equity Shares of the face value of Rs 10 each held in physical form shall deem to have been automatically cancelled and be of no effect on and from the Record Date to be determined by the Board of Directors (the “Board”, which expression shall also include a Committee thereof) and the Company may without requiring the surrender of the existing Share Certificate(s) directly issue and despatch the new Share Certificate(s), of the Company, in lieu of such existing Share Certificate(s), subject to the provisions of Companies (Share Capital and Debentures) Rules, 2014, and in the case of the Equity Shares held in the dematerialized form, the number of sub-divided Equity Shares be credited to the respective beneficiary accounts of the Shareholders with the Depository Participants, in lieu of the existing credits

representing the Equity Shares of the Company before such sub-division.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary for obtaining all approvals/consents, to take all required actions to effectuate the above proposition and is empowered to execute all such documents, instruments as may be required in this connection and to that end, it can delegate all or any of the powers herein vested in the Board to the Managing Director or Company Secretary. These officials shall not have to seek any further consent or approval of the Board or otherwise to the end and intent that it shall be deemed to have given its approval thereto expressly by the authority of this resolution.”

16. To consider alteration of Memorandum of Association of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution.

“RESOLVED THAT pursuant to the provisions of Section 13 and other applicable provisions, if any, of the Companies Act, 2013 and the consent of shareholders of the Company be and is hereby accorded for alteration of Memorandum of Association of the Company as follows:

The existing Clause V of the Memorandum of Association of the Company be and is hereby deleted and the following new Clause V be and is hereby substituted in lieu of the deleted clause:

V “The Authorised Share Capital of the Company is Rs. 126,000,000 (Rupees Twelve Crores and Sixty Lacs only) divided into 63,000,000 (Six Crore Thirty Lacs) equity shares of Rs. 2/- (Rupees Two) each.”

17. To consider alteration of Articles of Association of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Consent of the shareholders of the Company be and is hereby accorded for alteration of Article of Association of the Company as follows:

The existing Article 3 of the Articles of Association of the Company be and is hereby altered by substituting the following in place of the existing Article 3:

3. The Authorized Share Capital of the Company shall be the same as contained in Clause V of the Memorandum of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do, perform and execute all such acts, matters, deeds and things as it may considered necessary, expedient, usual or proper to give effect to this resolution, including but not limited to filing of necessary forms with the Registrar of Companies and to Comply with all other requirements in this regard and for any other matters connected herewith or incidental hereto.”

18. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2015 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148(3) and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, consent of the members of the Company be and is hereby accorded for the appointment of M/s. Gurdeep Singh & Associates, Cost Accountants, New Delhi, as the Cost Auditors of the Company for both the plants of the Company located at Binola (Gurgaon) & Haridwar, to conduct the audit of cost accounts in respect of 'Auto Components' for the financial year 2014-15 at a remuneration to be mutually decided and fixed by Mr. Neeraj Munjal, Managing Director.

RESOLVED FURTHER THAT Mr. Davendra Ujlayan, VP-Finance & Company Secretary be and is hereby authorized to sign and file necessary forms with the Registrar of Companies, NCT of Delhi & Haryana and such other documents and take such action as may be required in this matter.”

19. To borrow in excess of the paid-up capital and free reserves and in this regard to consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:

“RESOLVED THAT in supersession of the earlier resolution passed by the Members of the Company by postal ballot on June 11, 2007 the Board of Directors of the Company be and is hereby authorised in accordance with the provisions of Section 180(1) (c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), to borrow periodically from,

including without limitation, any Banks and/or public financial institutions as defined under Section 2(72) of the Companies Act, 2013 and/or any foreign financial institution(s) and/or any entity/entities or authority/authorities and/or through suppliers credit securities instruments, such as floating rate notes, fixed rate notes, syndicated loans, debentures (both convertible and non-convertible), commercial papers, short term loans, working capital loans, or any other instruments etc. and/or through credit from official agencies and/or by way of commercial borrowings including external commercial borrowings from the private sector window of multilateral financial institutions, either in rupees or in such other foreign currencies as may be permitted by law from time to time, as may be deemed appropriate by the Board for an aggregate amount not exceeding Rs. 300 Crores (Rupees Three Hundred Crores Only), notwithstanding that money so borrowed together with the monies already borrowed by the Company, if any (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specified purpose.”

By Order of the Board of Directors
For **Shivam Autotech Limited**
Sd/-
Davendra Ujlayan
**VP - Finance &
Company Secretary**
Membership No. 8125

Place: New Delhi
Date: August 06, 2014

Registered Office:
303, 3rd Floor, Square One, C-2,
District Centre, Saket, New Delhi – 110 017

CIN:L34300DL2005PLC139163
e-mail: admin@shivamautotech.com
website: www.shivamautotech.com
Tel: +91 11 49242100
Fax: +91 11 49242116

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE (ON A POLL ONLY) INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXIES IN ORDER TO BE VALID MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS SENT HEREWITH.**
2. **A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. IN CASE A PROXY IS PROPOSED TO BE APPOINTED BY A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS, THEN SUCH PROXY SHALL NOT ACT AS A PROXY FOR ANY OTHER MEMBER.**
3. For the convenience of the Members, attendance slip is enclosed herewith in the Annual Report. Members / proxies should bring duly filled Attendance Slips sent herewith to attend the meeting along with their copies of the Annual Report.
4. Corporate Members are requested to send a duly certified copy of the Board Resolution, authorising their representatives to attend and vote at the Annual General Meeting.
5. As required under the provisions of Clause 49(IV) of the Listing Agreement, particulars relating to Dr. Anil Kumar Gupta and Mrs. Charu Munjal, Directors retiring by rotation and whose re-appointments are being proposed at the forthcoming Annual General Meeting, are enclosed in the Appendix to this Notice.
6. Explanatory statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business to be transacted at the meeting, is annexed hereto.
7. Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from Monday, September 22, 2014 to Monday, September 29, 2014 (both days inclusive)

8. In accordance with SEBI's directions vide their Circular No. DCC/FITT/Cir-3/2001 dated October 15, 2001, arrangements have been made to credit your dividend amount directly to bank account of members through the Electronic Clearing Service (ECS).

In case of holding in physical form, please furnish your bank details in the ECS Mandate Form enclosed separately and return to our Registrars, MCS Limited on or before September 20, 2014. 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 approved at the Annual General Meeting, will be paid at par 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 September 20, 2014; (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 September 20, 2014.
10. As per Section 53 of the Companies Act, 1956, which provides for service of documents under "certificate of posting" as one of the accepted mode of service, whereas the Department of Posts has recently discontinued the postal facility under "certificate of posting" vide their letter dated February 23, 2011. The Information Technology Act, 2000 also permits service of documents, etc., in electronic mode. Keeping this in view the Ministry of Corporate Affairs vide their circular no. 17/2011 dated April 21, 2011 clarified that a Company would have complied with Section 53 of the Companies Act, 1956, if the service of documents has been made through electronic mode provided the Company has obtained email addresses of its members for sending the notice/documents through email by giving an advance opportunity to every shareholders to register their email address and changes therein from time to time with the Company.

In view of the above, the Company requests all its shareholders to kindly provide their email addresses along with client ID/Folio no. and number of shares as reference to the following email addresses with subject as "Shivam Autotech Limited – Member Email ID" at: admin@mcsdel.com

11. Pursuant to the provisions of Section 205A of the Companies Act, 2013, dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid dividend account is required to be transferred by the Company to Investor Education and Protection Fund (IEPF), established by the Central Government under the provisions of Section 205C of the Companies Act, 1956.

Recently, Ministry of Corporate Affairs has introduced "Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012" vide notification no. G.S.R. 352(E) dated May 10, 2012. The details of unpaid amounts as per Section 205C(2) of the Companies Act, 1956 have to be identified and uploaded on the website of the Company as per Rule 3 of the said Rules.

The dividend declared by the Company for the financial year 2006-07, which has remain unpaid/unclaimed shall be transferred to IEPF on or before 03 November, 2014.

Accordingly, members who have not encashed their Dividend Warrant(s) are requested to approach the RTA/ Company for issuance of demand draft(s) upon completion of necessary formalities for the same in lieu of such warrant(s). Unclaimed/unpaid final dividend for the financial year 2006-07, which is due for transfer to IEPF, should be claimed by the members before October 04, 2014. After that date, no claim shall lie against the IEPF/ Company, in respect of the said amount.

The details of the shareholders who have not claimed/ encashed their dividend warrants till the last Annual General Meeting and subsequent due dates of transfer of unclaimed/ unpaid dividend to IEPF for the respective financial years shall be uploaded on the Company's website at www.shivamautotech.com.

12. 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.

VOTING THROUGH ELECTRONIC MEANS

1. Pursuant to Section 108 and corresponding Rules of Companies Act, 2013, the Company will provide e-voting facility to the members. All business to be transacted at the forthcoming Annual General

- Meeting can be transacted through the electronic voting system provided by Central Depository Services (India) Limited (CDSL).
2. The notice of Annual General Meeting will be sent to the members, whose names appear in the register of members/ depositories as at closing hours of business, on August 22, 2014.
 3. The shareholders shall have one vote per equity share held by them. The facility of e-voting would be provided once for every folio/ client id, irrespective of the number of joint holders.
 4. The Company has appointed Mr. Satyender Kumar, Practicing Company Secretary, as the scrutinizer for conducting the e-voting process in the fair and transparent manner.
 5. The scrutinizer shall, within a period of not exceeding three working days from the date of conclusion of e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the company and make a final report to Chairman of the Company.
 6. The Results shall be declared at the Annual General Meeting of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.shivamautotech.com and on the website of CDSL within two (2) days of passing of the resolutions at the Annual General Meeting of the Company and communicated to the NSE and BSE Limited.

7. The result of the e-voting alongwith Scrutinizer's Report will also be placed at the website of the Company viz. www.shivamautotech.com and also on www.cdslindia.com.
8. The scrutinizer's decision on the validity of e-voting will be final.

Instructions for Voting through electronic mode

A In case of members receiving e-mail:

- (i) If you are holding shares in demat form and have earlier logged on to www.evotingindia.com and casted your vote for Electronic Voting Sequence Number (EVSN) of any Company, then your existing login id and password are to be used.
- (ii) If you have forgotten the password then enter the User ID and Captcha Code. Then, click on forgot password & enter the details as prompted by the system.

Procedure for shareholders casting their vote electronically for the first time

- (iii) To initiate the voting process, log on to the e-voting website www.evotingindia.com.
- (iv) Click on "Shareholders" tab to cast your votes.
- (v) Thereafter, select the relevant Electronic Voting Sequence Number (EVSN) alongwith "Company Name" from the drop down menu and click on "SUBMIT" for voting.
- (vi) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
User ID	For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID	Folio Number registered with the Company
Image Verification	Next enter the image verification as displayed and click on Login.	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)	Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details#	Enter your bank account number for the purpose of dividend as registered with your depository participant in case of electronic shares or with the company in respect of physical shares.	
DOB#	Enter your date of birth as recorded in your demat account or in the company records in respect of your shareholding in the Company.	

CDSL users can enter any one of the details viz. dividend bank details or date of birth, in order to login; however, NSDL users mandatorily have to mention their bank account number in order to login. In case bank details are not recorded with the depository, please enter the No. of shares held by you as on 22 August, 2014 in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly to the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Change' menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@ # \$ % & *). Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Now select the relevant Electronic Voting Sequence Number (EVSN) alongwith "Company Name" on which you choose to vote.
- (xi) On the voting page, you will see "Resolution Description" and against the same the option "YES/NO" for voting. Select the option "YES" or "NO" as desired. The option "YES" implies that you assent to the resolution and option "NO" implies that you dissent to the resolution.
- (xii) Click on the "Resolutions File Link" if you wish to view the entire resolutions.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- B. In case of members receiving the physical copy of notice of the Annual General Meeting (for members whose e-mail ids are not registered with the company/depository participant(s) or requesting physical copy)
- Please follow all steps from sl. no. (i) to sl. no. (xvi) above, to cast vote.
- C. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to www.evotingindia.co.in and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.
- D. The voting period begins on 9.00 a.m., Tuesday, September 23, 2014 and ends on 5.30 p.m., Thursday, September 25, 2014. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 22, 2014, may cast their vote electronically. The evoting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- E. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under "Help" section or write an email to helpdesk.evoting@cdslindia.com.

ANNEXURE TO NOTICE

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

ITEM NO. 6

Mr. Sunil Kant Munjal, was born on December 14, 1957. He joined the Board of Directors of the Company on February 14, 2006 as a Non-Executive and Independent Director.

Mr. Sunil Kant Munjal is a Commerce Graduate and has trained as a Mechanical Engineer. He is the Managing Director of Hero Cycles Ltd. (C.R.Division) and Whole Time Director of Hero MotoCorp Limited and the Chairman of Hero Corporate Service Limited, the services business arm of the Hero Group. He was also Past President of Confederation of Indian Industry (CII), during 2004-05. He is a visiting faculty for lectures in Business Studies and Holistic Management Practices at a number of companies and Business Schools. He is presently holding the membership of the Board / Committee(s) of the following Companies/LLP/Firm/Institute:

S. No.	Name of the Company /LLP/Firm/Institute	Nature of office
1.	Satyam Auto Components Limited	Director
2.	Bahadur Chand Investments Private Limited	Director
3.	Hero Corporate Service Limited	Director
4.	Easy Bill Limited	Director
5.	DCM Shriram Limited	Director
6.	Hero Management Service Limited	Director
7.	Thakurdevi Hydro Private Limited	Director
8.	Indian School of Business	Director
9.	Hero Realty Limited	Director
10.	Hero MotoCorp Limited	Whole-Time Director
11.	Hero Mindmine Institute Limited	Director
12.	Hero Life Insurance Company Limited	Director
13.	BML Investments Private Limited	Director
14.	Hero Investcorp Limited	Director
15.	Hero Investments Private Limited	Director
16.	Hero Realty and Infra Limited	Director
17.	Rockman Industries Limited	Director
18.	BML Educorp Services	Director
19.	Hero Future Energies Limited	Director
20.	Serendipity Books and Art LLP	Designated Partner

Mr. Sunil Kant Munjal retires by rotation at the Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Sunil Kant Munjal is being proposed to be appointed as an independent director for five consecutive years from the date of the 9th Annual General Meeting for a term upto the conclusion of 14th Annual General Meeting of the Company in the Calendar year 2019.

In the opinion of the Board, Mr. Sunil Kant Munjal fulfills the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter of appointment of Mr. Sunil Kant Munjal as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit of the Company and it is desirable to continue to avail services of Mr. Sunil Kant Munjal as an Independent Director. The Board recommends the resolution in relation to appointment of Mr. Sunil Kant Munjal as an Independent Director, for the approval by the shareholders of the Company.

Mr. Sunil Kant Munjal does not hold by himself or for any other person on a beneficial basis, any shares in the Company. Except Mr. Sunil Kant Munjal, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in this resolution.

This explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

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

ITEM NO.7

Mr. Bhagwan Dass Narang, was born on December 14, 1957. He joined the Board of Directors of the Company on February 14, 2006 as a Non-Executive and Independent Director.

Mr. Bhagwan Dass Narang is a Post Graduate in Agricultural Economics and brings with him 32 years of banking experience. During this period, he also held the coveted position of the Chairman and Managing Director of Oriental Bank of Commerce. He is presently holding the membership of the Board / Committee(s) of the following Companies:

S. No.	Name of the Company	Nature of office
1.	Jubilee Hills Landmark Projects Private Limited	Director
2.	Dish TV India Limited	Director
3.	VA Tech Wabag Limited	Director
4.	Revathi Equipment Limited	Director
5.	Karvy Stock Broking Limited	Director
6.	Lakshmi Precision Screws Limited	Director
7.	Multiples Equity Fund Trustee Private Limited	Director
8.	SEMAC Consultants Private Limited	Director
9.	Arvind Techno Engineers Private Limited	Director
10.	Karvy Financial Services Limited	Director
11.	Ovington Finance Private Limited	Director

Mr. Bhagwan Dass Narang retires by rotation at the Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Bhagwan Dass Narang is being proposed to be appointed as an independent director for five consecutive years from the date of the 9th Annual General Meeting for a term upto the conclusion of 14th Annual General Meeting of the Company in the Calendar year 2019.

In the opinion of the Board, Mr. Bhagwan Dass Narang fulfills the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter of appointment of Mr. Bhagwan Dass Narang as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit of the Company and it is desirable to continue to avail services of Mr. Bhagwan Dass Narang as an Independent Director. The Board recommends the resolution in relation to appointment of Mr. Bhagwan Dass Narang as an Independent Director, for the approval by the shareholders of the Company.

Mr. Bhagwan Dass Narang does not hold by himself or for any other person on a beneficial basis, any shares in the Company. Except Mr. Bhagwan Dass Narang, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in this resolution.

This explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

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

ITEM NO.8

Mr. Surrinder Lal Kapur, was born on March 07, 1937. He joined the Board of Directors of the Company on February 14, 2006 as a Non-Executive and Independent Director.

Mr. Surrinder Lal Kapur is a practicing Advocate with specialization in Company Law and Industrial Laws relating to Sick Industries, Industrial Finance, Acquisitions and Mergers. He brings with him enriched and wide experience of 46 years. In the past he has served as member of the Board for Industrial and Financial Reconstruction (BIFR) for a period of four years. He is presently holding the membership of the Board / Committee(s) of the following Companies:

S. No.	Name of the Company	Nature of office
1.	Jubilee Hills Landmark Projects Private Limited	Director
2.	Dish TV India Limited	Director
3.	VA Tech Wabag Limited	Director
4.	Revathi Equipment Limited	Director

Mr. Surrinder Lal Kapur retires by rotation at the Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Surrinder Lal Kapur is being proposed to be appointed as an independent director for five consecutive years from the date of the 9th Annual General Meeting for a term upto the conclusion of 14th Annual General Meeting of the Company in the Calendar year 2019.

In the opinion of the Board, Mr. Surrinder Lal Kapur fulfills the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter of appointment of Mr. Surrinder Lal Kapur as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit of the Company and it is desirable to continue to avail services of Mr. Surrinder Lal Kapur as an Independent Director. The Board recommends the resolution in relation to appointment of Mr. Surrinder Lal Kapur as an Independent Director, for the approval by the shareholders of the Company.

Mr. Surrinder Lal Kapur does not hold by himself or for any other person on a beneficial basis, any shares in the Company. Except Mr. Surrinder Lal Kapur, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in this resolution.

This explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

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

ITEM NO. 9

Dr. Vinayshil Gautam, was born on June 03, 1946. He joined the Board of Directors of the Company on February 14, 2006 as a Non-Executive and Independent Director.

Dr. Vinayshil Gautam is a widely respected consultant and practitioner of Management in India and abroad. At present, he is attached with Indian Institute of Technology (IIT), Delhi as a Professor of Management. He is presently holding the membership of the Board / Committee(s) of the following Companies:

S. No.	Name of the Company	Nature of office
1.	The Lake Palace Hotels and Motels Private Limited	Director

Dr. Vinayshil Gautam retires by rotation at the Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Dr. Vinayshil Gautam is being proposed to be appointed as an independent director for five consecutive years from the date of the 9th Annual General Meeting for a term upto the conclusion of 14th Annual General Meeting of the Company in the Calendar year 2019.

In the opinion of the Board, Dr. Vinayshil Gautam fulfills the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter of appointment of Dr. Vinayshil Gautam as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit of the Company and it is desirable to continue to avail services of Dr. Vinayshil Gautam as an Independent Director. The Board recommends the resolution in relation to appointment of Dr. Vinayshil Gautam as an Independent Director, for the approval by the shareholders of the Company

Dr. Vinayshil Gautam does not hold by himself or for any other person on a beneficial basis, any shares in the Company. Except Dr. Vinayshil Gautam, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in this resolution.

This explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

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

ITEM NO. 10

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

Mr. Neeraj Munjal was re-appointed as the Managing Director of the Company for a period of five years w.e.f. April 01, 2011. He has completed his Bachelor's degree in Commerce and holds Diploma in Business management from Bradford & Likhay Community College, England. He has more than 25 years of experience in the Auto Components sector. Mr. Neeraj Munjal has been involved from concept to the commissioning of the project which went on stream in the year 1999. Since then, he is spearheading the operations of the Binola unit. He successfully handled the operations that have brought the Company to this level.

Shareholding in the Company: Nil

The Board of Directors, on the recommendations of Remuneration Committee, has approved the proposal of increase in the remuneration in their meeting held on May 30, 2014, subject to the approval of the members. All other terms & conditions of his appointment will remain unchanged. The increased remuneration of Mr. Neeraj Munjal is set out as under:

- A) Basic Salary: Rs. 585,000/- (Rupees Five Lakhs Eighty Five Thousand only) per month.
- B) Commission: He will also be entitled to commission in addition to Basic Salary, Perquisites and any other Allowances, benefits or amenities subject to the condition that the amount of commission shall not exceed 2.00% (two percent) of the Net Profit of the Company in a particular financial year as computed in the manner referred to in Section 197 of the Companies Act, 2013.
- C) Perquisites and Allowances: In addition to the above Basic Salary and Commission, he shall be entitled to the following monthly perquisites and allowances:
- a) Allowances
- | Allowances | Percentage of Basic Salary |
|--------------------------------------|----------------------------|
| • House Rent Allowance | 70% |
| • Electricity Allowance | 10% |
| • Professional Development Allowance | 10% |
| • Child Education Allowance | 5% |
| • Furnishing Allowance | 5% |
- b) Perquisites: The Managing Director shall also be entitled to the following perquisites:
- i. Club Fees: Reimbursement of Actual Fees of Clubs.
 - ii. Personal Accident Insurance: Actual premium to be paid by the Company.
 - iii. Medical Reimbursement: Reimbursement of actual medical insurance premium and medical expenses incurred by him and his family.
 - iv. Insurance of Household goods: Actual premium to be paid by the Company.
 - v. Car: Facility of cars with drivers to be used for the business of the Company shall not be included in the computation of the ceiling of perquisites.
 - vi. Telephone: Free telephone facility at residence including Mobile Phone to be used for the business of the Company shall not be included in the computation of the ceiling of perquisites.
 - vii. Leave: One month's leave with full salary for every 11 months of service subject to the condition that leave accumulated but not availed will be encashed.
 - viii. Reimbursement of expenses: Reimbursement of entertainment, travelling, hotel and other expenses actually and properly incurred by him in India and abroad for the business of the Company.
 - ix. Contribution to Provident Fund, Super Annuation or Annuity Fund etc.: Company's Contribution to Provident Fund, Super Annuation or Annuity Fund etc. will be as per policy/rules of the Company to the extent these either singly or put together are not taxable under the Income Tax Act.
 - x. Gratuity: Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
 - xi. Leave Travel Concession: For the Managing Director and his family once in a year incurred in accordance with the policy/rules of the Company.
 - xii. Spouse Travelling Expenses: Such travelling expenses of the spouse as may be required in connection with the business of the Company.
 - xiii. Other allowances: As may be applicable from time to time as per policy/rules of the Company.

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

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

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

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

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

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

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

ITEM NO. 11

The Board of Directors of the Company in their meeting held on August 06, 2014 on the recommendation made by the Nomination and Remuneration Committee in its meeting held on May 30, 2014 and in accordance with the provisions of Sections 196 & 152 and other applicable provisions, if any, of the Companies Act, 2013 partially varied the terms of appointment of Mrs. Charu Munjal, Whole Time Director of the Company to the extent that there will be no break in her office as Whole Time Director in case she is re-appointed on determination of her office by retirement of directors by rotation.

The Board recommends the Special Resolution regarding variation in terms of her appointment for the approval by the Shareholders of the Company.

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

ITEM NO. 12

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

Mrs. Charu Munjal has been appointed as the Whole Time Director of the Company for a period of five years w.e.f. June 01, 2013. She holds a Diploma in Textile Designing from Banaras Hindu University and has considerable exposure in creative designing and marketing field.

Shareholding in the Company: Nil

The Board of Directors, on the recommendations of Remuneration Committee, in their meeting held on May 30, 2014 has approved the proposal for revision in the remuneration of Mrs. Charu Munjal as Whole Time Director designated as “Executive Director”, subject to the approval of the members. All other terms & conditions of her appointment will remain unchanged. The increased remuneration of Mrs. Charu Munjal is set out as under:

- A) Basic Salary: Rs. 200,000/- (Rupees Two Lakh only) per month.
- B) Commission: She will also be entitled to commission in addition to Basic Salary, Perquisites and any other Allowances, benefits or amenities, subject to the condition that the amount of commission shall not exceed 2.00% (Two percent) of the Net Profit of the Company in a particular financial year as computed in the manner referred to in Section 197 of the Companies Act, 2013.
- C) Perquisites and Allowances: In addition to the above Basic Salary and Commission, She shall be entitled to the following monthly perquisites and allowances:

I.	Allowances	Percentage of Basic Salary
a.	House Rent Allowance	60%
b.	Electricity Allowance	10%
c.	Professional Development Allowance	10%
d.	Child Education Allowance	5%
e.	Furnishing Allowance	5%

II. Perquisites: The Executive Director shall also be entitled to the following perquisites:

- a. Club Fees: Reimbursement of Actual Fees of Clubs.
- b. Personal Accident Insurance: Actual premium to be paid by the Company.
- c. Medical Reimbursement: Reimbursement of actual medical insurance premium and medical expenses incurred by her and her family.
- d. Insurance of Household goods: Actual premium to be paid by the Company.
- e. Car: Facility of cars with drivers to be used for the business of the Company shall not be included in the computation of the ceiling of perquisites.
- f. Telephone: Free telephone facility at residence including Mobile Phone to be used for the business of the Company shall not be included in the computation of the ceiling of perquisites.
- g. Leave: One month's leave with full salary for every 11 months of service subject to the condition that leave accumulated but not availed will be encashed.
- h. Reimbursement of expenses: Reimbursement of entertainment, travelling, hotel and other expenses actually and properly incurred by her in India and abroad for the business of the Company.
- i. Contribution to Provident Fund, Super Annuation or Annuity Fund etc.: Company's Contribution to Provident Fund, Super Annuation or Annuity Fund etc. will be as per policy/rules of the Company to the extent these either singly or put together are not taxable under the Income Tax Act.
- j. Gratuity: Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- k. Leave Travel Concession: For the Executive Director and her family once in a year incurred in accordance with the policy/rules of the Company.
- l. Other allowances: As may be applicable from time to time as per policy/rules of the Company.

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

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

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

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

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

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

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

ITEM NO.13

The Board of Directors of the Company in their meeting held on August 06, 2014 on the recommendation made by the Nomination and Remuneration Committee in its meeting held on May 30, 2014 and in accordance with the provisions of Sections 196 & 152 and other applicable provisions, if any, of the Companies Act, 2013 partially varied the terms of appointment of Dr. Anil Kumar Gupta, Whole Time Director of the Company to the extent that there will be no break in his office as Whole Time Director in case he is re-appointed on determination of his office by retirement of directors by rotation.

The Board recommends the Special Resolution regarding variation in terms of his appointment for the approval by the Shareholders of the Company.

None of the directors, except Dr. Anil Kumar Gupta, may be deemed to be concerned / interested in this Resolution.

ITEM NO.14

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

Dr. Anil Kumar Gupta was appointed as Whole Time Director designated as "Director (Technical)" of the Company w.e.f. December 20, 2011 for a period of 3 years. He has done doctorate in Engineering from Delhi University. He has a vast Experience in the field of mechanical / metallurgy engineering.

Shareholding of the Company: Nil

The Board of Directors, on the recommendations of Remuneration Committee, has approved the proposal of increase in the remuneration in their meeting held on February 04, 2014, subject to the approval of the members. All other terms & conditions of his appointment will remain unchanged. The increased remuneration of Dr. Anil Kumar Gupta is set out as under:

- A) Basic Salary: Rs. 155,000/- (Rupees One Lac and Fifty Five Thousand Only) per month.
- B) Perquisites and Allowances: In addition to the above Basic Salary, he shall be entitled to the following monthly perquisites and allowances:
- a) Allowances

S.No	Particulars	% of Basic Salary
i.	House Rent Allowance	60.00%
ii.	Dearness Allowance	10.00%
iii.	Professional Development Allowance	10.00%
iv.	Special Allowance	24.67%
v.	Medical Reimbursement Allowance	0.81%

- b) Perquisites: The Director (Technical) shall also be entitled to the following perquisites:
- Car: Facility of car with driver to be used for the business of the Company shall not be included in the computation of the ceiling of perquisites.
 - Telephone: Free telephone facility at residence including Mobile Phone to be used for the business of the Company shall not be included in the computation of the ceiling of perquisites.
 - Leave: As per rules of the Company.
 - Reimbursement of expenses: Reimbursement of entertainment, travelling, hotel and other expenses actually and properly incurred by him in India and abroad for the business of the Company.
 - Contribution to Provident Fund: Company's Contribution to Provident Fund as per rules of the Company.
 - Leave Travel Concession: For the Director (Technical) and his family once in a year incurred in accordance with the policy/rules of the Company, restricted to one months' basic salary.
 - Variable Performance Bonus: Director (Technical) shall be entitled for Variable Performance Bonus upto a maximum of Rs. 8 Lakhs (Rupees Eight Lakhs Only) in a Financial Year depending upon the levels of measurement as may be decided by the Board of Directors.
 - Other allowances: As may be applicable from time to time as per policy/rules of the Company.

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

For the aforesaid purpose "Family" means the dependent children and dependent parents of the Director (Technical).

- C) Minimum Remuneration: In any financial year during the currency of tenure of the Director (Technical), the Company has no profits or its profits are inadequate, the minimum remuneration payable to the Director (Technical) shall be substantive salary and perquisites as above mentioned, subject to the ceiling set out under Section II of Part II of Schedule XIII to the Companies Act, 1956.

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

- (i) Contribution to Provident Fund to the extent these either singly or put together are not taxable under Income Tax Act, 1961

None of the directors, except Dr. Anil Kumar Gupta, may be deemed to be concerned / interested in this Resolution.

The resolution is accordingly recommended for the approval of the Members as an Ordinary Resolution.

ITEM NO.15

Equity Shares of the Company are listed on The National Stock Exchange of India Limited (NSE) and The BSE Limited (BSE). The Shares are actively traded on NSE and BSE.

In order to improve liquidity of the Company's shares in the stock exchanges and to facilitate participation of small investors by making the shares affordable to them, a sub-division of equity shares (reduction in the face value of shares) is regarded as one of the enabling measures. It is therefore proposed to sub-divide the equity shares of the Company into a face value of Rs. 2/- per share from the existing face value of Rs. 10/- per share.

As per the provisions of Section 61 of the Companies Act, 2013, approval of the Shareholders is required for sub-division of shares.

None of the Directors and Key Managerial Personnel of the Company and their relatives are in any way may be deemed to be concerned / interested in this Resolution except of their shareholding and the shareholding of their relatives in the Company.

The resolution is accordingly recommended for the approval of the Members as an Ordinary Resolution.

ITEM NO.16 & 17

The existing Clause V of the Memorandum of Association and Article 3 of the Articles of Association specify the present Authorised Share Capital of the Company. In view of the sub-divisions in the face value of the equity share from Rs.10/- per share to Rs.2/- per share, the present Clause V of the Memorandum of Association and Article 3 of the Articles of Association of the Company are required to be altered to reflect the sub-division of the equity shares.

A copy of the existing Memorandum and Articles of Association as well as the specimen of the amended Memorandum and Articles of Association of the Company is available for inspection by Members at the Registered Office of the Company on any working day during office hours of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives are in any way may be deemed to be concerned / interested in this Resolution except of their shareholding and the shareholding of their relatives in the Company.

The resolutions are accordingly recommended for the approval of the Members as Special Resolution.

ITEM NO.18

The Board, on the recommendation of the Audit Committee, has approved the appointment of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out in the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

None of the Directors and Key Managerial Personnel of the Company and their relatives are, concerned or interested, financially or otherwise, in this Ordinary Resolution.

ITEM NO.19

The Members of the Company had vide a resolution passed by postal ballot held on June 11, 2007 approved by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 borrowings over and above the aggregate of the paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs. 200 Crores (Rupees Two Hundred Crores).

In order to enable the Board, to meet the funding requirements of the Company for working capital requirements or any re-arrangement and for meeting other financial requirements of the Company, it is proposed to increase the borrowing limits previously sanctioned by the Members to Rs. 300 crores (excluding temporary loans) as mentioned in the resolution.

Pursuant to the provisions of Section 180(1)(c) of the Act, the above power can be exercised by the Board only with the consent of the Members obtained by Special Resolution. As per the General Circular No. 4/2014 of March 25, 2014, all previous resolutions passed under Section 293 of the Companies Act, 1956 prior to September 12, 2013 with reference to borrowings (subject to limits prescribed) are valid under the provision of Section 180 of the Act for the period of one year from the date of notification of Section 180 of the Act, i.e. upto September 11, 2014.

Accordingly, it is necessary to obtain a fresh approval of the Members by means of a Special Resolution under Section 180(1)(c) of the Act to borrow in excess of the paid up capital and free reserves upto Rs. 300 crores (Rupees Three Hundred Crores).

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, in this resolution.

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

Place: New Delhi

Date: August 06, 2014

Registered Office:

303, 3rd Floor, Square One,
C-2, District Centre, Saket,
New Delhi – 110 017

CIN:L34300DL2005PLC139163

e-mail: admin@shivamautotech.com

website: www.shivamautotech.com

Tel: +91 11 49242100

Fax: +91 11 49242116

Davendra Ujlayan
**VP - Finance &
Company Secretary**
Membership No. 8125

DIRECTORS' REPORT

To The Members,

The Directors have pleasure in presenting the 9th Annual Report of the Company together with its Audited Statement of Profit and Loss Account for the year ended March 31, 2014 and the Balance Sheet as on that date:

FINANCIAL RESULTS

The summarized financial results of the Company for the year ended March 31, 2014 are presented below:

Particulars	2013-14	2012-13
Gross Sales & Other Income	41,937.79	39,208.79
Profit before Depreciation and Interest	8031.80	8,734.23
Depreciation	3,090.92	3,077.00
Interest	2,045.89	2,482.30
Profit before Taxation	2,894.99	3174.94
Provision for Taxation (Deferred & Current)	51.75	353.46
Profit after Taxation	2,843.24	2821.48
Profit available for appropriations	2,843.24	2821.48
Appropriations		
Amount transferred to General Reserve	300.00	300.00
Proposed Dividend on Equity Shares	450.00	400.00
Tax on Dividend	76.48	67.98
Profit after Appropriations	2,016.76	2053.50

(Rs. In Lacs)

PERFORMANCE

During the year under review, your Company focused on enhancing operational efficiencies - improving yields, lowering rejections and enhancing capacity utilisation.

The total sales of the Company increased by 6.96% from Rs.39,208.79 Lacs in 2012-13 to Rs. 41,937.79 Lacs in 2013-14. Operating profit (PBDIT) of the company has decreased by 8.04% from Rs. 8,734.23 Lacs in 2012-13 to Rs. 8,031.80 in 2013-14.

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

DIVIDEND

The Board of Directors of the Company recommend, for consideration of shareholders at the 9th Annual General Meeting, payment of dividend of 45% (Rs. 4.50 per share) on equity shares of the face value of Re.10/- each for the year ended March 31, 2014. The dividend paid during the previous year was 40% (Rs. 4.00 per share).

The Register of Members and Share Transfer Books will remain closed from Monday, September 22, 2014 to Monday, September 29, 2014 (both days inclusive).

BUSINESS OVERVIEW

Hero MotoCorp Limited (HMCL), the main customer of the company and the world No. 1 two wheeler manufacturer for 13 consecutive years, continues to maintain its leadership position in the two wheeler industry.

Our existing customers have assured to meet predetermined sales targets and the Company has consolidated supply to other customers like BOSCH, DENSO etc. The Company is utilising the resources available to expand the basket of the customers. The customers of the Company are on a growth path and the Company is confident to meet their increased demand.

Competitive pressure on pricing and increase in employees cost has put pressure on EBITA margin. However, the volume increase and reduction in Interest Cost during the year have held company to contain decline in PBT to Rs. 279.95 lacs in 2013-14.

NEW PROJECTS & EXPANSION

To cater the requirements of its existing customer BOSCH, the Company is required to have a new manufacturing setup. The Directors are happy to inform that the Company has finalised the project and chosen Kolar-District (Near Bangalore, Karnataka) as new location for new plant.

In order to meet the ever-increasing demand for its existing business and for the potential of new business, the Company has identified IMT Rohtak (Near Delhi/NCR) as new location.

Lands have already been acquired at both the locations.

CORPORATE GOVERNANCE

Your Company is committed to follow the highest standards and principles of Corporate Governance with all integrity and fairness. The Company always places major thrust on managing its affairs with diligence, transparency, responsibility and accountability thereby upholding the important dictum that an organisation's corporate governance philosophy is directly linked to high performance.

Separate detailed chapters on Corporate Governance, Additional Shareholder information and Management Discussion and Analysis are attached herewith and form part of this Report. All the board members and senior managerial personnel have affirmed compliance with the code of conduct for the Financial Year 2013-14.

A certificate from the Practising Company Secretary 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

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956, as amended, with respect to the directors' responsibility statement, it is hereby confirmed:

- (i) That in preparation of accounts for the financial year ended March 31, 2014, the applicable accounting standards have been followed along with proper explanation relating to the material departures;
- (ii) That the directors' of the company have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the profits of the Company for the year ended March 31, 2014;
- (iii) That the directors' of the company have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) That the directors' of the company have prepared the accounts of the company for the financial year ended March 31, 2014 on a going concern basis.

FIXED DEPOSITS

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

FINANCE

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

DIRECTORS

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

Further in terms of the provisions of the Companies Act, 2013, Mr. Sunil Kant Munjal, Mr. Bhagwan Dass Narang, Mr. Surrinder Lal Kapur and Dr. Vinayshil Gautam, Non-Executive and Independent Directors of the Company whose office are liable to determination by retirement of Directors by rotation have been appointed as Independent Directors in term of Sections 149 and 152 of the Companies Act, 2013 for 5 (five) consecutive years from the date of the 9th Annual General Meeting for a term upto the conclusion of the 14th Annual General Meeting of the Company in the Calendar year 2019.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges. Thus, the Board recommend their appointment as Independent Directors.

Mr. Satyanand Munjal, Mr. Brijmohan Lal Munjal and Mr. O. P. Munjal have resigned from the Board of Directors of Company w.e.f August 06, 2014. The Board of Directors places on record their appreciation for the valuable services and guidance provided by them as Directors of the Company.

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

HOLDING COMPANY

The promoters of the Company i.e. Dayanand Munjal Investments Private Limited (DMIPL) hold 74,79,595 equity shares which represents 74.80% of the paid up equity capital of the Company. Your company continues to be a subsidiary company of DMIPL.

SUBSIDIARY COMPANIES

The Company has no subsidiary.

INTERNAL CONTROL SYSTEMS

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

The Company also has an internal audit system which is conducted by an independent firm of Chartered Accountants. A summary of Internal audit report and observations thereon are reviewed by the Audit Committee on regular basis and have been found to be adequate.

AUDIT COMMITTEE RECOMMENDATION

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

AUDITORS

M/s. S. S. Kothari Mehta & Co., Chartered Accountants, existing Statutory Auditors' will retire at the conclusion of the ensuing Annual General Meeting and seek re-appointment as Statutory Auditors of the Company at the ensuing Annual General Meeting.

The Company has received letters from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

The Board of Directors recommends to the shareholders the appointment of M/s. S.S. Kothari Mehta & Co. as Statutory Auditors of the Company for the financial year 2014-15.

AUDITORS' REPORT

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

COST AUDIT

The Directors have appointed M/s Gurdeep Singh & Associates, Cost Accountants, as Cost Auditors to audit the Cost Records relating to "Engineering Industries" for the year ending March 31, 2015.

LISTING

The shares of your Company are presently listed on BSE and NSE.

CORPORATE SOCIAL RESPONSIBILITY

During the year, your directors have constituted the Corporate Social Responsibility Committee comprising with the following members:

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

The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 205A and 205C of the Companies Act, 2013, the dividend which remained unclaimed for a period of 7 (seven) years shall be transferred by the Company to the Investor Education and Protection Fund (IEPF).

The Company shall transfer the unclaimed / unpaid dividend, declared for the year 2006-07 to IEPF by November 03, 2014. The amount of Rs. 400,613/- (Rupees Four Lacs Six Hundred and Thirteen only) which was unclaimed / unpaid shall be transferred to IEPF.

ENVIRONMENT, HEALTH & SAFETY

Regular training is being imparted to the workers and staff to safeguard the interest of company against the accidents which may occur in mechanical, electrical, chemical areas. Safe operating procedures, standards and systems have been laid down at all manufacturing locations. The Company has an effective policy framework of highest standard, on safety, health and environment for protecting the safety health and welfare of its employees and

workers. Regular training of employees regarding safe working guidelines, audit and review of every accident, mock drills on emergency are some of the steps that are followed to achieve higher safety standards. The Company's policy not only meets all applicable statutory requirements but also focuses on motivation, learning and training of employees in these areas.

The Company regularly conducts counselling and safety review meetings for the employees to appraise and educate them on the adoption of safety measures and avoidance of unsafe practices. The Company is very keen on its responsibilities with respect to the clean environment. To spread the awareness of the subject, and taken numbers of plantation drives.

The Company provides prompt medical assistances to its employees. The Company has an internal plant dispensary which operates round the clock and is managed by the qualified doctors supported by staff who are available for addressing health issues of employees. The Company maintains high hygienic and housekeeping standards across the workplace.

Your company also continues to be a constituent of a very important and responsible initiative of Hero MotoCorp Limited toward the commitment to environment, viz. GREEN SUPPLY-CHAIN MANAGEMENT PROGRAMME. Your company has also entered into an arrangement for recycling of waste paper and its substitute use. This initiative of the Company has resulted in to saving of around 250 trees.

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

The Directors express their appreciation for the contribution made by the employees to the significant improvement in the operations of the Company and for the support received from them.

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

The Company believes that its human capital is the most valuable asset that helps it remain competitive. Hence, it always nurtures its human resource pool to build competitive advantage. Human resources being one of the most important factors of production, the Company is initiating measures towards competence and overall development of people at all levels to be future ready. The Company arranges training sessions for its employees to empower and upgrade them to achieve business motives and help them build their career.

The Company aims to develop persuasion skills of its employees, which will enable them to reach the goals set by the organisation and align them with the ultimate organisational strategies. Performance measurement and skill upgradation programs are widely deployed within the Company. This includes skill enhancement, training and soft skills. Coaching/guidance for selected talent are also included. This initiative is aimed at preparing the company for high growth in the coming years.

The Learning and Development Programmes of the organization go beyond just imparting the basic knowledge needed for performance. They carry a strategic content and perspective. The effort is rooted in an iterative relationship with our customer requirements and their growth plans. In this manner, our marketing and sales efforts are executed in a dynamic mould which is highly client focused. The approach takes to its logical conclusion, our manufacturing orientation and product profile. Human resource management is the linking pin in all this.

The Company encourages long-term commitment by rewarding its people for the opportunities they create and the value generated for customers and shareholders. The Directors are pleased to record their appreciation for the services rendered by the employees and staff at all levels.

ACKNOWLEDGMENTS

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

For and on behalf of the Board

Sunil Kant Munjal
Chairman

DIN: 00003902

Place: New Delhi
Date: August 06, 2014

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

India represents one of the world's largest car markets. Easy availability of finance and rising income levels are encouraging the middle class population to choose from the vast range of passenger vehicles. According to the latest estimate, Indian economy grew by 4.7% in FY 2014. Despite a good monsoon, the manufacturing indices had declined, commodity prices stayed at high levels and food inflation reached an all-time high, which resulted in substantial inflation of over 10%, in the last financial year. The rupee depreciated significantly before retracting in the latter half of the year. Consumer sentiments remained subdued for most part of the FY 2014. However, the slow GDP growth appears to have bottomed out and post elections, economic activity is expected to pick up from the second quarter of FY 2015.

INDUSTRY STRUCTURE AND DEVELOPMENT

The Indian Auto Industry comprising passenger cars, two wheelers, three wheelers and commercial vehicles is the seventh largest in the world with an Annual Production of 17.5 million vehicles of which 2.3 million are exported. According to Department of Industrial Policy and Promotion the auto sector accounts for 4% of total foreign direct investment inflow into India.

The industry produced a total 1,854,157 vehicles including passenger vehicles, commercial vehicles, three wheelers and two wheelers in March 2014 as against 1,686,348 in March 2013, registering a growth of 9.95 percent over the same month last year. The growth continues to be on account of growth in two wheelers production.

We expect the new government to drive reforms and restore confidence in the sector. This election has been an epoch-making in more ways than one. In an extraordinary moment of democratic renewal, the tectonic plates of Indian politics have shifted. The economic challenges are all well known to us. The problem of fiscal deficit needs to be addressed urgently and in a sustainable way.

OPPORTUNITIES, CHALLENGES, RISK & CONCERN

Competition will only increase in the years to come, as more international players enter India and the pace of innovation accelerates. This would elevate both R&D and selling and distribution costs, thereby impacting margins. India has become a research and development (R&D) hotbed and in keeping with the global R&D trend of last year, the country is now a preferred destination for automotive R&D.

While there is a general slowdown in the economy, high fuel cost, high financing cost, weak consumer sentiments, high inflation has further weakened the sector. According to data released by the Society of Indian Automobile Manufacturers (SIAM), Two Wheelers sales registered growth of 7.31 percent during April-March 2014 over April-March 2013. Within the Two Wheelers segment, Scooters and Motorcycles grew at 23.24 percent and 3.91 percent respectively. The automobile exports grew 7.21 per cent during the fiscal.

The Indian Auto Component Industry is expected to recover from a rough phase that industry is battling with due to weak demand over last two years due to constant high interest rates and inflationary constraints. Financial Year 2013-2014 witnessed sluggish Production & deceleration in investment.

Right now, the automotive industry is in a phase of both rapid and broad technological innovation. Given the span of innovation, it's becoming exceedingly difficult and too costly for OEMs to "go deep" across all technologies. Some of the emerging trends and concerns facing the Indian auto component industry are:

1. Penetration of Telematics: In-Vehicle Infotainment and Embedded Software to Rise
2. OEMs to Focus on Creating Differentiated Customer Experience
3. Industry Gearing up for Green Vehicle Manufacturing
4. Development of Smaller Engines
5. Automotive light weighting to address rising fuel costs and environmental concerns
6. In-Vehicle Infotainment Systems
7. OEMs TO increase focus on developing captive financing business

8. Emergence Of Organised Auto Service Stations

In the coming decade, the main focus would be on enhancing efficiency and productivity, and on innovation, driven by changing customer demands. Price sensitivity of the Indian consumer, cost optimization needs of manufacturers and increasing focus on environmental concerns will drive critical changes in the market.

OUTLOOK

Taking into account the challenges that the industry has been facing since the past one year and the way it has responded to most of the threats that it faced, the future of auto industry remains promising. Going forward, the focus of the government to drive the economic growth through infrastructure development and rural development is likely to be the driving factor for the automobile industry.

Future strategies of the auto companies will have to focus on increased environmental safety concerns, rising fuel prices and cost-effectiveness in the rising market competition. Innovation has to focus on increasing efficiency and reducing emissions.

CAUTIONARY STATEMENT

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

ANNEXURE 'B' TO DIRECTORS' REPORT REPORT ON CORPORATE GOVERNANCE

A. MANDATORY REQUIREMENTS

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company's Corporate Governance Philosophy derives from the values of integrity, excellence & responsibility. It emphasizes wealth creation for society, protection & interest enhancement for all stakeholders, without compromising the environment and health of society at large. This helps the company to perform better thus culminating into higher productivity of the corporate resources. Further, the company also applies the Balanced Scorecard methodology across its units, which assesses the steps taken to achieve long term strategic objectives of the company, which articulates the values, ethics and business principles that should be adhered to by employees, as part of its philosophy on Corporate Governance.

The Company has complied with the provisions of Clause 49 of the Listing Agreement of the Stock Exchange, which deals with the compliance of Corporate Governance requirements as detailed below:

2. BOARD OF DIRECTORS

(a) Composition of the Board

The strength of the Board as on March 31, 2014, is ten Directors. The Chairman of the Board is a non-executive Director. The Board comprises of three executive Directors and seven non-executive Directors, of whom six are independent directors.

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

Mr. Satyanand Munjal, Mr. Brijmohan Lall Munjal and Mr. O. P. Munjal, directors on the Board of Company have resigned w.e.f. August 06, 2014.

(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 2013-14, 4 (four) meeting of the Board of Directors were held on 28-May-2013, 14-Aug-2013, 11-Nov-2013 and 04-Feb-2014. The maximum interval between any two consecutive meetings of the Board of Directors of Company 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	-	No
Mr. Om Prakash Munjal	4	-	No
Mr. Sunil Kant Munjal	4	4	Yes
Mr. Neeraj Munjal	4	4	Yes
Mrs. Charu Munjal	4	3	Yes
Mr. Bhagwan Dass Narang	4	4	Yes
Mr. Surrinder Lal Kapur	4	4	Yes
Dr. Vinayshil Gautam	4	4	Yes
Dr. Anil Kumar Gupta	4	4	Yes

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

(C) Number of other Companies or Committees the Director is a Director / Member / Chairman 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	2	-	-
Mr. Brijmohan Lall Munjal	Non-Executive & Independent	8	-	-
Mr. Om Prakash Munjal	Non-Executive & Independent	5	-	-
Mr. Sunil Kant Munjal <i>Chairman</i>	Non-Executive & Independent	12	-	-
Mr. Neeraj Munjal <i>Managing Director</i>	Executive	-	-	-
Mrs. Charu Munjal <i>Executive Director</i>	Executive	-	-	-
Mr. Bhagwan Dass Narang	Non-Executive & Independent	7	-	-
Mr. Surrinder Lal Kapur	Non-Executive & Independent	4	5	2
Dr. Vinayshil Gautam	Non-Executive & Independent	-	-	-
Dr. Anil Kumar Gupta <i>Director - Technical</i>	Executive	-	-	-

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.

RE - APPOINTMENT OF DIRECTORS

In accordance with the Companies Act, 1956 and the Articles of Association of the Company, Mrs. Charu Munjal and Dr. Anil Kumar Gupta, Whole Time Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

In terms of the provisions of the Companies Act, 2013, Mr. Sunil Kant Munjal, Mr. Bhagwan Dass Narang, Mr. Surrinder Lal Kapur and Dr. Vinayshil Gautam, Non-Executive and Independent Directors of the Company whose office are liable to determination by retirement of Directors by rotation have been appointed as Independent Directors in term of Sections 149 and 152 of the Companies Act, 2013 for 5 (five) consecutive years from the date of the 9th Annual General Meeting for a term upto the conclusion of the 14th Annual General Meeting of the Company in the Calendar year 2019.

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 Annual General Meeting.

3. AUDIT COMMITTEE

The constitution, quorum, scope, etc. of the Audit Committee is in line with the Companies Act, 1956 and provisions of Listing Agreement. All the members of Audit Committee are qualified and having insight to interpret and understand financial statements. All these members have good knowledge of Corporate & Project Finance, Accounts and Corporate Laws.

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

The Audit Committee comprises mainly of Independent Directors and the composition is compatible with the Listing Agreements. During the Financial Year 2013-14, meetings of the Audit Committee were held on 28-May-2013, 14-Aug-2013, 11-Nov-2013 and 04-Feb-2014.

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 & Independent	4
Dr. Anil Kumar Gupta	Member	Executive	4

The Company Secretary acts as the Secretary of the Committee.

Quorum of the Audit Committee is five members out of which four are Non-Executive & Independent directors and one is Executive director. Mr. Surrinder Lal Kapur, Non-Executive & Independent Director is the Chairman of the Audit Committee.

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

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

(b) Terms of Reference

The terms of reference of the Audit Committee are wide enough to cover the matters specified for the Audit Committee under 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 Financial Year 2013-14, 4 (four) meetings of the Shareholders' Grievance Committee were held on 28-May-2013, 14-Aug-2013, 11-Nov-2013 and 04-Feb-2014. 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
Dr. Vinayshil Gautam	Member	Non-Executive & Independent	4
Dr. Anil Kumar Gupta	Member	Executive	4

The Shareholders' Grievance Committee has been reconstituted and named as "Stakeholders Relationship Committee" according to section 178(5) of the Companies Act, 2013 in the meeting held on May 30, 2014. The composition on reconstitution is same as it was for Shareholders' Grievance Committee.

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 - VP-Finance & Company Secretary

Details of shareholders' complaints received during the FY 2013-14 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	1	1	–
2.	Request for issue of duplicate share certificates	0	0	–
3.	Non receipt of dividend / Revalidation of dividend warrants	1	2 (One relating to FY 2012 -13)	–
4.	Communication relating to Transfer / Transmission / Name Deletion / Demat of Shares	0	0	–
5.	Miscellaneous i.e. Credit of Shares in Demat A/c's, non receipt of Annual Report, Change of Address, Bank Details, etc.	4	4	–

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 Financial Year 2012-13, 2 (two) meetings of the Remuneration Committee were held on 28-May-2013 and 04-Feb-2014. The composition of the Remuneration Committee is as follows:

Name	Designation	Category of Directorship	Attendance out of 2 meetings held
Dr. Vinayshil Gautam	Chairman	Non-Executive & Independent	2
Mr. Bhagwan Dass Narang	Member	Non-Executive & Independent	2
Mr. Surrinder Lal Kapur	Member	Non-Executive & Independent	2
Mr. Sunil Kant Munjal	Member	Non-Executive & Independent	2

The Remuneration Committee has been reconstituted and named as “Nomination and Remuneration Committee” according to section 178(5) of the Companies Act, 2013 in the meeting held on May 30, 2014. The composition on reconstitution is same as it was for Remuneration Committee.

(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 0.30% of profits of the company or Rs.8 Lacs per annum, whichever is less for each year of the period of 5 years commencing from April 01, 2013 as approved by the shareholders in the Annual General Meeting held on September 24, 2013.

Details of Remuneration Paid to Managing Director & Executive Director

(Amount in Rs. Lacs)

Executive Director(s)	Salary	Commission	Perquisites & Allowances	Contribution to PF Fund	Total
Mr. Neeraj Munjal	61.20	28.00	61.20	7.51	157.91
Mrs. Charu Munjal	16.70	31.77	15.03	2.00	65.50
Dr. Anil Kumar Gupta	15.60	–	15.76	2.06	33.42

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.

- b) *Commission is payable @2.00% of the net profits of the Company computed in accordance with the provisions of the Companies Act, 1956.
- c) Presently, the Company does not have Stock Option Scheme.

Details of Remuneration Paid to Non-Executive Directors

Name of Non-Executive Directors	Sitting fees			Total
	Board Meeting	Committee Meeting	Commission	
Mr. Sunil Kant Munjal	80,000	60,000	-	140,000
Mr. Bhagwan Dass Narang	80,000	200,000	266,666	546,666
Mr. Surrinder Lal Kapur	80,000	200,000	266,667	546,667
Dr. Vinayshil Gautam	80,000	200,000	266,667	546,667

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
2010-11	AGM	30.09.2011	Tivoli Garden Resort, Near Chattarpur Mandir, Chattarpur Road New Delhi-110030	11.00 A.M.	No
2011-12	AGM	25.09.2012	Tivoli Garden Resort, Near Chattarpur Mandir, Chattarpur Road New Delhi-110030	03:00 P.M.	No
2012-13	AGM	24.09.2013	Tivoli Garden Resort, Near Chattarpur Mandir, Chattarpur Road New Delhi-110030	11:00 A.M	YES Payment of commission not exceeding in the aggregate, 0.30% per annum of the company's net profit or Rs. 8.00 Lacs, whichever is minimum, to the non-executive directors of the Company as may be decided by the Board of Directors from time to time, for a period of 5 years commencing from April 01, 2013.

7. DISCLOSURES

- a) 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 32 of Notes to Accounts to the financial statements in the Annual Report.
- b) 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.
- c) 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.
- d) Presently, the Company does not have a Whistle Blower Policy. No personnel of the Company have been denied access to the Audit Committee.
- e) The Code of Conduct applicable to all Directors and employees of the Company has been posted on the Company's website. For the year under review, all Directors and senior management personnel of the Company have confirmed their adherence to the provisions of the said codes.

8. MEANS OF COMMUNICATION

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

9. GENERAL SHAREHOLDER INFORMATION

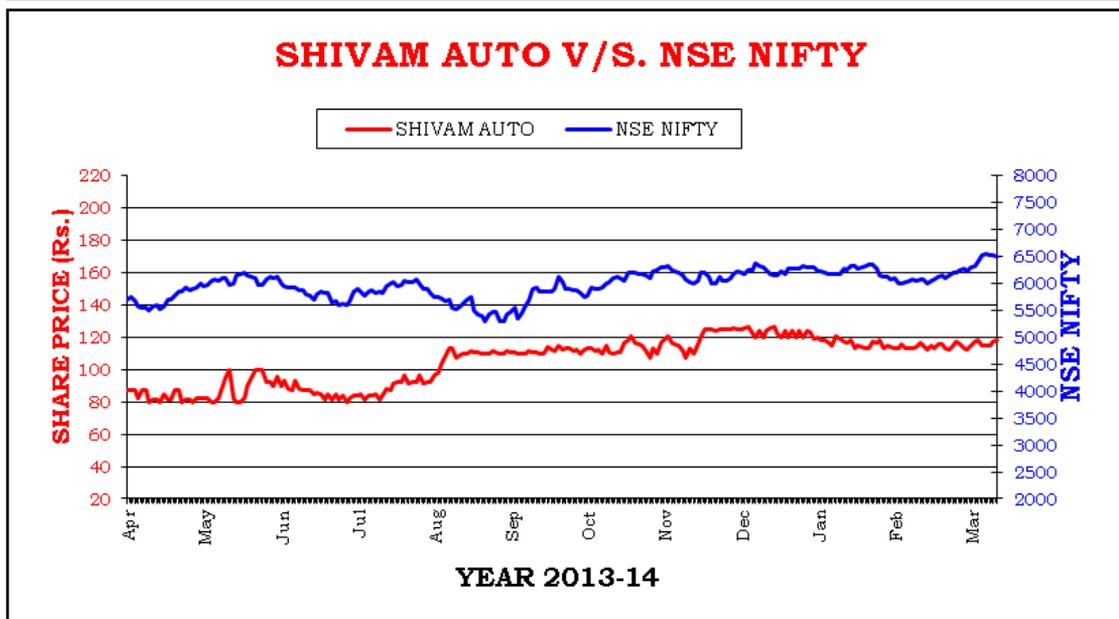
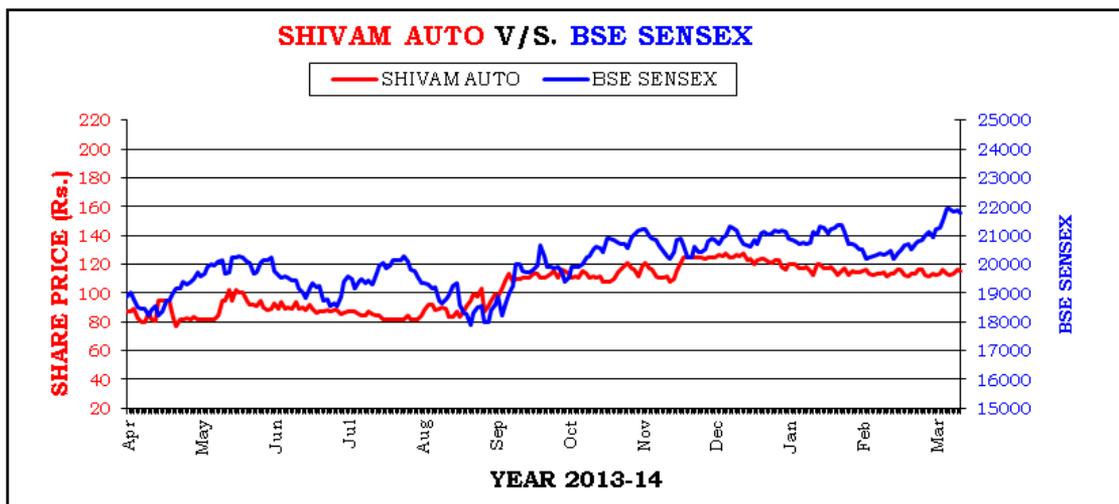
Annual General Meeting

Date	September 29, 2014
Day	Monday
Time	11:30 A.M.
Venue	Tivoli Garden Resort, Near Chattarpur Mandir, Chattarpur Road, New Delhi – 110030.
Financial Year	April 1 to March 31 i) First Quarter Results – third week of August ii) Second Quarter Results – third week of November. iii) Third Quarter Results – second week of February iv) Fourth Quarter Results – last week of May v) Audited Results for the year ended March 31, 2014 – May 2014
Dates of Book Closure	Monday, September 22, 2014 to Monday, September 29, 2014 (both days inclusive)
Dividend Payment Dates	Within 30 days of AGM
Listing on Stock Exchanges	BSE Limited The National Stock Exchange of India Limited The Annual Listing Fees for 2014-2015 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
Unclaimed Dividend	As provided in section 205A and 205C of the Companies Act, 1956, dividend for the financial year ended March 31, 2007 and thereafter, which remain unpaid or unclaimed for a period of 7 years, will be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government, and no payments shall be made in respect of any such claims by the (IEPF). The amount of unclaimed dividend of Rs. 400,613 (Rupees Four Lacs Six Hundred and Thirteen only) shall be transferred to IEPF by November 03, 2014.

MARKET PRICE DATA

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

Month	BSE LTD					National Stock Exchange (NSE)				
	High (Rs.)	Date	Low (Rs.)	Date	Monthly Volume	High (Rs.)	Date	Low (Rs.)	Date	Monthly Volume
Apr-13	95.00	26-04-13	80.00	09-04-13	2,309	87.00	05-04-13	80.05	10-04-13	2,347
May-13	101.85	31-05-13	76.60	03-05-13	7,333	103.75	30-05-13	64.40	27-05-13	10,146
Jun-13	100.20	04-06-13	88.05	17-06-13	18,890	100.10	03-06-13	87.00	27-06-13	14,156
Jul-13	92.00	01-07-13	84.00	29-07-13	10,552	87.00	03-07-13	81.00	30-07-13	592
Aug-13	92.35	30-08-13	81.00	14-08-13	1,182	85.00	28-08-13	80.10	06-08-13	527
Sep-13	93.45	11-09-13	81.10	20-09-13	3,501	92.00	26-09-13	84.00	04-09-13	6,506
Oct-13	114.85	30-10-13	87.60	01-10-13	11,334	98.00	04-10-13	113.65	22-10-13	17,799
Nov-13	115.85	08-11-13	108.00	27-11-13	7,188	115.00	20-11-13	110.00	19-11-13	7,212
Dec-13	126.00	24-12-13	108.25	18-12-13	22,058	128.85	26-12-13	107.50	18-12-13	15,668
Jan-14	132.30	13-01-14	114.00	30-01-14	14,806	131.00	13-01-14	114.05	30-01-14	8,188
Feb-14	122.00	04-02-14	112.00	11-02-14	24,139	123.00	06-04-14	112.30	14-02-14	8,286
Mar-14	129.00	31-03-14	106.05	12-03-14	29,104	129.80	31-03-14	110.20	12-03-14	19,412



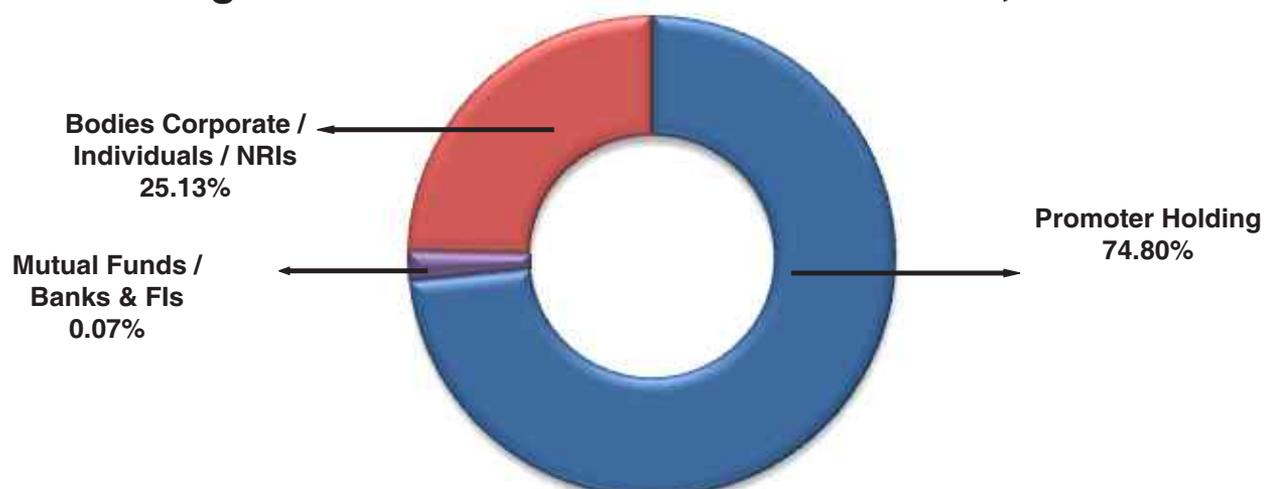
Distribution of Shareholding as on March 31, 2014

No. of shares held	No. of shareholders		No. of shares	
	Numbers	%	Numbers	%
Up to 500	6,307	92.96	705,582	7.06
501 – 1000	216	3.18	175,625	1.76
1001 – 2000	111	1.64	168,950	1.69
2001 – 3000	51	0.75	130,740	1.31
3001 – 4000	19	0.28	67,056	0.67
4001 – 5000	23	0.34	107,709	1.08
5001 – 10000	28	0.41	218,974	2.19
10001 – 50000	25	0.37	480,553	4.81
50001 – 100000	2	0.03	102,708	1.03
100001 & above	3	0.04	7,842,103	78.42
Total	6,785	100.00	10,000,000	100.00

Categories of Shareholders as on March 31, 2014

Categories	Holders (No.)	No. of shares held	% of shareholding
PROMOTER HOLDING			
Indian Promoters (Bodies Corporate)	1	7,479,595	74.80
Total Promoter Holding	1	7,479,595	74.80
PUBLIC HOLDING			
Institutions			
· Mutual Funds	4	2,100	0.02
· Banks & FI	5	4,891	0.05
Non-Institutions			
· Bodies Corporate	183	201,337	2.01
· Individuals	6,511	2,246,737	22.47
· NRIs	81	65,340	0.65
Total Public Holding	6,784	2,520,405	25.20
Grand Total	6,785	10,000,000	100.00

Categories of Shareholders as on March 31, 2014



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 March 31, 2014, 96.80% of the total Equity Capital is held in the demat form with NSDL and CDSL.

Physical and Demat Shares:

	As on 31/03/2014	%
No. of Shares held by NSDL	9,040,237	90.40
No. of Shares held by CDSL	639,641	6.40
Physical Shares	320,122	3.20
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 Convertible Instruments, Conversion Date and likely impact on Equity

Not Issued

Address for correspondence

Mr. Davendra Ujlayan
 VP - Finance & Company Secretary
 58th Km Stone, Delhi – Jaipur Highway
 Village – Binola, Gurgaon – 122 413
 Tel. Nos.: 011-49242100
 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, 2014, and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We are responsible for establishing and maintaining Internal Controls for financial reporting and that we have evaluated the effectiveness of Internal Control Systems of the Company pertaining to financial reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such Internal Controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit committee:
 - (i) Significant changes in Internal Control over financial reporting during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's Internal Control System over financial reporting.

Place: New Delhi
Date: May 30, 2014

sd/-
(NEERAJ MUNJAL)
Managing Director

sd/-
(DAVENDRA UJLAYAN)
VP – Finance &
Company Secretary

CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of
SHIVAM AUTOTECH LIMITED

We have examined all relevant records of SHIVAM AUTOTECH LIMITED (“the Company”) for the purposes of certifying compliances of the conditions of Corporate Governance under the revised Clause 49 of the Listing Agreement entered into with National Stock Exchange of India and BSE Limited (“Stock Exchanges”) for the Financial Year ended March 31, 2014.

The compliances 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 compliances of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

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.

Place: New Delhi
Date: August 06, 2014

For Satyender Kumar & Associates
Company Secretaries

Sd/-
Satyender Kumar
Proprietor
C.P. No. 5189

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 2013-14.

Sd/-
(NEERAJ MUNJAL)
MANAGING DIRECTOR

Place: New Delhi
Date: August 06, 2014

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, 2014.

S. No	Name and Qualification	Designation	Remuneration (Rs. in Lacs)	Exp. (Yrs)	Age (Yrs)	Date of Commencement of Employment	Previous Employment & Designation
1.	Mr. Neeraj Munjal B.Com, DIBM	Managing Director	157.91	26	47	01.04.2006	Munjal Auto Industries Ltd. Executive Director
2.	Mrs. Charu Munjal Diploma in Textile Designing	Whole time Director	65.50	10	42	28.05.2013	-

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. Mr. Neeraj Munjal, Managing Director and Mrs. Charu Munjal, Whole-Time Director are related to each other and are related to Mr. Satyanand Munjal, a Director of the Company.

ANNEXURE 'D' TO DIRECTORS' REPORT

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

(a) Conservation of Energy

For Company, Energy conservation has remained the major thrust area. The Company is taking measures for saving energy by optimum utilisation of the furnaces, using environment friendly fuels, reducing cycle time for forging units, focusing on hot billet utilisation of Induction heated lines and doing systematic maintenance of furnaces periodically.

The Company has made efforts to achieve unity power factor by managing plant wise load, using energy efficient motors in various equipment and LED lamps in place of conventional lighting systems. The measures have been taken to re-cycle water from effluent treatment plant for garden and reduce solid waste & adopt eco-friendly waste disposal system. We are conscious of our environmental impact across our operations and strive to reduce consumptions.

New ideas are being adopted across the shop floor, factory area and even in office premises to conserve and promote efficiency of operations. The Company sets its own targets for energy conservation, reviews performance and takes appropriate actions, wherever required, at various levels. Energy Audit is being conducted.

Power and Fuel Consumption	Year 2013-14	Year 2012-13
ELECTRICITY (KWH)		
a) PURCHASED		
Units (000)	33,987.58	29,405.81
Total Amount (Rs. '000)	199,645.09	162,234.26
Rate / Unit (Rs.)	5.87	5.52
b) OWN GENERATION		
Through Generator	3,802.85	5,202.05
Units (000) Fuel (HSD) Consumed (KL)	1,176.76	1,712.59
Unit/Ltr of Fuel	3.23	3.04
Cost of Fuel (HSD) (Rs. '000)	70,630.98	66,343.96
Cost/Unit (Rs.)	18.57	12.75

(b) Technology Absorption, Adaptation and innovation

Technology leadership is at the core of all R&D activities of the Company. Multidisciplinary teams of technologists, through a synergistic blend of knowledge, experience & hardwork are actively engaged in retaining Company's technological leadership. R&D has made vital contributions in product development, manufacturing, and also improved productivity & efficiency of the Company.

Development and improvement of products has been an inbuilt and ongoing activity within the existing manufacturing facilities. R&D activities of the Company helped in development of novel materials & technologies resulting into enhanced product quality and to improve process capabilities. These activities also enabled the Company to reduce process waste, lower the energy consumption and increase productivity.

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

The research and development is an ongoing exercise and suitable efforts will continue to be made in future. The company has derived benefits of cost reduction and better quality as a result of these efforts.

(c) Foreign Exchange Earnings and outgo

(Rs. In lacs)

		F.Y. ended on March 31, 2014
(a)	Total Foreign Exchange Earnings	173.87
(b)	Total Foreign Exchange Outgo	990.73

Independent Auditors' Report

To The Members of Shivam Autotech Limited

Report On the Financial Statements

We have audited the accompanying Financial Statements of **Shivam Autotech Limited** ("the Company") which comprises the Balance Sheet as at 31st March, 2014, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and Notes to the Financial Statements comprising of a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs) and in accordance with the Accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In case of balance sheet, of the state of affairs of the Company as at March 31, 2014;
- b) In case of statement of profit and loss, of the profit of the Company for the year ended on that date; and
- c) In case of cash flow statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditors' Report) Order, 2003 ('the Order') issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 2) As required by Section 227(3) of the Act, 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 purpose 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, statement of profit and loss and cash flow statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the balance sheet, statement of profit and loss and cash flow statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs).
 - e) On the basis of written representations received from the Directors, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act.

For S. S. KOTHARI MEHTA & CO.

Chartered Accountants
Firm Registration No.
000756N

Sunil Wahal

Partner
Membership No. 087294

Place: New Delhi
Date: May 30, 2014

ANNEXURE REFERRED TO IN THE INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SHIVAM AUTOTECH LTD ON THE ACCOUNTS FOR THE YEAR ENDED MARCH 31,2014

- (i) In respect of fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
 - (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) There were no substantial disposals of fixed assets during the year. .
- (ii) In respect of the Company's inventories:
- (a) As explained to us the Management has conducted physical verification of inventory at reasonable intervals during the year, except stocks lying with third parties which have been verified with reference to correspondence received from third parties.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us , the Company has maintained proper records of its inventories. The discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of accounts.
- (iii) The company has neither granted nor taken any loan, secured or unsecured, to/ from companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956. Accordingly clauses 4(iii) (b) to (d) and (f) & (g) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system..
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakh in respect of each party have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time where such market prices are available.
- (vi) According to the information and explanations given to us, the Company has not accepted any deposits from the public, within the meaning of Sections 58A and 58AA or any other relevant provisions of the Act including the Companies (Acceptance of Deposits) Rules, 1975.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the cost accounting records maintained by the Company pursuant to the Rules made by the Central Government under section 209(1)(d) of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made detailed examination of cost records with a view to determine whether they are accurate or not.
- (ix) According to the information and explanations given to us in respect of statutory dues:

- (a) The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Service tax, Customs Duty, Excise Duty, Cess and other material statutory dues with the appropriate authority.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Wealth-tax, Service-tax, Sales-tax, Customs Duty, Excise Duty, Cess and other undisputed statutory dues in arrears as at March 31, 2-014 for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, details of dues of Income-tax, Sales-tax, Wealth-tax, Service-tax, Customs Duty, Excise Duty and Cess which have not been deposited on account of any disputes and the forum where the dispute is pending, are as follows:

(b) According to the information & explanations given to us and as per the books and records examined by us, there

S. No	Name of the Statute	Nature of Dues	Amount (Rs. Lacs)	Period to which the amount relates	Forum where the dispute is pending
1.	Income Tax Act, 1961	Demand raised on assessment	6.45	A.Y 2008-09	Commissioner of Income Tax (Appeals), New Delhi
2.	Central Excise Act, 1944	Cenvat Credit disallowance on input services	18.11	A.Y 2002-12	Commissioner of Central Excise (Appeals), Gurgaon

- (x) The Company has no accumulated losses as at the end of the financial year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- (xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- (xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments and hence related reporting requirement of the Order are not applicable.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, term loans were applied for the purpose for which the loans were obtained, where such end use has been stipulated by the lender(s).
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet, cash flow statement and other records examined by us, we report that the funds raised on short - term basis have, prima facie, not been used during the year for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Act.
- (xix) According to the information and explanations given to us, during the period covered by our audit report, the Company has created securities in respect of debentures.
- (xx) During the period covered by our audit report, the Company has not raised any money by way of public issue.
- (xxi) To the best of our knowledge and according to the information and explanations given to us we report that no fraud on or by the Company has been noticed or reported during the year.

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

Sunil Wahal
 Partner
 Membership No. 087294

Place: New Delhi
 Date: May 30, 2014

Balance Sheet as at 31st March, 2014

(Figures in Rs. Lacs)

Particulars	Note No.	As at 31 st March 2014	As at 31 st March 2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	1,000.00	1,000.00
Reserves and Surplus	4	15,110.52	12,793.76
Total shareholders' fund		16,110.52	13,793.76
Non-current liabilities			
Long-term borrowings	5	2,969.52	4,366.19
Deferred tax liabilities (net)	6	1,157.89	1,106.14
Long-term provisions	7	166.36	100.79
Total non - current liabilities		4,293.77	5,573.12
Current liabilities			
Short-term borrowings	8	5,908.99	4,985.23
Trade payables	9	4,387.80	4,066.06
Other current liabilities	10	4,103.80	4,626.39
Short-term provisions	7	539.82	515.41
Total current liabilities		14,940.41	14,193.09
TOTAL		35,344.69	33,559.97
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	11	22,809.09	24,142.76
Intangible assets	11	101.64	23.33
Capital work-in-process		73.05	-
Long-term loans and advances	12	1,602.19	868.02
Total non - current assets		24,585.97	25,034.11
Current assets			
Inventories	13	6,280.82	5,377.25
Trade receivables	14	2,946.82	2,412.14
Cash and cash equivalents	15	50.63	63.80
Short-term loans and advances	12	1,427.11	672.67
Other current assets	16	53.34	-
Total Current assets		10,758.72	8,525.86
TOTAL		35,344.69	33,559.97

Significant Accounting Policies

1

The accompanying notes form an integral part of these financial statements

As per report of even date

for **S.S. Kothari Mehta & Co.,**
Chartered Accountants

For & on behalf of the Board

Sunil Wahal
Partner
Membership No. : 087294
Place: New Delhi
Date: May 30, 2014

Neeraj Munjal
Managing Director
DIN : 00037792

Anil Kumar Gupta
Director
DIN : 02643623

Davendra Ujlayan
VP- Finance & CS
M. No.: 8125

Statement of Profit & Loss for the year ended 31st March, 2014

(Figures in Rs. Lacs)

Particulars	Note No.	As at 31 st March 2014	As at 31 st March 2013
Revenue			
Revenue from operations	17	40,938.65	38,319.83
Less: Excise Duty		2,058.91	2,031.67
		<u>38,879.74</u>	<u>36,288.16</u>
Other Operating Income	17	979.49	880.97
Other income	18	19.65	7.99
Total Revenue		<u>39,878.88</u>	<u>37,177.12</u>
Expenses :			
Cost of Raw material consumed	19	13,057.97	11,766.84
Job Work on Components		3,593.56	3,088.81
Store Consumable		4,663.29	4,728.06
(Increase) / Decrease in finished goods and work in progress	20	(197.17)	(92.12)
Employee benefit expenses	21	3,313.40	2,885.66
Financial expenses	22	2,045.89	2,482.30
Depreciation and amortisation	23	3,090.92	3,077.00
Other expenses	24	7,416.03	6,065.63
Total expenses		<u>36,983.89</u>	<u>34,002.19</u>
Profit before tax		2,894.99	3,174.93
Tax Expense			
Current tax		606.81	635.24
Mat credit entitlement		(606.81)	(124.30)
Deferred tax charge/(credit)		51.75	(157.48)
Profit/(loss) for the year		<u>2,843.24</u>	<u>2,821.47</u>
Earning Per Share			
(Nominal value of equity share Rs. 10/-)	25		
Basic		28.43	28.21
Diluted		28.43	28.21

Significant Accounting Policies

1

The accompanying notes form an integral part of these financial statements
As per report of even date

for **S.S. Kothari Mehta & Co.,**
Chartered Accountants

For & on behalf of the Board

Sunil Wahal
Partner
Membership No. : 087294
Place: New Delhi
Date: May 30, 2014

Neeraj Munjal
Managing Director
DIN : 00037792

Anil Kumar Gupta
Director
DIN : 02643623

Davendra Ujlayan
VP- Finance & CS
M. No. 8125

Cash flow statement for the year ended 31st March 2014

	Year ended 31.03.2014 Rs. In Lacs	Year ended 31.03.2013 Rs. In Lacs
Operating activities		
Profit before tax	2,894.99	3,174.94
Add:		
Depreciation	3,090.92	3,077.00
Net loss on fixed asset sold / discarded	6.05	5.48
Interest on deposits	(0.32)	(2.49)
Interest paid	2,045.89	2,090.73
Operating profit before working capital changes	8,037.53	8,345.66
Working capital changes		
Trade receivables	(534.68)	426.32
Inventories	(903.57)	(145.17)
Loans and advances/ Other current assets	(891.91)	592.55
Liabilities & Provisions	458.25	(317.15)
Cash from operations	6,165.62	8,902.21
Direct taxes paid (net of refund)	(650.04)	(632.08)
Net cash from operating activities	5,515.57	8,270.13
Investing activities		
Purchase of fixed assets	(1,918.27)	(1,499.38)
Proceeds from sale of fixed assets	3.60	264.16
Interest on deposits	0.32	2.49
Net cash (used in)/ from investing activities	(1,914.35)	(1,232.73)
Financing activities		
Proceeds/(repayment) from short term borrowings - net	923.76	(1,384.30)
Repayments of borrowings	(2,024.29)	(3,043.05)
Dividend paid	(400.00)	(320.00)
Tax on dividend	(67.98)	(51.91)
Interest paid	(2,045.89)	(2,235.49)
State sales tax subsidy	-	27.68
Net cash used in financing activities	(3,614.40)	(7,007.07)
Net (decrease)/increase in cash or cash equivalents	(13.17)	30.33
Cash or cash equivalents at beginning of the year	63.80	33.47
Cash or cash equivalents at the end of the year	50.63	63.80
Notes:		
1. The above cash flow statement has been prepared under the 'Indirect Method' as set out in Accounting Standard - 3 'Cash Flow Statement'		
2. Cash and cash equivalents:		
Cash and cash equivalents as above	21.53	39.01
Other bank balances	29.10	24.79
Cash & bank balances	50.63	63.80

As per our report of even date
for **S.S. Kothari Mehta & Co.**,
Chartered Accountants

For & on behalf of the Board

Sunil Wahal
Partner
Membership No. : 087294
Place: New Delhi
Date: May 30, 2014

Neeraj Munjal
Managing Director
DIN : 00037792

Anil Kumar Gupta
Director
DIN : 02643623

Davendra Ujlayan
VP- Finance & CS
M. No. : 8125

NOTES TO THE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED 31st MARCH, 2014

1 SIGNIFICANT ACCOUNTING POLICIES

Background

SHIVAM AUTOTECH LIMITED (the 'Company') was established in the year 1999, and was initially known as Munjal Auto Components till July, 2005. The Company got converted to a separate Public Limited Company w.e.f. 29th July, 2005. In pursuant to the scheme of Demerger arrangement, the Gurgaon Unit was transferred to Shivam Autotech Limited on 1st August, 2005. The Company has been engaged in the manufacturing of Near-Net- Shaped, auto transmission components mainly for Original Equipment Manufacturers (OEMs). The product range includes various types of transmission gears, transmission shafts, spline shafts, plunger, power train components, and employing cold/warm/hot forging techniques. The Company has two state-of-the-art manufacturing facilities, located at Gurgaon & Haridwar. The Company's new plant in Haridwar was commissioned in April, 2009 and is equipped with modern and state of art facilities. The main advantage of cold/ warm forging technology, which is being used to manufacture near net shaped components, are high production rates, better dimensional accuracies, excellent surface finish, substantial savings in material with minimized machining and having superior mechanical and metallurgical properties. The Company is listed on the National Stock Exchange and BSE Limited.

2. Significant accounting policies

I. Basis of Preparation of financial statements

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The financial statements have been prepared to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended and as applicable from time to time) read with General Circular No. 15/2013 dated 13th September, 2013 and General Circular No. 8/2014 dated 4th April 2014 issued by Ministry of Corporate Affairs and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention on going concern basis.

II. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual result and estimates are recognized in the period in which the results are known/ materialized.

III. Fixed Assets

a. Tangible assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Costs include costs of acquisitions or constructions, including incidental expenses thereto and other attributable costs of bringing the asset to its working condition for its intended use and are net of available duty/tax credits.

b. Intangible assets

Intangible assets are recognized on the basis of recognition criteria as set out in Accounting Standard (AS-26) "Intangible assets".

c. Expenditure during construction period

Expenditure related to and incurred during implementation of new/expansion projects is included under capital work -in-progress and the same is allocated to the respective Fixed Assets on completion of its construction/ erection. Interest on borrowing costs relating to the qualifying asset is worked out on the basis of actual utilisation of funds out of project specific loan and/ or other borrowings to the extent identifiable with the qualifying asset and are capitalised with the cost of qualifying assets.

IV. Depreciation/amortisation

Depreciation is provided on fixed assets over the useful lives of the assets estimated by the management, which are equivalent to the rates prescribed in Schedule XIV to the Companies Act, 1956. The following methods of depreciation are used by the Company for fixed assets:

Plant and machinery :	Straight Line Method.
Leasehold land:	Amortised over the period of lease
Intangible assets:	Amortised over a period of four years on a Straight line basis.
Remaining fixed assets:	Straight Line Method.

Fixed assets costing Rs. 5000/- or less are fully depreciated in the year of acquisition.

V. Impairment of assets

The carrying amount of assets is reviewed for impairment at each balance sheet date wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which the asset's carrying amount exceeds its recoverable amount being the higher of the assets net selling price and its value in use. Value in use is based on the present value of the estimated future cash flows relating to the asset. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (i.e. cash generating units).

Previously recognized impairment losses are reversed where the recoverable amount increases because of favourable changes in the estimates used to determine the recoverable amount since the last impairment was recognized. A reversal of an asset's impairment loss is limited to its carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized in prior years.

VI. Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

VII. Borrowing costs

Borrowing cost related to a qualifying asset is worked out on the basis of actual utilization of funds project specific loans and/or other borrowings to the extent identifiable with the qualifying asset and is capitalized with the cost of qualifying asset. Other borrowing costs incurred during the period are charged to statement of profit and loss.

VIII. Segment reporting

Identification of segments

The Company's operating businesses are organized and managed separately according to the nature of products manufactured and services provided, with each segment representing a strategic business unit that offers different products. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

IX. Employee benefits

- Employee benefits in the form of the Company's contribution to provident fund, pension fund and ESI are considered as defined contribution plan and charged to the statement of profit and loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contributions payable to the respective funds.
- Retirement benefits in the form of gratuity are defined benefit plans. Gratuity is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- Short term compensated absences are provided for based on estimates. Long term compensated absences are

provided for based on actuarial valuation at the year end. The actuarial valuation is done as per projected unit credit method.

- d. Actuarial gains/losses are immediately taken to statement of profit and loss.

X. Valuation of inventories

- a. Finished goods are valued at lower of cost or net realizable value. Scrap is valued at net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.
- b. Work in progress is valued at lower of cost or net realizable value. Cost is determined on average basis.
- c. Stores, spares and raw materials are valued at lower of cost or net realizable value. However materials & other items held for use in the production of inventories are not written below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of purchases is assessed on first in first out (FIFO) method.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

- d. Excise duty liability on finished goods lying in the factory is accounted for and the corresponding amount is considered for the valuation thereof.

XI. Tools & dies

The consumable tools & dies are charged to statement of profit & loss in the year they are put to use.

XII. Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined for each category separately. Long-term investments are carried at cost on individual investment basis. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments in case of long term investments.

XIII. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

a. Sale of goods

Sales is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and sales is inclusive of excise duty but net of returns, rebates and value added tax (VAT). Materials returned/rejected are accounted for in the year of return/rejection. Excise Duty deducted from turnover (gross) is the amount that is included in the amount of turnover (gross) and not the entire amount of liability arising during the year.

b. Dividends

Dividend is recognized when the shareholders' right to receive payment is established by the balance sheet date.

c. Insurance claim

Claims lodged with the insurance companies are accounted on accrual basis to the extent these are measurable and ultimate collection is reasonably certain.

XIV. Foreign currency transactions

a. Initial recognition

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

b. Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

c. Exchange differences

Exchange differences arising on the settlement of monetary items, or on reporting such monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

d. Forward exchange contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

XV. Income taxes

Tax expense comprises of current and deferred. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognises unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised. The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

XVI. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity

shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split, and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

XVII. Provisions, contingent liabilities and contingent assets

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are shown by way of notes to accounts in respect of obligations where based on the evidence available, their existence at the balance sheet date is considered not probable. Contingent assets are not recognized in the accounts nor disclosed.

XVIII. Leases

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the Company is the lessor

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

XIX. Cash and cash equivalents

Cash and cash equivalents consist of cash, bank balances in current account and short-term highly liquid investments that are readily convertible to cash with original maturities of three months or less at the time of purchase.

Notes to the Financial Statement

3 SHARE CAPITAL

	As on 31 st March 2014		As on 31 st March 2013	
	Number	Amount Rs. Lacs	Number	Amount Rs. Lacs
Authorized				
Equity Share of Rs. 10 each	12,600,000	1,260.00	12,600,000	1,260.00
	<u>12,600,000</u>	<u>1,260.00</u>	<u>12,600,000</u>	<u>1,260.00</u>
Issued, Subscribed and Paid-up				
Equity shares of Rs. 10 each	10,000,000	1,000.00	10,000,000	1,000.00
Total Share Capital	<u>10,000,000</u>	<u>1,000.00</u>	<u>10,000,000</u>	<u>1,000.00</u>

Reconciliation of the number of shares outstanding-

	Number As on 31 st March 2014	Number As on 31 st March 2013
Equity Shares outstanding as at the beginning of the year	10,000,000	10,000,000
Issued during the year	-	-
Equity Shares outstanding as at the close of the year	10,000,000	10,000,000

Rights, restrictions and preferences attached to each class of Shares

The company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares dividends in Indian rupees. The dividend proposed by the board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

Amount of per share dividend recognized as distributions to equity shareholders is Rs. 4.50 (previous year Rs. 4).

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of the preferential amount, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	As on 31 st March 2014		As on 31 st March 2013	
	Number	Amount % holding	Number	Amount % holding
Name of shareholder				
Dayanand Munjal Investments Pvt Ltd (holding company) (Equity Shares of Rs. 10 each fully paid up)	7,479,595	74.80%	7,479,595	74.80%

4 RESERVES AND SURPLUS

	As on 31 st March 2014 Rs. Lacs	As on 31 st March 2013 Rs. Lacs
General reserve		
Opening balance	4,168.62	3,868.62
Add: Transferred from statement of profit & loss	300.00	300.00
Closing balance	<u>4,468.62</u>	<u>4,168.62</u>
Capital redemption reserve		
Opening balance	5.00	5.00
Add: Transferred from statement of profit & loss	-	-
Closing balance	<u>5.00</u>	<u>5.00</u>
Sales tax subsidy from the government of Haryana		
Opening balance	672.54	644.86
Add: Addition during the year	-	27.68
Closing balance	<u>672.54</u>	<u>672.54</u>

Surplus/ (deficit) in the statement of profit and loss

Opening balance	7,947.60	5,894.10
Add: Profit for the year	2,843.24	2,821.48
Less: Appropriations		
Transfer to general reserve	300.00	300.00
Proposed dividend on equity shares	450.00	400.00
Dividend distribution tax	76.48	67.98
Closing balance	9,964.36	7,947.60

Total	15,110.52	12,793.76
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	As on 31 March 2014 Rs. Lacs	Charge/(Credit during the year) Rs. Lacs	As on 31 March 2013 Rs. Lacs
6 Deferred tax liabilities (net)			
A. Deferred tax liabilities	1,216.12	61.89	1154.23
Difference between book and tax depreciation			
B. Deferred Tax Assets			
Disallowance u/s 43-B of the Income Tax Act, 1961	58.23	(10.14)	48.09
	<u>1,157.89</u>	<u>51.75</u>	<u>1,106.14</u>

	As on 31 March 2014		As at 31 March 2013	
	Short term Rs. Lacs	Long term Rs. Lacs	Short term Rs. Lacs	Long term Rs. Lacs
7 Provisions				
Provision for employee benefits				
Gratuity	0.70	21.73	14.97	10.15
Leave encashment	12.63	144.63	32.46	90.64
Other provisions				
Proposed dividend (including dividend distribution tax)	526.49	-	467.98	-
Total	539.82	166.36	515.41	100.79

	As on 31 st March 2014 Rs. Lacs	As on 31 st March 2013 Rs. Lacs
8 Short term borrowings		
Loans repayable on demand - from banks on cash credit (secured)	5,908.99	4,985.23
Total	5,908.99	4,985.23

Details of Securities

- (i) Cash credit from IDBI Bank having outstanding balance of Rs. 40.50 Lacs (P Y Rs. 875.73 lacs) and Axis Bank having outstanding balance Rs.277.95 Lacs (P Y Rs. 660.83 lacs) at Binola is secured by first Pari Pasu charge on current assets of the company.
- (ii) Cash credit from Karnataka Bank having outstanding balance of Rs. 526.55 Lacs (previous year NIL) at Binola is secured as first charge on entire current assets of the company (Both Present and future and second charge on the machineries proposed to be purchased out of Term Loan of Rs. 10 Crores for Binola Plant.
- (iii) Cash credit from Punjab National Bank having outstanding balance of Rs. 2392.21 lacs (P Y Rs. 2422.68 lacs) and IDBI Bank Ltd. having an outstanding balance of Rs. 174.02 Lacs (P Y Rs.154.84 lacs) is secured by first pari passu charge on the current assets of Haridwar Plant along with the other working capital bankers.
- (iv) Cash credit from Ing Vysya Bank Limited having outstanding balance or Rs 2497.76 lacs (P Y Rs. 871.15 lacs) is secured by first pari passu charges on the current asset of binola plant along with the other working capital bankers.
- (v) The interest rate for the above cash credit varies from 11.5% to 12.75% (P Y 12% to 14%).

9 Trade payables	As on 31 st March 2014 Rs. Lacs	As on 31 st March 2013 Rs. Lacs
Trade payables*	4,387.80	4,066.06
Total	4,387.80	4,066.06

* Status of vendors as defined under the Micro, Small and Medium Enterprises (Development) Act, 2006 ("the act") has not been received so far, so the disclosure requirement for balance outstanding, interest paid/payable as at the year end as required by the MSME Act has not been given.

10 Other current liabilities	As on 31 st March 2014 Rs. Lacs	As on 31 st March 2013 Rs. Lacs
Current maturities of long-term borrowings (Refer Note 4)	2,828.75	3,456.37
Advance from customers	513.26	382.74
Unpaid dividend*	29.10	24.79
Interest accrued but not due on borrowings	59.38	4.47
Other payables		
Withholding & other taxes	142.37	114.20
Expenses	525.13	599.23
Security deposits	1.45	8.65
Retention money	4.35	35.94
*This amount does not include amount to be credited to Investor Education and Protection Fund		
Total	4,103.80	4,626.39

5 Long term borrowings

Particulars	As on 31 March 2014			As on 31 March 2013		
	Non Current Rs. lacs	Current Rs. lacs	Total Rs. lacs	Non-Current Rs. lacs	Current Rs. lacs	Total Rs. lacs
Secured						
Term Loans						
Rupee loan from Banks	1,636.19	2,162.08	3,798.27	3,016.19	3,456.37	6,472.56
Unsecured						
Hero Fincorp Limited	1,333.33	666.67	2,000.00	1,350.00	-	1,350.00
Total	2,969.52	2,828.75	5,798.27	4,366.19	3,456.37	7,822.56
Amount disclosed under the head "Other Current Liabilities" Refer Note No - 9 as :						
Current Maturities of Long-Term Debts		(2,828.75)	(2,828.75)		(3,456.37)	(3,456.37)
Total	-	(2,828.75)	(2,828.75)	-	(3,456.37)	(3,456.37)
Net Amount	2,969.52	-	2,969.52	4,366.19	-	4,366.19

(i) Term Loan from IDBI Bank Ltd having outstanding balance of Rs. 192.19 lacs (p. y. Rs. 564.06 lacs) is secured by exclusive charge on the fixed assets created under expansion project.

(ii) Term loan from Axis Bank having outstanding balance of Rs. 724.73 lacs (p. y. Rs. 1,564.16 lacs) are secured by exclusive charge on specific movable machineries of Binola Plant.

(iii) Term loan availed from Karnataka Bank having outstanding balance of Rs. 635.79 lacs (p. y. Rs. NIL) is secured against Hypothecation of Machineries already purchased & to be purchased out of facility.

(iv) Term loans availed for Haridwar Plant from Punjab National Bank having outstanding balance of Rs. 1986.67 lacs (p. y. Rs. 3,999.17 lacs) is having pari passu charge over the entire Fixed assets of Haridwar plant both present and future.

(v) Term Loan availed from ING Vyasa Bank having outstanding balance of Rs. 258.88 lacs (p. y. Rs 345.17 lacs) is having first pari passu charge by way of hypothecation on entire fixed assets of the plants situated at Haridwar, both present and future.

(vi) The interest rate for the above Term Loan varies from 11.50% to 13.50 % (p. y. 11% to 13.50%).

Terms of Repayment

Binola Plant	O/S as on 31 March		Yearly repayment schedule			
	2014	2014-15	2015-16	2016-17	2017-18	2018-19
Banks						
IDBI	192.19	192.19	-	-	-	-
AXIS BANK	724.73	494.85	156.00	78.35	-	-
Hero Fin Corp Limited	2,000.00	666.67	666.67	666.67	-	-
Karnataka Bank Limited	152.53	125.00	27.53	-	-	-
Total	3,069.45	1,478.71	850.20	745.01	-	-
Haridwar Plant						
Banks						
Punjab national bank	1,986.67	1,138.75	847.92	-	-	-
Ing vysya Bank Limited	258.88	86.29	86.29	86.29	-	-
Total	2,245.55	1,225.04	934.21	86.29	-	-
Manesar Plant						
Banks						
Karnataka Bank Limited	483.26	125.00	250.00	108.26	-	-
Total	483.26	125.00	250.00	108.26	-	-
Grand Total	5,798.27	2,828.75	2,034.41	939.57	-	-

12 Loans and advances (unsecured considered good)	As on		As at	
	31 March 2014		31 March 2013	
	Short term	Long term	Short term	Long term
	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs
Capital advances	128.25	-	45.18	-
Security deposits	-	198.53	-	176.54
Prepaid expenses	-	80.86	-	73.53
Advance to suppliers/contractors	-	816.69	-	263.95
Advance to employees	-	32.92	-	12.19
Balances with statutory authorities	-	298.11	-	146.46
Advance tax and tax deducted at source {Net of provision Rs. 2936.26 lacs (p y Rs. 2330.37 lacs)}	107.12	-	62.87	-
MAT credit entitlement	1,366.82	-	759.97	-
Total	1,602.19	1,427.11	868.02	672.67

13 Inventories (As taken verified and certified by the management)	For the Year ended	For the Year ended
	31 st March 2014	31 st March 2013
	Rs. Lacs	Rs. Lacs
Raw materials	1,366.91	950.93
Work - in - process	1,946.39	1,874.47
Finished goods	385.09	237.49
Stores & spares	2,575.95	2,285.52
Others	6.48	28.84
Total	6,280.82	5,377.25

14 Trade receivables (Unsecured, considered good unless otherwise stated)	As on	As on
	31 st March 2014	31 st March 2013
	Rs. Lacs	Rs. Lacs
Outstanding for a period exceeding six months from the due date		
Considered good	101.70	17.27
Considered doubtful	-	-
Less: Provision for doubtful debts	-	-
Outstanding for a period less than six months from the due date		
Considered good	2,845.12	2,394.87
Total	2,946.82	2,412.14

15 Cash and cash equivalents	As on	As on
	31 st March 2014	31 st March 2013
	Rs. Lacs	Rs. Lacs
Cash and bank balances		
Bank balances	14.79	33.81
Cash in hand	6.74	5.20
	21.53	39.01
Other bank balances		
Earmarked for unpaid dividend	29.10	24.79
	29.10	24.79
Total	50.63	63.80

	For the Year ended 31 st March 2014 Rs. Lacs	For the Year ended 31 st March 2013 Rs. Lacs
16 Other Current Asset		
Unbilled revenue	53.34	-
Total	53.34	-
17 Revenue from operations		
Sale of products (finished goods)	40,938.65	38,319.83
Other operating revenue	979.49	880.97
Total	41,918.14	39,200.80
18 Other income		
Interest income	0.32	2.49
Net gain of foreign exchange	13.01	1.64
Other non operating income	6.32	3.86
Total	19.65	7.99
19 Cost of raw material and components consumed		
Opening balance of the raw material inventory	950.93	1,222.15
Add : Purchases during the year	13,473.95	11,495.61
	14,424.88	12,717.76
Closing balance of the raw material inventory	1,366.91	950.93
Total	13,057.97	11,766.84
20 (Increase) / decrease In finished goods and work - in - progress		
Opening balance of the Inventories		
Work - in - process	1,874.47	1,818.99
Finished goods	237.49	222.84
Process scrap	28.84	6.85
	2,140.79	2,048.68
Less:		
Closing balance of the Inventories		
Work - in - process	1,946.39	1,874.47
Finished goods	385.09	237.49
Process scrap	6.48	28.84
	2,337.96	2,140.79
Net	(197.17)	(92.12)

	For the Year ended 31 st March 2014 Rs. Lacs	For the Year ended 31 st March 2013 Rs. Lacs
21 Employee benefit expenses		
Salaries, wages, allowances & commission	2,667.82	2,276.60
Contribution to gratuity, provident and other funds	187.93	173.55
Staff welfare expenses	347.61	318.72
Retirement benefit	110.04	116.79
Total	3,313.40	2,885.66
22 Finance cost		
Interest on term loans	880.40	1,095.02
Interest on cash credit	713.24	855.74
Interest others (including cash discount)	312.79	420.98
Bank & other charges	139.46	110.56
Total	2,045.89	2,482.30
23 Depreciation and amortization expense		
Depreciation of tangible assets	3,076.04	3,064.86
Depreciation of intangible assets	14.88	12.14
Total	3,090.92	3,077.00
24 Other expenses		
Power and fuel consumption	2,702.76	2,285.78
Packing material consumption	62.39	51.25
Repair and maintenance		
Machinery repairs	369.72	328.35
Building repairs	164.16	138.92
Vehicle repairs	140.08	114.04
Other repairs	48.58	3.13
Lease rent	131.84	95.80
Wages to contractors	2,727.41	2,207.02
Rates and taxes	14.33	9.02
Charity and donation	10.48	9.10
Insurance	151.13	140.98
Payment to auditor (Refer details below)	8.04	7.56
Legal and professional	100.79	48.38
Traveling and conveyance	341.76	257.87
Printing and stationery	39.59	42.22
Postage, telegram and telephones	35.37	35.30
Selling expenses	55.63	35.26
Board & secretarial expenses	25.07	26.19
Security expenses	90.52	72.11

Freight and forwarding charges	35.87	35.97
Excise duty difference on stocks of finished goods (net)	12.35	(0.59)
Loss on sale of fixed assets	6.05	5.48
Foreign exchange fluctuation	-	16.22
Miscellaneous expenses	142.11	100.27
Total	7,416.03	6,065.63
Payment to Auditor		
As Auditor		
- Audit Fee	6.08	6.00
- Limited Review	1.00	1.00
- Reimbursement of expenses	0.96	0.56
	8.04	7.56
25 Earning per share	For the Year ended 31st March 2014 Rs. Lacs	For the Year ended 31st March 2013 Rs. Lacs
Net profit for calculation of basic and diluted EPS (Rs. in lacs)	2,843.24	2,821.47
Total number of equity shares outstanding at the end of the year	10000000	10000000
Weighted average number of equity shares in calculating basic and diluted EPS and diluted EPS	10000000	10000000
Basic and diluted EPS (Rs.)	28.43	28.21

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH 2014
26. Contingent liabilities and commitments outstanding:

Contingent Liabilities not provided for in respect of:- Description	As on 31 st March 2014 Rs. in Lacs	As on 31 st March 2013 Rs. in Lacs
a) Letter of credit opened by banks	1,063.67	1038.16
b) Disputed Excise Duty and Other demands	18.12	111.91
c) Income tax demands where the cases are pending at various stages of appeal with the authorities	7.37	6.45

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

II Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)

2,052.22	69.34
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III Other Commitments

-	-
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27. There are no present obligations requiring provision in accordance with the guiding principles as enunciated in Accounting Standard AS 29-"Provisions, Contingent Liabilities and Contingent Assets " as it is not probable that an outflow of resources embodying economic benefits will be required.
28. In the opinion of Board, current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they stated and provision for all known liabilities has been made and considered adequate.
29. Expenditure on insurance includes Rs. **6.31 Lacs** (Previous Year Rs. 6.30 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.
30. **Employee Benefits in accordance with Accounting Standard (AS-15)**

A. Gratuity and Leave Encashment
Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following tables summaries the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.

(Rs. In lacs)

Particulars	As on 2013-14	As on 2013-14	As on 2012-13	As on 2012-13
Change in present value of the defined obligation	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
- Present value of obligations as at 01.04.2013	230.08	123.09	156.81	90.21
- Interest Cost	18.41	9.84	12.54	7.22
-Past Service Cost	-	-	-	-
- Current Service Cost	40.85	31.85	36.59	25.88
- Benefits Paid	(12.64)	(28.93)	(12.89)	(14.54)
- Actuarial loss on obligations	5.60	21.41	37.03	14.33
Present value of obligations as at 31.03.2014	282.30	157.26	230.08	123.10

(Rs. In lacs)

Particulars	As on 2013-14	As on 2013-14	As on 2012-13	As on 2012-13
Changes in fair value of plan assets	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
- Fair value of plan assets at the beginning of the year	204.96	-	142.58	-
- Acquisition adjustment	-	-	-	-
- Expected return on plan assets	17.93	-	13.19	-
- Contributions	49.61	-	58.47	-
- Benefits paid	(12.64)	-	(12.89)	-
- Actuarial gain/(loss) on plan assets	0.01	-	3.61	-
Fair value of plan assets at the end of the year	259.87	-	204.96	-

(Rs. In lacs)

Particulars	As on 2013-14	As on 2013-14	As on 2012-13	As on 2012-13
Liability recognized in Balance Sheet	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
- Present value of obligations at the end of the year	282.30	157.26	230.08	123.10
- Fair value of plan assets as at the end of the year	259.87	-	204.96	-
- Funded Status / Difference	(22.44)	(157.26)	(25.12)	(123.10)
- Excess of actual over estimated	0.01	-	3.61	-
- Unrecognized Actuarial (Gain). Loss	-	-	-	-
- Net Assets/ (Liabilities) recognized in Balance Sheet	(22.44)	(157.26)	(25.12)	(123.10)

(Rs. In lacs)

Particulars	As on 2013-14	As on 2013-14	As on 2012-13	As on 2012-13
Expenses recognized in Statement of Profit and Loss Account	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
- Current Service Cost	40.85	31.85	36.59	25.88
- Past Service Cost	-	-	-	-
- Interest Cost	18.40	9.85	12.54	7.22
- Expected return on Plan assets	(17.93)	-	(13.18)	-
- Net Actuarial (Gain). Loss recognized during the year	5.60	21.40	33.41	14.33
Total Expenses	46.92	63.10	69.36	47.43

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

Gratuity

(Rs. In lacs)

Particulars	As on 2013-14	As on 2012-13	As on 2011-12	As on 2010-11	As on 2009-10
Defined benefit obligation	282.30	230.08	156.81	126.81	69.83
Plan Assets	259.87	204.96	142.58	137.41	77.87
Surplus/ (deficit)	(22.44)	(25.12)	(14.23)	10.60	8.04
Experience adjustment on plan assets	(1.01)	4.68	(0.89)	7.80	(4.71)
Experience adjustment on plan liabilities	(5.35)	(36.60)	1.60	(25.57)	0.17

Leave encashment

(Rs. In lacs)

Particulars	As on 2013-14	As on 2012-13	As on 2011-12	As on 2010-11	As on 2009-10
Defined benefit obligation	157.26	123.10	90.21	76.21	49.25
Plan Assets	-	-	-	-	-
Surplus/ (deficit)	(157.26)	(123.10)	(90.21)	(76.21)	(49.25)
Experience adjustment on plan assets	-	-	-	-	-
Experience adjustment on plan liabilities	(21.16)	(14.04)	(21.88)	(19.69)	(0.04)

The principal assumptions used in determining gratuity for the Company's plans are shown below:

(Rs. In lacs)

Particulars	As on 2013-14	As on 2012-13
- Discount rate	8.50%	8.00%
- Expected rate of return on assets	8.75%	9.25%
- Expected rate of future salary increase	6.00%	5.50%
- Retirement age	58 years	58 years

B Provident Fund and Employees State Insurance

The Company makes contribution to statutory provident fund and Employee State Insurance in accordance with Employees Provident Fund and Miscellaneous Provision Act, 1952 and Employee State Insurance Act, 1948 respectively. This is post employment benefit and is in the nature of defined contribution plan. Contribution made by the Company during the year is **Rs. 187.93 Lacs**. (Previous year Rs. 173.55 lacs)

31. As the Company's business activity falls within a single primary business segment viz. Motorcycles Parts, the disclosure requirements of Accounting Standard (AS-17) "Segment Reporting" notified by Companies (Accounting Standards) Rules, 2006, (as amended) are not applicable.
32. Related Party Disclosures (**):-
- Key Managerial Personnel
Mr. Neeraj Munjal, Managing Director
Mr. Anil Kumar Gupta, Technical Director
Mrs. Charu Munjal – Whole Time Director
 - Holding Company
Dayanand Munjal Investments Private Limited
 - Enterprises over which key management personnel and their relatives are able to exercise significant influence
Munjal Showa Limited
 - The following transactions were carried out with the related parties in the ordinary course of business:

Nature of Transaction	Enterprises over which key management personnel and their relatives are able to exercise significant influence				Total	
	For the year ended 2013-14 Rs. Lacs		For the year ended 2012-13 Rs. Lacs		For the year ended 2013-14 Rs. Lacs	
Sale of goods and services Munjal Showa Limited	-	-	1,177.43	1,014.52	1,177.43	1,014.52
Purchase of goods and services Munjal Showa Limited	-	-	0.72	-	0.72	-
Salary & perquisites Neeraj Munjal (Managing Director) Anil Kumar Gupta (Director - Technical) Charu Munjal (Whole Time Director)	157.91 33.42 65.50	165.79 26.04 NA	- - -	- - -	157.91 33.42 65.50	165.79 26.04 NA
Outstanding balance as at the year end Amount (receivable) Munjal Showa Limited	-	-	174.71	148.02	174.71	148.02
Amount (payable) Munjal Showa Limited	-	-	0.72	-	0.72	-

** Identified and certified by the management.

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

(Rs. In lacs)

Particulars	As on 2013-14	As on 2012-13
Not later than one year	128.26	69.25
Later than one year and not later than five years	642.89	311.39
Later than five years	177.25	98.41
	948.40	479.05

- 34 Unhedged Foreign Currency Exposures

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

Particulars	2013-14			2012-13	
	Foreign Currency	Amount in FC	Amount in INR	Amount in FC	Amount in INR
Receivables (Debtors)	EURO	62,778.00	53.26	22134.19	15.20
	USD	1,624.83	0.98	Nil	Nil

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

	As on 31 March 2014	As on 31 March 2013
	Amount	Amount
	Rs. Lacs	Rs. Lacs

Opening Stock

Class of Goods

Gear Components

237.49

222.84

Closing Stock

Class of Goods

Gear Components

385.09

237.49

36. Raw material, processing materials and components consumption:

	As on 31 March 2014	As on 31 March 2013
	Amount	Amount
	Rs. Lacs	Rs. Lacs

Class of Goods

Alloy Steel

12,506.12

11,487.84

Bought out parts

551.86

279.00

13,057.97

11,766.84

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

Class of Goods	As on 31 March 2014		As on 31 March 2013	
	Value	Amount % holding	Value	Amount % holding

Raw Material and Components

Imported

-

0%

-

0%

Indigenous:

13,057.97

100%

11,766.84

100%

13,057.97

11,766.84

Stores, spares, Tools & Dies consumed

Imported

628.58

13%

703.58

15%

Indigenous:

4034.71

87%

4,024.48

85%

4,663.29

4,728.06

	For the Year ended 31 st March 2014 Rs. Lacs	For the Year ended 31 st March 2013 Rs. Lacs
38 Expenditure in foreign Currency (on cash basis)		
Foreign Traveling	98.81	53.25
Consultancy Charges	14.83	12.77
	113.64	66.02

	For the Year ended 31 st March 2014 Rs. Lacs	For the Year ended 31 st March 2013 Rs. Lacs
39 CIF Value of Imports		
Stores and Spares	628.58	703.58
Capital Goods	248.51	291.01
	877.09	994.59

	For the Year ended 31 st March 2014 Rs. Lacs	For the Year ended 31 st March 2013 Rs. Lacs
40 Earning in Foreign Exchange		
FOB value of Exports	173.87	94.66

41 Previous year figures have been regrouped where necessary to confirm to this year's classification

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

For and on behalf of the Board

Sunil Wahal
Partner
Membership No.087294

Neeraj Munjal
Managing Director
DIN : 00037792

Anil Kumar Gupta
Director
DIN : 02643623

Davendra Ujlayan
VP- Finance & CS
M. No. : 8125

PLACE : New Delhi
DATE: May 30, 2014

SHIVAM AUTOTECH LIMITED

CIN: L34300DL2005PLC139163

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

Proxy form

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

9th Annual General Meeting – September 29, 2014

Name of the member(s):
Registered Address:
Email Id:
Folio No. / Client Id:
DP ID:

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 9th Annual general meeting of the company, to be held on the 29th day of September, 2014 at 11:30 a.m. at Tivoli Garden Resort, Near Chattarpur Mandir, Chattarpur Road, New Delhi-110030 and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	Resolutions
1.	Adoption of the Balance Sheet, Statement of Profit and Loss, Reports of the Board of Directors and Auditors for the financial year ended March 31, 2014.
2.	Declaration of Dividend on paid-up Equity Share Capital for the financial year ended on March 31, 2014.
3.	To appoint a director in place of Dr. Anil Kumar Gupta (DIN 02643623), who retires by rotation and being eligible has offered himself for re-appointment.
4.	To appoint a director in place of Mrs. Charu Munjal (DIN 03094545), who retires by rotation and

	being eligible has offered herself for re-appointment.
5.	To appoint M/s S.S. Kothari Mehta & Co., Chartered Accountants, New Delhi, the retiring auditors to hold office as Statutory Auditors for Financial Year 2014-15 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.
6.	Appointment of Mr. Sunil Kant Munjal (DIN 00003902) as an Independent Director
7.	Appointment of Mr. Bhagwan Dass Narang, (DIN 00038502) as an Independent Director.
8.	Appointment of Mr. Surrinder Lal Kapur, (DIN 00033312) as an Independent Director.
9.	Appointment of Dr. Vinayshil Gautam, (DIN 00037909) as an Independent Director.
10.	Revision in the remuneration of Mr. Neeraj Munjal (DIN 00037792), Managing Director of the Company.
11.	Modification in the terms of appointment of Mrs. Charu Munjal (DIN 03094545), Whole-time Director of the Company.
12.	Revision in the remuneration of Mrs. Charu Munjal (DIN 03094545), Whole-time Director of the Company.
13.	Modification the terms of appointment of Dr. Anil Kumar Gupta (DIN 02643623), Whole-time Director of the Company.
14.	Revision in the remuneration of Dr. Anil Kumar Gupta (DIN 02643623), Whole-time Director of the Company.
15.	Approval of Sub-division of shares of the Company.
16.	Approval of alteration of Memorandum of Association of the Company.
17.	Approval of alteration of Articles of Association of the Company.
18.	Approval of the remuneration of the Cost Auditors for the financial year ending March 31, 2015.
19.	Approval of borrowings in excess of the paid-up capital and free reserves.

Signed this..... day of..... 2014



Signature of shareholder

Signature of Proxy holder(s)

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

SHIVAM AUTOTECH LIMITED

CIN: L34300DL2005PLC139163

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

9th ANNUAL GENERAL MEETING

ATTENDANCE SLIP

Name and address of the Member: _____
Folio No./Client Id no.: _____
No. of Shares(s) Held: _____
DP Id.: _____

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

I/We hereby record my/our presence at the 9th Annual General Meeting of the Company being held at **The Tivoli Garden Resort, Near Chattarpur Mandir, Chattarpur Road, New Delhi – 110017** on Monday, the 29th day of September, 2014 at 11.30 A.M.

Name of the Member(s) /Proxy /
Representative

Signature of the Member(s) /Proxy /
Representative

Notes:

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

