

Steering Products & ABS, Alternator
Diesel Injection, Starter Motor

Steering Products & ABS, Alternator
Diesel Injection, Starter Motor

Aerospace Gears & Shafts

Gears & Shafts

**ANNUAL
REPORT
2022-23**

Non-Automotive Gears
& Precision Components

EV - Axles

Domestic Appliance

LEADING MANUFACTURER OF
Transmission, Gears, Shafts
& Precision Engineering
Components



**Annual
Report
2022-23**



LEADING MANUFACTURER OF

Transmission, Gears, Shafts & Precision Engineering Components

Contents

Introduction

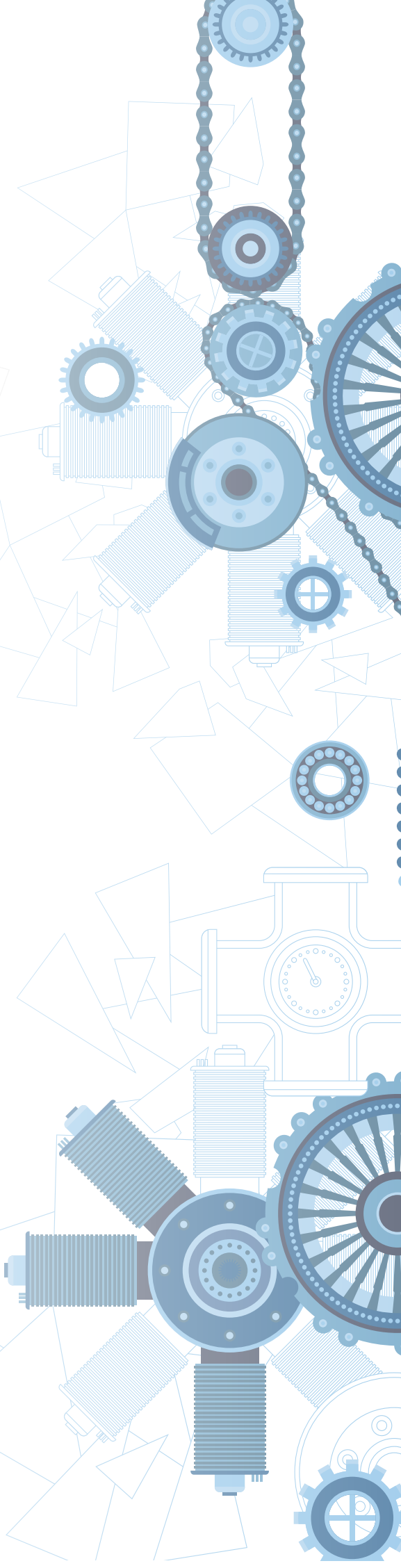
Managing Director's Comuniqué	02
About Us	04
Manufacturing Locations	05
Business Verticals	06
Product Range	08
Awards & Certificates	09
Our Customers	10

Statutory Reports

Corporate Information	12
Notice	13
Board's Report	23
Management Discussion & Analysis Report	32
Report On Corporate Governance	37
Secretarial Audit Report	64

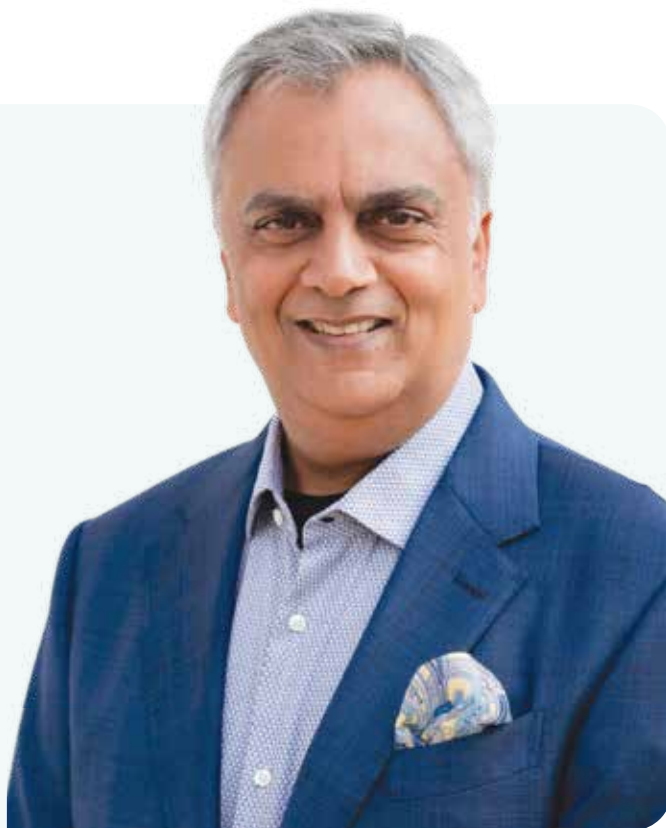
Financials

Independent Auditors' Report	70
Balance Sheet	80
Statement of Profit and Loss	81
Statement of Cash Flow	82
Statement of Changes in Equity	84
Notes to Financial Statements	85



FROM THE DESK OF Managing Director

FY23 was a busy year for your Company as it navigated these challenges to successfully strengthen the fundamentals of the business with an EBITDA of Rs. 52.30 Cr (EBITDA margin 11.11%), as compared to previous year Rs. 75.44 Cr (EBITDA margin 16.07%) the decrease in EBITDA is due to under-utilization of Capacity and your company management is working for optimum utilization.



Dear Stakeholders,

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

In the last fiscal year, the global economy continued to face multiple challenges and uncertainty due to prevailing geo-political events like Ukraine war and Non availability of Semi-conductor resulting in a slowdown across the world. Spiraling costs of raw materials, supply chain disruptions and tighter monetary policies have all had an adverse impact on demand across industries, including the 2 wheeler industries. This resulted in a reduction in demand of 2 wheeler components and significant pricing pressures on Shivam. Additionally a subdued demand coupled with rising raw-material costs and indirect material costs which is also adversely impacting our sales volumes and hence, financial performance.

As the world makes a slow and uneven recovery post Covid pandemic and is still grappling with various geo-political complexities, the one thing that is certain, is that we live in an increasingly uncertain world. The global economy slowed down due to various macro-economic events and, the overall businesses have faced several

crises. Shivam was no exception. Notwithstanding, the recent setbacks the Company is re-energized to perform better, and emerged stronger in the coming years than ever. Shivam continues to be a resilient company built on a strong foundation, committed towards its long-term strategy, and is poised for growth.

AUTOMOTIVE SECTOR

According to Society of Indian Automobile Manufacturers (SIAM), 2022-23 has been a year of consolidation, post Covid. The year started again with supply chain disruptions from Ukraine conflict. However with efficient management of supply chains and better availability of commodities especially for the electronics items, prices have moderated over the year, though it remains a concern. Indian Automobile Industry seen a significant 21% increase in domestic sales in FY 2022-23. In its total growth, passenger vehicle achieved its highest sales figures with a growth rate of 27% surpassing the previous peak in 2018-19. Commercial vehicles and three wheelers also witnessed substantial growth, with respective increases of 34% and 87% primarily attributed to the higher demand for

passenger carriers. However, these segments are yet to reach the pre-pandemic levels as per SIAM". Inspite of good growth in domestic sales in three-wheelers, they are still below the 2010-11 levels and the Two-Wheelers domestic sales are still below the 2014-15 levels. Favourable Policy initiatives ranging from impact of new PLI Schemes, encouraging announcements in Budget, forward looking Logistic & Foreign Trade Policies and recently announced Gas pricing Guidelines would go a long way in supporting the growth of the Industry."

FY23 was a busy year for your Company as it navigated these challenges to successfully strengthen the fundamentals of the business with an EBITDA of Rs. 52.30 Cr (EBITDA margin 11.11%), as compared to previous year Rs. 75.44 Cr (EBITDA margin 16.07%) the decrease in EBITDA is due to under-utilization of Capacity and your company management is working for optimum utilization.

The business diversification strategy devised and implemented to manufacture components for new business verticals like off road vehicles, steering components and construction equipment have been encouraging.

Despite the setbacks in the last two years, Shivam has clearly mapped and factored the various extrinsic and intrinsic influences in its long-term strategy. We are poised to leverage these opportunities and regain growth, further consolidating our market leadership position. However, we will maintain our current levels of rigorous fiscal discipline, optimize our operations and control costs to bolster our competitive edge and improve our financial performance.

Shivam Autotech's investments are also focused on the global market and the current geopolitical issues are providing new opportunity to export and also increase in domestic demand propelling our growth. It also remarkable that the Bangalore plant of the Company started its production indigenous products for four wheeler customers resulting in saving foreign currency for the country and have also diversified our product portfolio in steering products, components for alternator etc in the reporting financial year. The Company also successfully developed products for automobiles, commercial vehicles (for Indian as well as global market), tractors, aviation, Electric E-Rickshaw & Three Wheelers, non automotive, etc.

Considering the results of Shivam Autotech, its product diversification to tap newer potential and an upbeat industry scenario, I have no doubt about our ability to materialize our vision and to work strongly towards creating immense value for you, our stakeholders.

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

Shivam Autotech Limited has planned its growth trajectory in the coming quarters by planning product launches. This includes differential axles used by the three-wheeler EV segment, currently undergoing trials, besides other products for the aftermarket in both two-wheeler and four-wheeler category viz. filters for two-wheeler, . The EV market is expected to grow at a CAGR of 49% between 2022-2030, with annual sales reaching 10 million units by 2030 and the Company is looking forward for this growth.

The product and vehicle category application mix is as per below table –

Product	Vehicle Application Category
Integrated Differential Axle – 33" / 35"	Electric Rickshaw / E-Cart
Integrated Differential Axle – 46"	L5 3W EV
EV Gearbox	2W EV Scooter + L5 3W EV + 4W EV LCV
Mechanical CBS	2W EV (Drum – Drum System)
Hydraulic CBS	2W EV (Disc – Disc System)
Split Service Braking System	L5 3W EV
Independent service braking system	Quadricycle + L2 3W EV (Export)

Although it has been a difficult and demanding year, it has been an immensely rewarding one. Our people have demonstrated to us that resilience, creativity, and collaboration can overcome the most challenging of situations. I am confident that our success this past year has inspired all of us at Shivam to Re-energise. This strategy has served us well and I believe that it will help build the necessary momentum to leap forward into a brighter tomorrow.

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

Stay Informed! Stay safe!

Neeraj Munjal
Managing Director

ABOUT THE Company



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

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

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

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

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

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

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

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

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

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

MANUFACTURING Locations



Bangalore



Binola



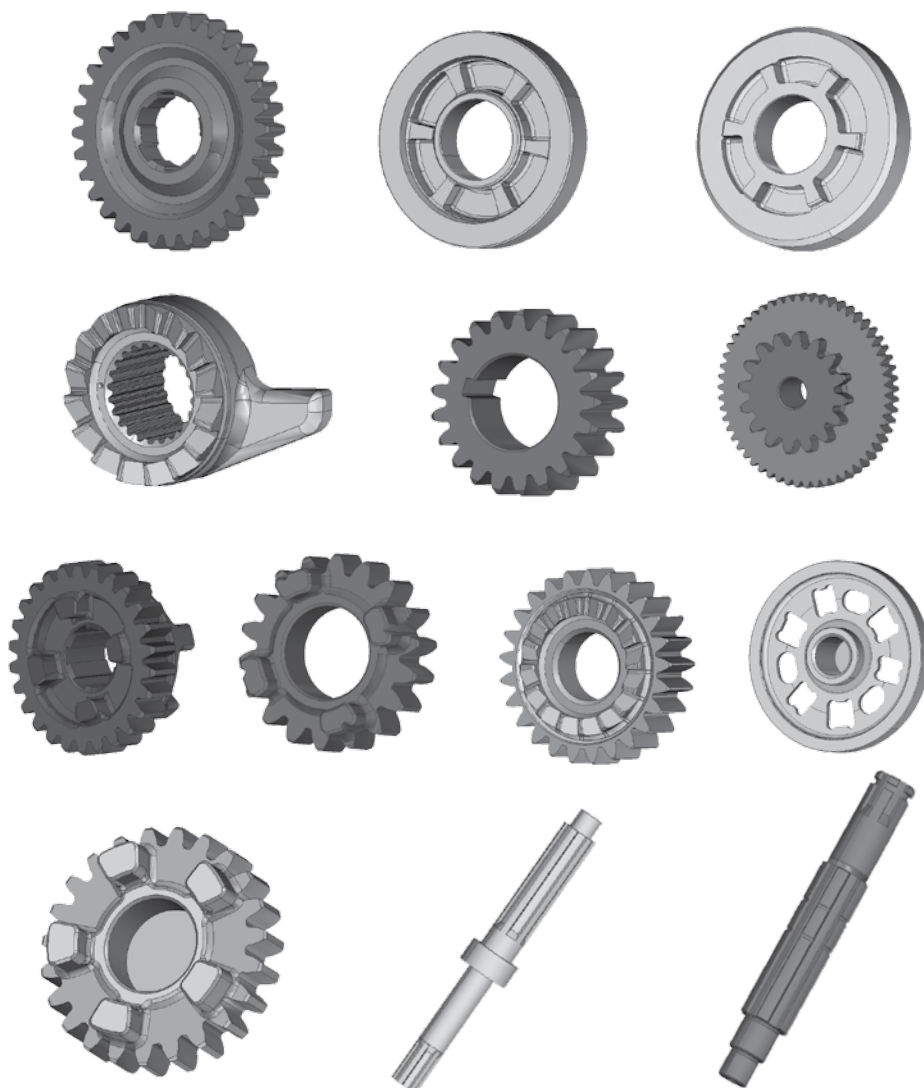
Haridwar



Rohtak

BUSINESS
Verticals

Two Wheeler
Segment



Aerospace
Segment





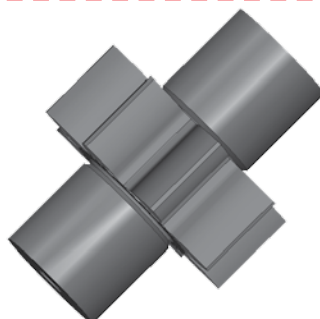
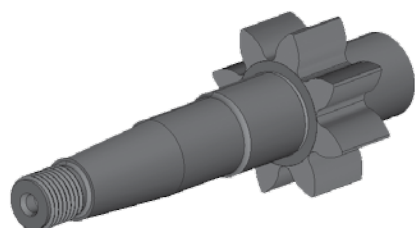
Non-Automotive Segment



Automobile Segment



Commercial Vehicle



**Off-Road Segment
(4 wheeler)**

PRODUCT Range

PRECISION ENGINEERING COMPONENTS AND ASSEMBLIES



TRANSMISSION GEARS AND SHAFTS



STEERING
COMPONENT



ALTERNATOR
COMPONENT



STARTER MOTOR
COMPONENTS



TRACTOR
COMPONENT



E-RICKSHAW
COMPONENT



Domestic
Appliance



AWARDS & Certificates



OUR Customers



BOSCH *DENSO*



Information

CHAIRMAN

Shri Yogesh Chander Munjal, Director

MANAGING DIRECTOR

Mr. Neeraj Munjal

DIRECTORS

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

CHIEF FINANCIAL OFFICER

Mr. Devendra Kumar Goyal

STATUTORY AUDITORS

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

INTERNAL AUDITORS

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

SECRETARIAL AUDITORS

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

BANKERS

IDFC First Bank Limited
Yes Bank Limited
HDFC Bank Limited

REGISTERED OFFICE

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

BINOLA PLANT

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

HARIDWAR PLANT

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

BANGALORE PLANT

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

ROHTAK PLANT

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

REGISTRAR & TRANSFER AGENT

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

NOTICE

Notice is hereby given that the **18th Annual General Meeting** of the Members of **SHIVAM AUTOTECH LIMITED ('the Company')** will be held on Saturday, the 30th day of September, 2023 at 12:00 Noon (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") for which purpose the Registered Office of the Company situated at 10, 1st Floor, Tower A, Emaar Digital Greens, Sector – 61, Golf Course Extension Road, Gurugram, Haryana – 122102 shall be deemed as the venue for the Meeting and the proceedings of AGM shall be deemed to be made thereat, to transact the following businesses:

A. ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements including Balance Sheet as at March 31, 2023, the Statement of Profit and Loss and Cash Flow Statement for the financial year ended on that date and the Reports of the Board of Directors' and Auditor's thereon.

"RESOLVED THAT the Audited Financial Statements including Balance Sheet as at March 31, 2023 and the

Statement of Profit and Loss and Cash Flow Statement for the financial year ended on that date along with the reports of the Board of Directors' and Auditor's thereon, as circulated to the members and now placed before the meeting be and are hereby considered and adopted."

2. To appoint a director in place of Mrs. Charu Munjal (DIN: 03094545), who retires by rotation and being eligible has offered herself for re-appointment.

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mrs. Charu Munjal (DIN: 03094545), who retires by rotation and being eligible, offers herself for re-appointment, be and is hereby re-appointed as a Director of the Company.

Place: Gurugram
Date: August 14, 2023

Registered Office:
10, 1st Floor, Tower A, Emaar Digital Greens,
Sector – 61, Golf Course Extension Road,
Gurugram, Haryana - 122102
CIN: L34300HR2005PLC081531
e-mail: info@shivamautotech.com
website: www.shivamautotech.com
Tel: +91 124 4698700 Fax: +91 124 4698798

By Order of the Board of Directors
For Shivam Autotech Limited
Sd/-
Preeti Sharma
Company Secretary
Membership No. 32847

NOTES

1. The Ministry of Corporate Affairs (MCA), vide its General Circular Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 20/2020 dated 5th May, 2020, 02/2022 dated 5th May, 2022, the latest being 10/2022 dated 28th December, 2022 (collectively "MCA Circulars") and Securities Exchange Board of India (SEBI) vide its Circular dated 12th May, 2020, 15th January, 2021, 13th May, 2022, and 5th January, 2023 (collectively "SEBI Circulars"), and other applicable provisions in this regard, have provided relaxation and allowed the companies to conduct AGM through VC/OAVM till 30th September, 2023 without physical presence of Members at a common venue. In accordance with the applicable provisions of the Act and the said Circulars of MCA and SEBI, the 18th AGM of the Company shall be conducted through VC/OAVM Facility, which does not require physical presence of members at a common venue.
2. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circulars and SEBI Circulars as issued from time to time.
3. The deemed venue for 18th AGM shall be the Registered Office of the Company.
4. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, in respect of director seeking appointment/re-appointment at this AGM forms an integral part of the Notice.

5. The Company has provided the facility to Members to exercise their right to vote by electronic means both through remote e-voting and e-voting during the AGM. The process of remote e-voting with necessary user id and password is given in the subsequent paragraphs. Such remote e-voting facility is in addition to voting that will take place at the 18th AGM being held through VC.
6. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
7. Members joining the meeting through VC, who have not already cast their vote by means of Remote E-Voting will be able to exercise their right to vote through E-Voting at the AGM. The Members who have cast their vote by Remote E-Voting prior to the AGM may also join the AGM through VC but shall not be entitled to cast their vote again.
8. The Company has appointed Ms. Meenu Sharma, Proprietor of M/s Meenu S & Associates, Practicing Company Secretaries, (C.P. No. 20929 and FCS 10882), as the Scrutinizer for scrutinize the e-voting process in a fair and transparent manner.
9. As per Section 105 of the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote in his/her behalf. Since the 18th AGM is being held through VC as per the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be made available for the 18th AGM and hence the Proxy Form and Attendance Slip are not annexed to this notice. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or Body Corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
10. Pursuant to Section 113 of the Act, members of the Company under the category of Institutional Investors/ Corporate members are encouraged to attend and vote at the AGM through VC. Corporate members (i.e. other than individuals / HUF, NRI, etc.) are requested to send a certified copy (PDF/JPG Format) of its Board or governing body resolution/Authorization letter etc., to the Scrutinizer by email through its registered email address at meenu.sharma@meenus.associates with a copy marked to helpdesk.evoting@cdslindia.com and cs@shivamautotech.com, authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting or through e-voting at the AGM.
11. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, MCS Share Transfer Agents Limited ("Registrar") for assistance in this regard.
12. The Securities and Exchange Board of India ('SEBI') has mandated submission of Permanent Account Number ('PAN') by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their DPs. Members holding shares in physical form are required to submit their PAN details to the Registrar.
13. Members are requested to direct notifications about changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, a scanned copy of the cancelled cheque bearing the name of the first member etc., to their DPs in case the shares are held by them in electronic form and to Registrar at email address admin@mcsregistrars.com in case the shares are held by them in physical form.
14. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Registrar, the details of such folios together with the share certificates for consolidating their holdings in one folio to facilitate better service. A consolidated share certificate will be issued to such Members after making requisite changes.
15. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH- 13. The said form can be downloaded from-
<http://ebook.mca.gov.in/notificationdetail.aspx?acturl=6CoJDC4uKVUR7C9FI4rZdatyDbeJTqg38iljdoCCVy5oIaqWqXUJS57H9RSp+M6u>.

16. Members are requested to file the nomination form with their respective DPs in case the shares are held by them in electronic form and to Registrar at email address admin@mcsregistrars.com in case the shares are held in physical form.

Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before September 22, 2023 from their registered email address, mentioning their name, DP ID and Client ID number/folio number and mobile number at Company's investor email id: cs@shivamautotech.com. The same will be replied to by the Company suitably.

17. All documents referred to in the Notice and explanatory statement and Statutory Registers i.e. Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which directors are interested maintained under Section 189 of the Act, will be available for inspection in electronic mode from the date of circulation of this Notice upto the date of AGM and will also be available for inspection during the AGM. Members may request the same by sending an email at cs@shivamautotech.com from their registered email addresses.
18. In compliance with the aforesaid Circulars, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories as on September 01, 2023. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website www.shivamautotech.com, websites of the Stock Exchanges i.e. The BSE Limited and The National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL <https://www.evotingindia.com>.
19. We urge members to support the 'Green Initiative' by choosing to receive the Company's communication through e-mail. Members who have not yet registered their e-mail addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Registrar by sending a scan copy of a signed request letter mentioning your Folio No., Name of shareholder, complete address, e-mail address to be registered along with scanned copy of the share certificate(s) (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) with subject as **"Shivam Autotech Limited – Member Email ID"** at admin@mcsregistrars.com or at Company's e-mail ID: cs@shivamautotech.com in case the shares are held by them in physical form.
20. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

21. Pursuant to the provisions of Section 124 of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend which remains unpaid or unclaimed for a period of seven consecutive years from the date of its transfer to unpaid dividend account, is required to be transferred by the Company to Investor Education and Protection Fund (IEPF), established by the Central Government under the provisions of Section 125 of the Act. The details of unpaid amounts as per provisions of Section 124 of the Act are uploaded under 'Investor Services' section on the website of the Company viz. www.shivamautotech.com.

The dividend declared by the Company for the financial year 2015-16, of which Rs. 671,126.80/- has remain unpaid/unclaimed shall be transferred to IEPF on or before December 04, 2023. Accordingly, Members who have not encashed their Dividend Warrant(s) are requested to approach the Company for releasing the dividend upon completion of necessary formalities for the same in lieu of such warrant(s). Unclaimed/unpaid final dividend for the financial year 2015-16, which is due for transfer to IEPF, should be claimed by the Members before November 04, 2023. After that date, no claim shall lie against the Company, in respect of the said amount.

Due dates for transfer of unclaimed/unpaid dividends for the financial year ending March 31, 2016 and thereafter to IEPF:

FY ended	Last date of payment to shareholder / Due date	Last Date of transfer to IEPF
March 31, 2016	November 04, 2023	December 04, 2023

22. Pursuant to the provisions of Section 124(6) of the Act read with Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 notified by the Ministry of Corporate Affairs as amended from time to time ("the Rules") shares in respect of which dividend remains unpaid or unclaimed for seven consecutive years or more is required to be transferred by the Company within a period of thirty days of such shares becoming due to be transferred to Investor Education and Protection Fund (IEPF), established by the Central Government under the provisions of Section 125 of the Act. The details of unpaid amounts as per provisions of Section 124 of the Act are uploaded under "Investor Services" section on the website of the Company viz. www.shivamautotech.com. The concerned members are requested to verify the details of their unclaimed amounts, if any, and write to the Company before the same becoming due for transfer to the IEPF.

Adhering to the various requirements set out in the Investor Education and Protection Fund Authority

(Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has, during financial year 2022-23, transferred to the IEPF Authority all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more as on the due date of transfer, i.e. December 04, 2023. Details of shares transferred to the IEPF Authority are available on the website of the Company and the same can be accessed through the link:

<https://www.shivamautotech.com/cpage.aspx?mpgid=15&pgidtrail=38>

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

23. Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from them by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in, or contact Company's Registrar and Transfer Agents for lodging claim for refund of shares and / or dividend from the IEPF Authority.
24. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
25. Central Depository Services (India) Limited ("CDSL") will be providing facility for voting through remote e-Voting, for participation in the 18th AGM through VC/ OAVM Facility and e-Voting during the 18th AGM.
26. Instructions for e-voting and joining the AGM are as follows:

A. THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of the SEBI Listing Regulations read with Circulars as mentioned above, the Members are provided with the facility to cast

their vote electronically, through the remote e-voting services provided by CDSL, in respect of the businesses to be transacted at the 18th AGM and facility for those Members participating in the 18th AGM to cast vote through e-Voting system during the AGM. The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the instructions for e-voting section which forms part of this Notice.

- ii. The remote e-voting period begins on 09:00 A.M. IST on Wednesday, September 27, 2023 and ends 05:00 P.M. IST on Friday, September 29, 2023. During this period Shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Friday, September 22, 2023, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
- iii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iv. A person who is not a Member as on the cut-off date should treat this Notice of 18th AGM for information purpose only.
- v. Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.
- vi. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would

be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- vii. In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode** is explained herein below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<p>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsi website www.cdslindia.com and click on login icon & New System Myeasi Tab.</p> <p>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</p> <p>If the user is not registered for Easi/Easiest, option to register is available at cdsi website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.</p> <p>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with NSDL Depository	<p>If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting</p>

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at: 022 - 4886 7000 and 022 - 2499 7000

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

viii. Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form:**

- The shareholders should log on to the e-voting website www.evotingindia.com.
- Click on "Shareholders" module.
- Now Enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in physical form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any

company, then your existing password is to be used.

- If you are a first time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- After entering these details appropriately, click on "SUBMIT" tab.
- Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting

through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (i) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- i. After successful login, you will be able to see the Home page of e-Voting. Click on the EVSN for the "Shivam Autotech Limited" on which you choose to vote.
- j. 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.
- k. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- l. 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.
- m. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- n. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
 - (i) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - (ii) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
 - (iii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs@shivamautotech.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

- i. Members will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-voting system. Members may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials and selecting the EVSN for Company's AGM.
- ii. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further Members can also use the OTP based login for logging into the e-voting system of CDSL.
- iii. The facility of joining the AGM through VC / OAVM will be opened 15 minutes before the scheduled start-time of the AGM. The facility of participation at the AGM will be made available for 1000 members on first come first served basis. This will not include

large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Statutory Auditors and Secretarial Auditors, who are allowed to attend the AGM without restriction on account of first come first served basis.

- iv. Members are encouraged to join the Meeting through Laptops / I-Pads for better sound and video clarity and experience.
- v. Further members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- vi. Please note that Participants Connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- vii. Shareholders who would like to express their views/ask questions during the meeting with regard to the financial statements or any other matter to be placed at the 18th AGM may register themselves as a speaker by sending their request in advance by Saturday, September 23, 2023, mentioning their name, demat account number/folio number, email id, mobile number at Company's investor e-mail ID: cs@shivamautotech.com.
- viii. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting, depending upon the availability of time.

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

- i. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- ii. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM. The Members can opt for only one mode of voting i.e. remote e-Voting or e-Voting at the AGM. In case of voting by both the modes, vote cast through remote e-Voting will be considered final and e-Voting at the AGM will not be considered.

- iii. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

D. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL IDS/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES FOR PROCURING USER ID AND PASSWORD FOR E-VOTING ON THE RESOLUTIONS SET OUT IN THIS NOTICE.

For Physical shareholders- please provide scanned copy of a duly signed letter by the member(s) mentioning necessary details like Folio No., name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by sending a request to Registrar/Company at admin@mcsregistrars.com or cs@shivamautotech.com respectively.

For shareholders holding shares in dematerialised form – Please update your email id & mobile no. with your respective **Depository Participant (DP)**

For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending 18th AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

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

**Mr. Rakesh Dalvi, Manager,
(CDSL) Central Depository Services (India) Limited,
A Wing, 25th Floor, Marathon Futurex,
Mafatlal Mill Compounds, N M Joshi Marg,
Lower Parel (East), Mumbai – 400013**
or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

27. OTHER GUIDELINES FOR MEMBERS:

- i. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

- ii. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date Friday, September 22, 2023. The members shall have one vote per equity share held by them. The facility of remote e-voting would be provided once for every Folio/ Client ID, irrespective of the number of joint holders.
- iii. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
- iv. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com. However, if he/she is already registered with CDSL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote. If you forgot your password, you can reset your password by using "Forgot Password" option available on www.evotingindia.com.
- v. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the meeting.
- vi. The Board of Directors of the Company (the "Board") at its meeting held on August 14, 2023 have appointed Ms. Meenu Sharma, (Membership No. FCS 10882), Proprietor of M/s. Meenu S &

Associates, Company Secretaries, Ghaziabad as the Scrutinizer to scrutinize the remote e-voting process and e-voting during the AGM in a fair and transparent manner in accordance with law and she has communicated her willingness to be appointed and will be available for the same purpose.

- vi. The scrutinizer shall immediately after the conclusion of e-voting at the Annual General Meeting, first download the votes cast during the AGM, and thereafter unblock the votes cast through remote e-voting and shall make a Consolidated Scrutinizer's Report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such report then shall be furnished to the Chairman of the Company or a person duly authorised by him within 48 hours of conclusion of the Annual General Meeting, who shall then countersign the same and declare the result of the voting forthwith.
- vii. The Results declared alongwith the Consolidated Scrutinizer's Report shall be placed on the Company's website www.shivamautotech.com and on the website of CDSL at www.evotingindia.com after the result is declared by the Chairman or a person duly authorised by him. The Company shall simultaneously forward the results to The National Stock Exchange of India Limited and The BSE Limited, where the shares of the Company are listed.
- viii. The scrutinizer's decision on the validity of e-voting shall be final and binding.

Place: Gurugram
Date: August 14, 2023

Registered Office:

10, 1st Floor, Tower A, Emaar Digital Greens,
 Sector – 61, Golf Course Extension Road,
 Gurugram, Haryana - 122102
 CIN: L34300HR2005PLC081531
 e-mail: info@shivamautotech.com
 website: www.shivamautotech.com
 Tel: +91 124 4698700 Fax: +91 124 4698798

By Order of the Board of Directors
For Shivam Autotech Limited
Sd/-

Preeti Sharma
Company Secretary
Membership No. 32847

ANNEXURE TO THE NOTICE

ITEM NO. 2

Annexure – A

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

Name of Director	Mrs. Charu Munjal
DIN	03094545
Date of Birth & Age	04-06-1972 51 years
Date of first Appointment on the Board	28-May-2013
Qualification	Diploma in Textile Designing from Banaras Hindu University
Experience in Specific functional areas	Experience in creative designing and in marketing field
No. of years of Experience	23
Terms and Conditions of appointment/re-appointment	She was appointed as an Executive Director designated as "Whole Time Director" w.e.f. from 28 th May, 2013 for a term of 5 years, liable to retire by rotation. The other terms and conditions are available at www.shivamautotech.com
Relationship with other Directors/Key managerial Personnel (if any)	Spouse of Mr. Neeraj Munjal (Managing Director)
List of Companies in which outside Directorship held	Munjal Showa Limited
Board Membership of Listed Companies as on March 31, 2023	1. Munjal Showa Limited 2. Shivam Autotech Limited
Chairman / Member of Committees of Board of directors of other companies in which he/she is a director*	-
No. of Board Meetings attended during the year	Details mentioned in the Corporate Governance Report
No of Shares held	NIL

BOARD'S Report

Dear Members,

Your Directors are pleased to present before you, the 18th Annual Report on the business and operations of the Company together with the Audited Financial Statements of the Company for the Financial Year ended March 31, 2023.

Financial Highlights

The Company's financial performance, for the year ended March 31, 2023 is summarized below:

Rupees (in Lacs)

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Gross Sales & Other Income	47,322.62	47,338.14
Earnings before Depreciation and Interest	5,229.98	7,544.42
Depreciation	3,523.45	4,089.10
Interest	4,989.96	5,061.36
Profit/(Loss) before Taxation	(3,283.44)	(1,606.06)
Provision for Taxation (Deferred & Current)	188.30	-
Profit/(Loss) after Taxation	(3,471.74)	(1,606.06)

State of Company's Affairs and Future Outlook

During the financial year 2022-23, revenue from operations was Rs. 47,322.62/- lacs as compared to Rs. 47,338.14/- lacs in 2021-22, registering a decrease in 0.03%.

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

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

Business Overview

Company's efforts to utilize its manufacturing facilities optimally have continued during the year. Aside from Hero Motocorp which continues to be the major customer of the Company, newly developed customers such as Hilti, Mando, Maruti, Denso and Others, their business has gained further

traction during the year. Outlook for the coming year looks positive with further consolidation of Company's Business based on such wider pool of Customers.

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

Transfer to General Reserve

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

Dividend

Considering the state of economy and industry, the Board of Directors have not recommended any dividend for the financial year 2022-23.

Holding Company

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

Your company continues to be a subsidiary company of DMIPL.

Subsidiary Companies, Joint Ventures or Associate Companies

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

Management Discussion and Analysis report

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

Board of Directors

a) Meeting of Board of Directors

A calendar of Meetings is prepared and circulated in advance to the Directors. During the Financial Year 2022-23, 5 meetings of the Board of Directors of the Company were held on 30th May, 2022, 10th August, 2022, 22nd October, 2022, 13th February, 2023 and 27th March, 2023. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 read with MCA General Circular No. 11/2020 dated March 24, 2020 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulations")

read with SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/3 dated March 19, 2020 & SEBI/HO/CFD/CMD1/CIR/P/2020/110 dated June 26, 2020. For details of the meetings of the Board, please refer to the Corporate Governance Report, which forms part of this Annual Report.

b) Appointment/re-appointment of Directors

Mrs. Charu Munjal, (DIN: 03094545) whole Time Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer herself for re-appointment. A resolution seeking shareholders' approval for her re-appointment forms part of the Notice.

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

c) Changes in Directors and Key Managerial Personnel

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

- i. During the year under review, pursuant to the provisions of Section 2(51) and Section 203 of the Companies Act, 2013, Mr. Rakesh Gupta (PAN AFYPG0718E) Chief Financial Officer of the Company has resigned with immediate effect from October 31, 2022. The Board placed on record its appreciation for his invaluable contribution, guidance & support during his tenure with the Company. Further, based on the recommendation of Nomination and Remuneration Committee, Mr. Devendra Kumar Goyal (PAN AGNPG1981F), has been appointed as the Chief Financial Officer of the Company by the Board of Directors with effect from February 13, 2023.

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

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

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

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

Key Managerial Personnel

Mr. Neeraj Munjal (DIN: 00037792), Managing Director & CEO, Mr. Devendra Kumar Goyal, Chief Financial Officer, and Ms. Preeti Sharma, Company Secretary & Compliance Officer are the Key Managerial Personnel of your Company in accordance with the provisions of Section 2(51) and 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as on March 31, 2023.

d) Committees of the Board

The Company has several Committees which have been established in compliance with the requirement of the relevant provisions of applicable laws and statutes. As on March 31, 2023, the Board has three committees: The Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee. A detailed note on the composition of the Board and its committees is provided in the Corporate Governance Report, which forms integral part of the Board's Report.

e) Declaration by Independent Director

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

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

f) Board Evaluation

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

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

The questionnaire was formulated based on the following criteria:

- The Board composition and structure,
- Effectiveness of board processes,
- Information and functioning, Knowledge & Skill
- Personal Attributes,
- The composition of committees,

- Effectiveness of committee meetings,
- The contribution of the individual director to the Board and committee meetings
- Preparedness of Directors on the issues to be discussed,
- Meaningful and constructive contribution of Directors and their inputs in meetings

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

g) Separate Meeting of Independent Directors

In terms of requirements under Schedule IV of the Companies Act 2013 and SEBI Listing Regulations, a separate meeting of Independent Directors was held on February 13, 2023. In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors.

h) Policy on Directors' remuneration and other details

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

Statutory Auditors and Auditor's Report

Pursuant to Section 139 of the Act, read with the Companies (Audit and Auditors) Rules, 2014, the Members of the Company in 12th Annual General Meeting ("AGM") approved the appointment of M/s NSBP & Co., Chartered Accountants, New Delhi (Firm Registration no. 001075N) as the Statutory Auditors of the Company for the period of 5 years, whose term of office was come to end after conclusion of ensuing 17th Annual General Meeting (AGM) of the Company. The Shareholder of the Company in its meeting held on 28th September, 2022, approved the re-appointment of M/s NSBP & Co., Chartered Accountants, New Delhi (Firm Registration no. 001075N) as the Statutory Auditor of the Company for a second term of 5 consecutive years and who shall hold office upto the conclusion of the 21st AGM of the Company to be held in the financial year 2027-28.

Explanation to Auditors' Remarks

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

Share Capital

During the year under review, the Issued, Subscribed and Paid-up Equity Share Capital as on March 31, 2023 was 12,22,22,222 Equity shares of Rs.2/- each amounting to Rs.24,44,44,444 Crores.

During the year under review, there was no change in the authorised, subscribed and paid-up share capital of the Company from the last financial year. However, the Company has increased its Authorised Share Capital from Rs. 25,00,00,000/- (Rupees Twenty-Five Crores) divided into 125000000 equity shares of Rs.2/- (Rupees Two) each to Rs.30,00,00,000/- (Rupees Thirty Crores only) divided into 150000000 equity shares of Rs.2/- (Rupees Two) each ranking pari-passu with the existing equity shares in the Company with the approval of shareholders through postal ballot dated August 09, 2023.

During the year under review, the Company has not issued any shares with differential voting rights nor granted any stock options or sweat equity shares. The Company has not issued or repaid any Debentures, Preference Shares, Bonds and Security during the financial year. None of the Directors of the Company hold any shares or security of the Company

Deposits

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

Finance

Cash and cash equivalent as at March 31, 2023 was **5,792.45** lakhs. The Company continues to focus on judicious management of its working capital. Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

Transfer to Investor Education and Protection Fund

During the Financial Year under review, your Company has transferred unpaid/ unclaimed dividend, amounting to Rs.9,11,167 for financial Year 2014-15 to the Investor Education and Protection Fund (IEPF) of the Central Government of India.

Secretarial Auditor and Secretarial Audit & Compliance Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Satyender Kumar & Associates, a proprietorship firm of Company Secretaries to undertake the Secretarial Audit of the Company for the financial year 2022-23. Secretarial Audit Report in prescribed format MR-3 are annexed as **Annexure – D** to this Board's Report.

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

Explanation to Secretarial Audit Report

The Management response to the qualification, reservation or adverse remarks in Secretarial Audit Report are as below:

S. No.	Qualification or Adverse Remark	Management Response
1.	The Board of Directors of the Company vide resolution dated 22.9.2021 had approved a limit of short term loan of Rs. 28 crores, that may be borrowed from Dayanand Munjal Investment Private Limited, its holding Company and terms of repayment were revised from time to time. Subsequently, the Board in its meeting held on 13.2.2023 had noted the loan transaction for an amount of Rs. 36 Crores with its holding Company during the Financial Year 2022-23 whereas the amount of loan as on 13.2.2023 was Rs. 68.88 Crores which was in excess of limits approved by the Board Resolution dated 22.9.2021. Further the Board vide resolution dated 13.2.2023 approved the additional loan limit of Rs. 36 crores during the remaining period of Financial Year 2022-23 with its holding Company and Form MGT 14 in this regard was filed on 12.8.2023 with additional fees.	The Company has taken shareholder's approval under Section 180 (1)(a) and 180(1)(c) vide Postal Ballot dated February 11, 2017 of Rs. 500 Crores for obtaining loan and borrowings. Furthermore, its Holding Company recording borrowing on time to time basis. Also, the Company has ratified and recorded the same in its meeting held on February 13, 2023. However, inadvertently and unintentionally there was a delay in filing of MGT-14.
2	The Company has carried related party transaction with Earthly Possessions in excess of limits approved by the Board. The total transaction value during the year as per the Financial Statements 2022-23 was Rs. 588.15 lacs as against approved limit of Rs. 400 lacs.	Earthly Possessions is a Firm owned by the sister of the whole time Director of the Company. At the end of each year, the Company used to take omnibus approval in the Audit Committee and Board of Directors as well for each and every transaction related to sales and purchase of the Company with the related party(ies). During the Audit, the management comes to know that transactions limit exceeds with the related party. However, the Company has ratified the same in the current year meeting.
3	The Company during the year under review, has filed 9 (Nine) forms beyond the due dates as detail under: Four Form CHG 1 (Modification of Charge ID 100447266, 100466112, 100036612, 100177003 created on 2.4.2022) were filed on 7.5.2022, Four Form CHG 1 (Modification of Charge ID 100447266, 100466112, 100036612, 100177003 created on 7.4.2022) were filed on 13.5.2022; and Form MGT 14 dated 13.2.2023 was filed on 12.8.2023.	E Form MGT-14 & CHG-1 were filed delayed due to administrative process.
4	The details of one unpublished price sensitive information (UPSI) has been maintained in Structured Digital Database software w.e.f. 18.1.2023 whereas there were total four UPSI during Financial year 2022-23.	Due to administrative process, Company has purchased the software in third quarter and captured the UPSI details from October onwards. However, meeting of the Board of Directors was held on 22" October, 2022 so were able to record the UPSI from fourth quarter onwards only. Prior to that period the company was maintaining the details internally in physical form.
5	The Transcript of post-results Investor call held on 10.8.2022 have not been intimated to the Stock Exchanges and also not hosted on website of the Company as required under Regulation 30 read with Regulation 46 of the Listing Regulations.	The call was arranged by investor's side only and the Company was not able to get recording and transcripts of the same from their side. Due to non-availability of the information and inadvertently, post call compliances of the investor meet could not be uploaded with the Stock Exchanges and website of the Company as well.

Audit Committee

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

Ms. Jyothi Prasad*	:	Chairperson
Mr. Bhagwan Dass Narang*	:	Member
Dr. Anil Kumar Gupta	:	Member
Mr. Sunil Chinubhai Vakil	:	Member

*Ceased to be Director w.e.f. April 28, 2023

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

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

Nomination and Remuneration Committee

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

Ms. Jyothi Prasad*	:	Chairperson
Mr. Bhagwan Dass Narang*	:	Member
Dr. Anil Kumar Gupta	:	Member
Mr. Sunil Chinubhai Vakil	:	Member

*Ceased to be Director w.e.f. April 28, 2023

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

Nomination and Remuneration Policy and Remuneration to the Directors

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

Business Risk Management

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

periodically to ensure that the risks are being addressed accordingly. The Company's risk management framework operates with the following objectives:

- Proactively identify and highlight risks to the right stakeholders
- Facilitate discussions around risk prioritisation and mitigation
- Provide a framework to assess risk capacity and appetite;
- develop systems to warn when the appetite is getting breached

Last year, the lockdown imposed significant hardships on the entire human race and tested their survival. Many businesses were forced to adopt varied cost cutting measures. However, your Company also ensured investments on employee well-being measures. Your Company came up with a comprehensive risk mitigation plan and a dedicated team to manage Covid-19 risk. Some of the risk mitigation steps were:

- a. frequent interactions with dealers, suppliers, investors so that the ecosystem remained motivated;
- b. proactive announcement of Work from Home policy, and an increased hygiene level at the workplace;
- c. manufacturing at all the plants was proactively suspended, however with preparedness to restart at a short notice;
- d. multiple communications sent to employees on end user awareness due to increased risk of cyber-attacks.

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

The Company has maintained Debt Equity Ratio at 4.03 as compared to 3.11 from previous year

Further the Board has also identified the following risks:

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

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

Further, pursuant to Regulation 21(5) of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015, the Company has dissolved the Risk Management

Committee, and the Risk Management System/policy of the Company is then to be looked after by the Audit Committee. The details of the same are mentioned in the **Annexure B** to this Board's Report.

Disclosure on Establishment of a Vigil Mechanism

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

Material Changes Affecting the Financial Position of the Company

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

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

Significant or Material Orders passed by the Regulators

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

Changes in the Nature of Business

There is no change in the nature of the business of the Company during the Financial Year 2022-23.

Annual Return

In terms of provisions of Section 92(3), 134(3)(a) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, annual return of the Company for the Financial Year ended March 31, 2023 is available under the 'Investors' section of the Company's website www.shivamautotech.com.

Business Responsibility Report

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

Your Company falls under the top 2000 Listed Companies by market capitalisation. Accordingly, a BR Report describing the initiatives taken by the Company from an

environmental, social and governance perspective, does not form part of this Report.

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

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

Particulars of Contracts or Arrangements with Related Parties

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

All related party transactions are placed before the Audit Committee for its approval. During the year under review, the Audit Committee approved transactions through the omnibus mode in accordance with the provisions of the Act and SEBI Listing Regulations.

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

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

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

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

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

Your company has adequate internal control for its business processes across departments to ensure efficient operations, compliance with internal policies, applicable laws and regulations. The internal controls are complemented, on an on-going basis, by an extensive program of internal audits being implemented throughout the year. The internal controls are designed to ensure that the financial and other records of the company are reliable for preparing financial statements and other data for maintaining the

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

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

The Company also has an internal audit system which is conducted by an independent firm of Chartered Accountants. The same has also been verified by the statutory auditors who have reported that all the material internal financial controls exist during the financial year 2022-23. The internal audit plan is dynamic and aligned to the business objectives of the Company which is reviewed by the Audit Committee each quarter. Further, the Audit Committee monitors the adequacy and effectiveness of your Company's internal control framework.

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

IATF 16949/ISO 14001/ISO 45001 Accreditation

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

Listing

Pursuant to Clause C(9)(d) of Schedule V of SEBI Listing Regulations, 2015, the shares of your Company are listed at The National Stock Exchange of India Limited and The BSE Limited, and pursuant to the SEBI Listing Regulations, the Annual Listing fees for the year 2023-24 have been paid to them well before the due date i.e. April 30, 2023. The Company has also paid the annual custodian fees for the year 2023-24 in respect of Shares held in dematerialized mode to National Securities Depository Limited (NSDL) & Central Depository Services Limited (CDSL).

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

Corporate Governance

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

corporate governance philosophy is directly linked to high performance. It has put in place an effective Corporate Governance system which ensures that provisions of the Act and SEBI Listing Regulations are duly complied with, not only in form but also in substance.

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

Separate detailed chapters on Corporate Governance, additional Shareholder information and Management Discussion and Analysis are attached herewith and form part of this Report. Declaration by CEO that the Board Members and Senior Management Personnel have complied with the Code of Conduct for the financial year 2022-23 is annexed with this report.

Disclosures for Maintenance of Cost Records

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

Prevention of Sexual Harassment Cases

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

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

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

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

Various workshops and awareness Programmes w.r.t. prevention of sexual harassment has been carried out during the FY 2022-23

Directors' Responsibility Statement

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

- (i) That in preparation of annual accounts for the financial year ended March 31, 2023, 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, 2023 and of the losses of the Company for the financial year ended March 31, 2023;
- (iii) That the directors of the company have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) That the directors of the company have prepared the annual accounts on a going concern basis.
- (v) That the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (vi) That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Managerial Remuneration

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

Particulars of Employees

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

Environment, Health & Safety

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

The Company has taken an initiative to preserve environment by indulging in paper recycling activity. The paper recycling pertains to the processes of reprocessing waste paper for reuse. Recycling paper preserves trees and forests. Recycled paper serves as an environmental friendly resource for paper manufacturers, saving costs and energy. **The Company has recycled approx. 2620 kgs of waste paper till March 31, 2023, contributing in saving 45 nos. of trees.**

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

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

Human Resource Development

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

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

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

Board Diversity Policy

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

Proceeding Under Insolvency and Bankruptcy Code, 2016

The Company has not made any application or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) ("IBC Code") during the year.

Further, at the end of the year, Company does not have any proceedings related to IBC Code.

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

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

Policies

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

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

Policy	Web link
Code of Conduct	http://www.shivamautotech.com/pdf/Code of Conduct for Board Members and Senior Mangement.pdf
Prohibition of Insider Trading	http://www.shivamautotech.com/Uploads/image/157imguf_ProhibitionofInsidertrading.pdf
Payment to Non- Executive Directors	http://www.shivamautotech.com/pdf/Payment to Non-Executive Directors.pdf
Nomination and Remuneration Policy	http://www.shivamautotech.com/Uploads/image/163imguf_15.nrc.pdf
Board Diversity Policy	http://www.shivamautotech.com/pdf/Board Diversity Policy.pdf
Records and Archives Policy	http://www.shivamautotech.com/pdf/records_and_archives_policy.pdf
Related Party Transaction Policy	http://www.shivamautotech.com/Uploads/image/261imguf_related-party-policy-shivam-autotech-limited-30-03-2022.pdf
Anti-Harassment Policy	http://www.shivamautotech.com/pdf/anti-harassment-policy.pdf
Risk Management Policy	http://www.shivamautotech.com/pdf/Risk Management Policy.pdf
Whistle Blower Policy	http://www.shivamautotech.com/Uploads/image/295imguf_WhistleBlowerPolicy.pdf
Familiarization Policy	http://www.shivamautotech.com/Uploads/image/270imguf_familiarization-program-2022-23.pdf
Policy on Determination and Disclosure of Materiality of Events	http://www.shivamautotech.com/Uploads/image/269imguf_policy-on-determination-of-material-events.pdf

Secretarial Standards

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

Acknowledgments

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

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

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

Place: Gurugram
Date: August 14, 2023

For and on behalf of the Board
Neeraj Munjal
Managing Director
DIN: 00037792

For and on behalf of the Board
Charu Munjal
Whole Time Director
DIN:03094545

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Industry Structure and developments

The Indian automobile industry has been through a rollercoaster ride since the first lockdown due to Covid-19. The pandemic brought the industry to a standstill, with factories shutting down and sales plummeting. However, the industry has shown remarkable resilience and has bounced back stronger than ever. In this blog, we will take a closer look at the performance of different segments including passenger vehicles, commercial vehicles, three-wheelers, two-wheelers, tractors and construction equipment.

The sales data of passenger vehicles, commercial vehicles, three-wheelers, two-wheelers, tractors and construction equipment are published by different industry bodies like SIAM (Society of Indian Automobile Manufacturers), FADA (Federation of Automobile Dealers Associations), Tractor and Mechanization Association (TMA) and Indian Construction Equipment Manufacturers Association (icEMA). SIAM publishes wholesale data of vehicles which are dispatched from the factories whereas FADA publishes retail numbers which is basically the actual number of deliveries done by the dealers.

According to SIAM, the automobile industry experienced a significant 21% increase in domestic sales in FY 2022-23. Notably, the passenger vehicle sector achieved its highest sales figures, showcasing an impressive annual growth rate of 27%. Commercial vehicles and three wheelers also witnessed substantial growth, with respective increases of

34% and 87% primarily attributed to the higher demand for passenger carriers. The two-wheeler segment showed a moderate growth of 18% after experiencing a decline for three consecutive years. However, it is important to note that these segments have not yet reached the sales levels observed before the pandemic.

The FADA report also highlights that, in the past year, retail sales experienced a significant double-digit growth of 21%. With the exception of tractors, all categories showed double digit growth rates. Commercial Vehicles, Passenger Vehicles, Three-wheelers and Two-wheelers witnessed growth rates of 33%, 27%, 84%, and 23% respectively. Tractors, on the other hand, had single digit growth rate of 8% due to strong base of previous year.

According to SIAM, Indian automobile industry recorded peak sales of 2.62 crore units in all the segments covering cars, two-wheelers, three-wheelers and commercial vehicles in FY 2018-19. This number fell to 2.15 crore in FY 2019-20 and further dipped to 1.86 crore in FY 2020-21 due to negative effects of Covid pandemic. The Covid pandemic worsened in the FY 2021-22 causing the automobile industry sales to decline to its decade-low level of 1.75 crore units since FY 2012-13. After the Covid, Indian automobile market has seen a robust growth of 21% Y-o-Y to 2.12 crore units in the financial year 2022-23 indicating a robust economic sentiment. Despite a continuous fall for 3 consecutive years, the growth was unable to recover to pre-Covid level in FY 2018-19.

Automobile Domestic Sales Trends

(In Numbers)

Category	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Passenger Vehicles	32,88,581	33,77,389	27,73,519	27,11,457	30,69,523	38,90,114
Commercial Vehicles	8,56,916	10,07,311	7,17,593	5,68,559	7,16,566	9,62,468
Three Wheelers	6,35,698	7,01,005	6,37,065	2,19,446	2,61,385	4,88,768
Two Wheelers	2,02,00,117	2,11,79,847	1,74,16,432	1,51,20,783	1,35,70,008	1,58,62,087
Quadricycles	0	627	942	-12	124	725
Grand Total	2,49,81,312	2,62,66,179	2,15,45,551	1,86,20,233	1,76,17,606	2,12,04,162

Government Initiatives

1. The Union Budget 2023 eliminates customs duties on capital goods and machinery used to produce lithium-ion batteries for use in electrically powered vehicle batteries (EVs). According to reports, the action will lower the price of EVs in the nation.
2. Green Hydrogen Mission – According to the finance minister, The National Green Hydrogen Mission will ease transition of economy to low carbon intensity,

reduce dependence on fossil fuel imports, and make the country assume technology and market leadership in this new industry, with an outlay of Rs.19,700 crores.

3. Basic custom duty changes - The finance minister suggested lowering the basic customs duty rates on goods other than textiles and agricultural products from 21% to 13% in the Union Budget 2023. Due to this, various commodities, notably vehicles, have minimal modifications to the basic custom duties, cesses, and surcharges.

4. Change in personal income tax - The personal income tax rebate cap is raised from Rs.5 lakh to Rs.7 lakh in the Union Budget 2023. It is expected that the salaried population will presumably have more disposable income to spend on items like cars as a result.
5. Scrapping of old vehicles - In line with the Budget 2021–22 policy on car scrapping, the minister announced that she would set aside money for the Central Government's 20-year-old vehicles to be scrapped. She said that states would receive assistance in upgrading outdated cars and ambulances.

Market Size

The Indian automobile industry has historically been a good indicator of how well the economy is doing, as the automobile sector plays a key role in both macroeconomic expansion and technological advancement. The two-wheelers segment dominates the market in terms of volume, owing to a growing middle class and a huge percentage of India's population being young. Moreover, the growing interest of companies in exploring the rural markets further aided the growth of the sector. The rising logistics and passenger transportation industries are driving up demand for commercial vehicles. Future market growth is anticipated to be fuelled by new trends including the electrification of vehicles, particularly three-wheelers and small passenger automobiles.

India enjoys a strong position in the global heavy vehicles market as it is the largest tractor producer, second-largest bus manufacturer, and third-largest heavy truck manufacturer in the world. India's annual production of automobiles in FY22 was 22.93 million vehicles. India has a strong market in terms of domestic demand and exports. In FY23, total passenger vehicle sales reached 3.89 million. In FY23, total automobile exports from India stood at 47,61,487. This sector's share of the national GDP increased from 2.77% in 1992-1993 to around 7.1% presently. It employs about 19 million people directly and indirectly.

India is also a prominent auto exporter and has strong export growth expectations for the near future. In addition, several initiatives by the Government of India such as the Automotive Mission Plan 2026, scrappage policy, and production-linked incentive scheme in the Indian market are expected to make India one of the global leaders in the two-wheeler and four-wheeler market by 2022.

Segment wise Domestic Sales

The industry produced a total of 2,59,31,867 vehicles including Passenger Vehicles, Commercial Vehicles, Three Wheelers, Two Wheelers, and Quadricycles in April 2022 to March 2023, as against 2,30,40,066 units in April 2021 to March 2022.

Total Passenger Vehicle Sales increased from 30,69,523 to 38,90,114 units. Sales of Passenger Cars also increased from 14,67,039 to 17,47,376, Utility Vehicles from 14,89,219 to 20,03,718 and Vans 1,13,265 to 1,39,020 units, in FY-2022-23, compared to the previous year.

The overall Commercial Vehicles sales increased from 7,16,566 to 9,62,468 units. Sales of Medium and Heavy Commercial Vehicles increased from 2,40,577 to 3,59,003 units and Light Commercial Vehicles increased from 4,75,989 to 6,03,465 units, in FY-2022-23, compared to the previous year.

Sales of Three Wheelers increased from 2,61,385 to 4,88,768 units, in FY-2022-23, compared to the previous year.

Two Wheelers sales increased from 1,35,70,008 to 1,58,62,087 units, in FY-2022-23, compared to the previous year.

Exports

In April 2022 to March 2023, Passenger Vehicle Exports increased from 5,77,875 to 6,62,891 units while Commercial Vehicle Exports decreased from 92,297 to 78,645, Three-Wheeler Exports decreased from 4,99,730 to 3,65,549 and Two Wheelers Exports decreased from 44,43,131 to 36,52,122 units over the same period last year.

Opportunities & Threats

Environmental Concerns and the Need for sustainable practices

The automotive industry in India faces the challenge of addressing environmental concerns and adopting sustainable practices. As the industry grows, it is essential to mitigate the environmental impact by reducing carbon emissions and promoting cleaner technologies. This includes the widespread adoption of electric vehicles, the development of charging infrastructure, and the promotion of sustainable manufacturing processes. Automotive manufacturers are investing in research and development to develop more efficient and environmentally friendly vehicles, and the government is providing incentives and support to encourage the transition towards greener mobility solutions.

Addressing the demand for affordable and efficient mobility solutions

India is a diverse market with various consumer preferences and income levels. Meeting the demand for affordable and efficient mobility solutions is a crucial challenge for the automotive industry. Manufacturers must develop cost-effective vehicles with fuel efficiency, low maintenance costs, and value for money. This requires continuous design, engineering, and manufacturing innovation to optimize costs without compromising quality and performance. Additionally, developing shared mobility solutions and integrating digital technologies can help provide consumers with more affordable and convenient transportation options.

Regulatory compliance, safety standards, and quality control:

The automotive industry in India operates under a strict regulatory framework that includes safety standards, emission norms, and quality control measures. Manufacturers must ensure compliance with these regulations and invest

in research and development to develop vehicles that meet the required standards. Additionally, there is a growing focus on enhancing safety features and implementing advanced technologies to reduce accidents and improve occupant protection. Continuous improvement in quality control processes is crucial to maintain customer satisfaction and meet international standards.

While these challenges exist, they also present opportunities for the automotive industry in India:

The push for sustainable practices and the demand for electric vehicles provide opportunities for manufacturers to invest in research and development and establish themselves as leaders in the electric vehicle segment.

The growing demand for affordable and efficient mobility solutions opens doors for innovative business models such as shared mobility, subscription-based services, and leasing options.

The focus on safety and quality control creates opportunities for manufacturers to differentiate themselves by offering advanced safety features, improved vehicle quality, and enhanced customer experiences.

The increasing digitalization of the automotive industry creates opportunities for technology companies, start-ups, and manufacturers to collaborate and develop innovative solutions in connected cars, autonomous driving, and digital customer experiences.

In conclusion, the Indian automotive industry faces sustainability, affordability, and regulatory compliance challenges. However, these challenges also present innovation, growth, and market leadership opportunities. By addressing environmental concerns, meeting consumer demands, and ensuring regulatory compliance, the industry can navigate these challenges and thrive in the dynamic Indian market.

Electric Mobility Revolution

Overview of the electric vehicle market in India

The electric vehicle (EV) market in India is experiencing rapid growth and is poised to play a significant role in the future of the automotive industry. To reduce carbon emissions and dependence on fossil fuels, the Indian government has implemented various initiatives to promote electric mobility. This includes providing financial incentives, tax benefits, and subsidies for EV buyers and establishing a robust charging infrastructure nationwide. Major automotive manufacturers are also introducing electric vehicle models tailored to the Indian market, ranging from two-wheelers and three-wheelers to passenger cars and commercial vehicles.

Road Ahead

The rapidly globalising world is opening newer opportunities for the transportation industry, especially while it makes a shift towards electric, electronic and hybrid

cars, which are deemed more efficient, safe, and reliable mode of transportation. Over the next decade, this will lead to newer verticals and opportunities for auto-component manufacturers, who would need to adapt change via systematic R&D.

Safety first

Our commitment to Environment, Health and Safety (EHS) is integral to our operations. We are focused on creating a safe and enabling working environment at all our manufacturing plants.

BSVI transition – Challenges and solutions

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

Product Wise Performance

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

Outlook

Currently, the energy crisis, gas shortages, rising inflation and Federal Reserve rates, labor shortages, high consumer demand, and unpredictability in the supply chain are some of the handicaps being faced by the automotive industry. However, the rising demand for electric vehicles (EVs) is something to look out for.

According to a study, the market share for electric vehicles is on its way to rise to 54% by 2035. Moreover, sales of automobiles on digital platforms, integration of wireless technology in cars, and entry of connected and autopilot-enabled vehicles in the market are some of the factors that are going to fuel the growth of the automotive industry.

Now, to take advantage of such an opportunity, companies need to make major changes in their business models. They need to devote a part of their operations to EVs, partner with other organizations for electric vehicle technologies, strategic acquisitions, etc.

In the case of firms that supply parts or create technologies for fossil fuel-powered cars and/or EVs, the best plan of action is to efficiently invest in automation and re-evaluate their supply chain.

Furthermore, businesses can also plan to expand their operations in countries where there is the significant growth potential for the EV segment of the automotive industry.

Risk and Concerns from the point of view of the organisation

The Company has in place a robust risk management framework that identifies and evaluates business risks and

opportunities. The Company recognises that these risks need to be handled effectively and mitigated to protect the interest of the shareholders and stakeholders, achieve business objectives and create sustainable value and growth. The Company's risk management processes focus on ensuring that these risks are identified promptly and a mitigation action plan is implemented and monitored periodically to ensure that the risks are being addressed accordingly.

Internal Control System and its Adequacy

Your Company has exhaustive internal control systems that are aligned to its business requirements. The Company regularly monitors the risks and has in place focused risk mitigation strategies. Internal and external audit teams continuously monitor the adequacy and effectiveness of the internal control environment across the Company and the status of compliance with operating systems, internal policies and regulatory requirements.

The Internal Auditor reports directly to the Board through Audit Committee. The Internal Auditor has been assigned with the tasks for setting up of Inventory norms, Inventory optimization, scrap reconciliation, common spare management, BOM correction and verification. The Internal

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

Discussion on Financial Performance with respect to Operational Performance

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

During the financial year 2022-23, revenue from operations was Rs. 47,322.62/- lacs as compared to Rs. 47,338.14/- lacs in 2021-22, registering a decrease in 0.03%.

Key Financial Ratios

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

S. No.	Ratio	FY 2022-23	FY 2021-22	% Change
(i)	Debtor Turnover Ratio	5.33	6.24	-14.58
(ii)	Inventory Turnover Ratio	5.58	5.27	5.92
(iii)	Interest Coverage Ratio	1.05	1.49	-29.69
(iv)	Debt Service Coverage Ratio	0.44	0.70	-37.14
(v)	Current Ratio	0.74	0.60	24.29
(vi)	Debt to Equity Ratio	4.03	3.11	29.30
(vii)	Operating Profit Margin (%)	48.94	52.78	0.07
(viii)	Net Profit Margin (%)	-7.38	-0.3	21,463.30
(ix)	Return on Net Worth*(%)	-0.33	-0.12	179.83
(x)	Return on Capital Employed	-0.10	-0.04	151.77
(xi)	Trade Payable Turnover Ratio	2.43	2.18	11.31
(xii)	Net Capital Turnover Ratio	3.87	3.78	2.42

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

During the year under review, Debt Equity ratio increases from 3.11 (FY 2021-22) to 4.03 (FY 2022-23) as the Company is in recovery after pandemic.

Human Resources & Industrial Relations

Human Resources continued to play a pivotal role in managing, guiding and motivating the Company's workforce. Your company has skilled and unskilled workforce to give a competitive edge in an ever-changing industry landscape. With well-developed, well-founded strategies and establish policies, standards and systems, such as recruitment, on-boarding, training, performance management, mediation, legal compliance, and compensation administration, your company keeps a focus on its Human Resource and continues to invest in a wide variety of HR activities for its sustainable growth and social objectives.

Cautionary Statement

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

Place: Gurugram
Date: August 14, 2023

For and on behalf of the Board

Neeraj Munjal
Managing Director
DIN: 00037792

For and on behalf of the Board

Charu Munjal
Whole Time Director
DIN: 03094545

REPORT ON CORPORATE GOVERNANCE

The Directors have pleasure in presenting the Corporate Governance Report of Shivam Autotech Limited ("the Company") for the year ended March 31, 2023.

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

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

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

Pursuant to Regulation 34 read with Part C of Schedule V of the Listing Regulations, the Company hereby presents a Report on Corporate Governance to its members for the Financial Year 2022-23.

2. BOARD OF DIRECTORS

The Board of Directors provides leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company while adhering to the highest standards of good corporate governance. The Independent Directors are trustees of good corporate governance. Combined, they truly safeguard the rights and

interests of the shareholders of the Company. The Board of the Company comprises of a diverse and fine blend of experienced and responsible Executive and Independent Directors

2.1 Composition of the Board

The Board of Directors of the Company has optimum combination of Executive and non – executive Directors who has in depth knowledge of business, in addition to expertise in their areas of operation. As on 31st March 2023, the strength of the Board of Directors was Six Directors, of which four are non–executive Directors including three Independent Directors. The Composition of Board is in conformity with Regulation 17 of the Listing Regulations.

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

Mr. Bhagwan Das Narang, Chairman and Independent Director and Ms. Jyothi Prasad Independent Director, ceased to be the Directors of the Company SEBI vide order No. WTM/SM/MIRSD/MIRSD-SEC-4/26042/2023-24 dated April 28, 2023. In order to have optimum combination of Board of Director in compliance with Regulation 17 of SEBI (LODR), Regulations, 2015, the Board (with the approval of shareholders through postal ballot, has appointed Mr. Yogesh Chander Munjal, Chairman and Non-Executive Director and change in Designation of Mr. Anil Kumar Gupta as Independent Director w.e.f. May 25, 2023 and appointed Dr. Neetika Batra as Independent Director on the Board July 02, 2023.

2.2 Board / Committee Meetings

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company. The Board Meetings are pre-scheduled and a tentative annual calendar of the Board Meeting is circulated to the Directors well in advance to facilitate them to plan their schedules accordingly. In case of business exigencies, the Board's approval is taken through circular resolutions. The circular resolutions are noted at the subsequent Board Meeting.

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

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. Bhagwan Dass Narang*	5	5	Yes
Mr. Neeraj Munjal	5	5	Yes
Mrs. Charu Munjal	5	4	Yes
Dr. Anil Kumar Gupta	5	5	Yes
Ms. Jyothi Prasad*	5	5	Yes
Mr. Sunil Chinubhai Vakil	5	5	Yes

*ceased to be Director on the Board w.e.f. April 28, 2023

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

2.3 Independent Directors

During the year, a separate meeting of the Independent Directors was held on February 13, 2023. All the Independent Directors were present at the Meeting and reviewed among other matters,

- the performance of non-independent Directors and the Board as a whole;
- the performance of the Chairperson of the Company after considering the views of Executive and Non-Executive Directors;
- assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary

During the Financial Year 2022-23, 5 (Five) meetings of the Board of Directors of the Company were held on May 30, 2022, August 10, 2022, October 22, 2022, February 13, 2023 and March 27, 2023. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 read with MCA General Circular No. 11/2020 dated March 24, 2020 and Listing Regulations read with SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/3 dated March 19, 2020 & SEBI/HO/CFD/CMD1/CIR/P/2020/110 dated June 26, 2020 and the Secretarial Standards issued by the Institute of Company Secretaries of India.

for the Board to effectively and reasonably perform their duties.

- competition strategy, leadership, strengths and weaknesses, governance, compliance, human resource matters etc.

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

Independent Directors confirmation by the Board

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

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

Independent Director Databank Registration

Pursuant to a notification dated October 22, 2019 issued by the Ministry of Corporate Affairs, all

directors have completed the registration with the Independent Directors' Databank. Requisite disclosures have been received from the Directors in this regard.

Number of Independent Directorships

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

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

In accordance with Regulation 17A of the Listing Regulations, none of the Directors hold

directorship in more than 7 listed companies with effect from April 1, 2020. Further, in accordance with Regulation 26 of the Listing Regulations, none of them hold memberships of more than 10 Committees of the Board nor any Director is a Chairperson of more than 5 Committees of the Board (viz. Audit Committee and Stakeholders' Relationship Committee) in Public Limited Companies whether listed or not, excluding private limited companies, foreign companies and companies under Section 8 of the Companies Act 2013. Every director has informed the listed entity about their Directorships, committee positions he or she occupies in other listed entities and changes in their positions as and when they took place. Relevant details of the Board of Directors as on March 31, 2023 are given below:

Name	Category	No. of Directorships in listed entities including this listed entity	No. of Committee Memberships in Audit/ Stakeholder Committee including this listed entity	No. of post of Chairperson in Audit/ Stakeholder Committee held in listed entity including this listed entity
Mr. Bhagwan Dass Narang <i>Chairman*</i>	Independent Director	1	4	1
Mr. Neeraj Munjal <i>Managing Director</i>	Executive Director	1	1	0
Mrs. Charu Munjal <i>Executive Director</i>	Executive Director	2	0	0
Dr. Anil Kumar Gupta	Non-Executive Director	2	2	0
Ms. Jyothi Prasad*	Independent Director	1	4	2
Mr. Sunil Chinubhai Vakil	Independent Director	1	2	1

*ceased to be Director on the Board w.e.f. April 28, 2023

None of the Independent Directors holds any shares (as own or on behalf of other person on beneficial basis) in the Company as on March 31, 2023.

Notes:

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

Name of equity listed entities where directors of the Company held directorships as on March 31, 2023

Name of Director	Name of Listed entities	Category
Mr. Bhagwan Dass Narang*	a) Shivam Autotech Limited	Chairman, Non – Executive and Independent Director
Mr. Neeraj Munjal	a) Shivam Autotech Limited	Managing Director
Mrs. Charu Munjal	a) Shivam Autotech Limited	Whole-Time Director
	b) Munjal Showa Limited	Non – Executive and Non – Independent Director
Dr. Anil Kumar Gupta	a) Shivam Autotech Limited	Non – Executive and Non – Independent Director
	b) Akar Auto Industries Limited	Non – Executive and Independent Director
Ms. Jyothi Prasad*	a) Shivam Autotech Limited	Non – Executive and Independent Director
Mr. Sunil Chinubhai Vakil	a) Shivam Autotech Limited	Non – Executive and Non – Independent Director

*ceased to be Director on the Board w.e.f. April 28, 2023

2.5 Re - Appointment of Directors

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

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

2.6 Performance Evaluation of Board Members

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

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

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

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

- Participation at Board/ Committee Meetings;
- Managing Relationship;
- Knowledge and Skill;
- Personal Attributes;
- Initiative and Resourcefulness;
- Judgment, Adaptability & Decisiveness;
- Innovation and Creativity;
- Leadership;
- Interpersonal Relationship;
- Oral & Written Communication;
- Job knowledge and skills;
- Learning Ability & Evaluating subordinates;
- Self-Management etc.

2.7 Availability of Information to Board Members

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

- Annual operating plans and budget, capital budgets and updates.
- Quarterly results of the Company
- Minutes of meeting of Audit, Nomination and Remuneration, Stakeholders Relationship, Risk Management and Corporate Social Responsibility Committees and abstracts of circular resolution passed.
- General notices of interest received from directors.
- Dividend Data including unpaid dividend figures for previous years.
- Information on recruitment and remuneration of senior officers just below the level of board of directors.
- Materially important litigations, show cause, demand and penalty notices.
- Any issues that involves possible public or product liability claims of a substantial nature.
- Significant labour problems and their proposed solutions. Any significant development involving human resource management
- Details of foreign exchange exposure and the steps taken by the management to limit risks of adverse exchange rate movement.
- Non Compliance with any regulatory, statutory or listing requirements.
- Any material default in financial obligations to and by the listed entity, or substantial non-payment for goods sold by the listed entity.

2.8 Familiarization programmes for Board Members

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

Quarterly updates on relevant statutory changes encompassing important laws are regularly circulated to the Directors. Site visits to various plant locations are organized for the Directors to enable them to understand the operations of the Company. The details of such familiarization programmes for Independent Directors are posted on the website of the Company http://www.shivamautotech.com/Uploads/image/270imguf_familiarization-program-2022-23.pdf

Familiarization programmes for Independent Directors

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

Details of Familiarization sessions held during the FY 2022-23 pursuant to the Policy are as follows:

- Business overview and an outline of Corporate Plan and Annual targets
- Orientation on Statutory compliances as a Board Member
- Discussion on recent budget and Induction of New CFO

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

We have vibrant Board of Directors with vast range of skills, expertise and experience from various fields and sectors as required. Below is the

chart of skills/expertise/competence identified by the Board of Directors in context of the Company's businesses and sectors for it to function effectively and actually available with the Board:

Name of Director	Core Skills/Expertise/Competencies
Mr. Bhagwan Dass Narang*	<p>He has rich experience in banking, Finance and Taxation, Business process and improvements, Impact Investing, Commercial experience including communications, marketing, branding and business systems, practices and improvement, General Management and Strategic planning.</p> <p>He has handled special assignments viz. Chairman for the panel on Serious Financial Frauds appointed by RBI, appointed as Chairman of Governing Council of National Institute of Banking Studies & Corporate Management, Chairman of IBA's Advisory Committee.</p>
Mr. Neeraj Munjal	<p>He has a vast experience of precision and value engineering, and Project Management, Global Business Leadership, Business Development and Business Operations.</p> <p>He has been responsible for conceptualizing near net shape forging technology in Shivam Autotech Limited employing cold, warm and hot forging.</p> <p>He is proficient to lead a team of engineers to evolve solution to complex manufacturing problems. He also held Chairmanship of CII, Haryana Chapter.</p>
Mrs. Charu Munjal	<p>She has an exposure in creative designing and Sales, Marketing field and International Business, Business Development and Business Operations.</p> <p>She leads the team of marketing personnel and guides them to identify new marketing initiatives/forged strategies for new business developments and control all associated administration and system-driven operations.</p>
Dr. Anil Kumar Gupta	<p>He is a well-respected Engineer cum Scientist, capable of creating value addition and complex sub- systems / systems, having in-depth knowledge of mechanical and metallurgical engineering with special expertise in Metal Forming Processes, including technology development of light weighted materials and composites, and has technical Expertise. He held the Vice President, Materials Research Society of India (MRSI), and was also the Chairman, Materials Research Society of India, Delhi & Bhopal Chapters.</p> <p>He has guided PhD (Engineering) Scholars during his 35 years carrier in CSIR and published large number of National and International Scientific Publications.</p>
Ms. Jyothi Prasad*	<p>She is an Independent consultant in the area of financial advisory services including IPOs, Mergers & Acquisitions, private Equity and fund raising, investment banking experience, expertise in business, project management and operational aspects.</p> <p>She is at present, associated as a Senior Advisor with Sparrow Advisory, a boutique provider of PE and M&A advice and is involved in their assignments from time to time.</p> <p>The organizations she has worked for include SBI Capital Markets, Peregrine Capital, NM Rothschild (India) and American Orient Capital Markets in various capacities relating to investment banking/corporate finance.</p>
Mr. Sunil Chinubhai Vakil	<p>He has rich experience in corporate finance/business consultancy, Business Restructuring, Forensic Audit & Investigative Engagements.</p> <p>He has been an accredited advisor to Central Bureau of Intelligence (CBI), a premier investigation agency in India on matters of national import involving economic crimes in cross border jurisdictions.</p> <p>He was (for 2016-2019), a Vice Chair of the International Committee of Technical advisors of ROTARY INTERNATIONAL that oversees, monitors and regulates the large, global grant-enabled humanitarian service projects in over 100+ countries around the world.</p>

*ceased to be Director on the Board w.e.f. April 28, 2023

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

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

2.11 Committees of the Board

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

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

3. AUDIT COMMITTEE

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

177 of the Companies Act, 2013 and the provisions of Regulation 18 of the Listing Regulations.

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

3.1 Composition of the Audit Committee and attendance of members

The Audit Committee comprises mainly of Independent Directors and the composition is in conformity with the Listing Regulations. During the Financial Year 2022-23, 4 (four) meetings of the Audit Committee were held on May 30, 2022, August 10, 2022, October 22, 2022 and February 13, 2023. The requisite quorum was present at all the Meetings. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 read with MCA General Circular No. 11/2020 dated March 24, 2020 and Listing Regulations read with SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/3 dated March 19, 2020 & SEBI/HO/CFD/CMD1/CIR/P/2020/110 dated June 26, 2020 and the Secretarial Standards issued by the Institute of Company Secretaries of India.

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

The Company Secretary acts as the Secretary of the Committee.

The Table below provides the attendance of the Audit Committee members during the FY 2022-23

Name	Designation	Category of Directorship	No. of Meetings attended
Ms. Jyothi Prasad*	Chairperson	Independent Director	4
Mr. Bhagwan Dass Narang*	Member	Independent Director	4
Dr. Anil Kumar Gupta	Member	Non-Executive Director	4
Mr. Sunil Chinubhai Vakil	Member	Independent Director	4

*ceased to be Director on the Board w.e.f. April 28, 2023

3.2 Terms of Reference

The terms of reference of the Audit Committee are wide enough to cover the matters specified for the Audit Committee under Regulation 18(3) read with Part C of Schedule II of the

Listing Regulations as well as Section 177 of the Companies Act, 2013 are as follows:

- Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial

statement is correct, sufficient and credible;

- (ii) Recommending to the Board, the appointment, remuneration and terms of appointment of the statutory auditors.
- (iii) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (iv) Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013.
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgement by management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to financial statements.
 - f) Disclosure of any related party transactions.
 - g) Modified opinion(s) in the draft audit report.
- (v) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (vi) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

- (vii) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process
- (viii) Approval or any subsequent modification of transactions of the company with related parties;
- (ix) Scrutinizing inter-corporate loans and investments;
- (x) Considering valuation of undertakings or assets of the company, wherever it is necessary;
- (xi) Evaluating internal financial controls and risk management systems;
- (xii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (xiii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (xiv) Discussion with internal auditors of any significant findings and follow up thereon;
- (xv) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (xvi) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (xvii) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (xviii) to review the functioning of the whistle blower mechanism;
- (xix) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (xx) Carrying out any other function as is mentioned in the terms of reference of the audit committee;

- (xxi) Monitoring the end use of funds raised through public offers and related matters;
- (xxii) Reviewing Foreign Exchange Exposure of the Company;
- (xxiii) Review of statement of significant related party transactions, submitted by management;
- (xxiv) Reviewing management letters / letters of internal control weaknesses issued by the statutory auditors;
- (xxv) Reviewing the appointment, removal and terms of remuneration of the internal auditor;
- (xxvi) reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
- (xxvii) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

The Audit Committee, while reviewing the Annual Financial Statements also reviews the applicability of various Accounting Standards (AS) referred to in Section 133 of the Companies Act, 2013. The compliance of the Accounting Standards as applicable to the Company has been ensured in the preparation of the Financial Statements for the year ended March 31, 2023.

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

Besides the above, Chief Financial Officer, the representatives of the Statutory Auditors and the Internal Auditors are also invitees to the Audit Committee Meetings. The Company follows best practices in financial reporting. The Company has been reporting on quarterly basis, the Un-audited and Audited Financial Statements as required by the Regulation 33 of the Listing Regulations. The Company's

quarterly Un-audited and Audited Financial Statements are made available on the website www.shivamautotech.com.

3.3 Internal Controls and Governance Processes

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

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

4. NOMINATION AND REMUNERATION COMMITTEE

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

The Nomination and Remuneration Policy is available on the website of the Company at: http://www.shivamautotech.com/Uploads/image/163imguf_15.nrc.pdf

4.1 Terms of Reference

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

- i) to formulate criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors the Company's policies, relating to the remuneration for the Directors, Key Managerial Personnel and other employees,
- ii) to formulate criteria for evaluation of performance of Independent Directors and the Board;
- iii) to devise a policy on Board diversity;

- iv) to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- v) whether to extend or continue the term of appointment of the Independent Director on the basis of the report of performance evaluation of Independent Directors
- vi) to recommend to the Board, all remuneration, in whatever form, payable to senior management;
- vii) to ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- viii) to ensure relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

- ix) to ensure remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
- x) to assist the Board in fulfilling responsibilities.

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

The Nomination and Remuneration Committee comprises mainly of Independent Directors. During the Financial Year 2022-23, 2 (two) meeting of the Nomination and Remuneration Committee were held on May 30, 2022 and February 13, 2023. The requisite quorum was present at all the Meetings.

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

Name	Designation	Category of Directorship	No. of Meetings attended
Ms. Jyothi Prasad*	Chairman	Independent Director	2
Mr. Bhagwan Dass Narang*	Member	Independent Director	2
Dr. Anil Kumar Gupta	Member	Non-Executive Director	2
Mr. Sunil Chinubhai Vakil	Member	Independent Director	2

*ceased to be Director on the Board w.e.f. April 28, 2023

4.3 Remuneration of Directors

A. Pecuniary relationship/transaction with Non-Executive directors

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

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

The Non-Executive Directors are paid remuneration by way of Sitting Fees and Commission. The Non-Executive Directors do not draw any remuneration from the Company except sitting fees of Rs. 30,000/- for each meeting of the Board and Rs. 30,000/-

for each meeting of the Audit Committee, Stakeholders' Relationship Committee and Nomination and Remuneration Committee and Independent Directors' Meeting attended by them.

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

Details of Remuneration Paid to Non-Executive Directors

Name of Non-Executive Directors	Sitting fees		Independent Director's Meeting	Commission	Total
	Board Meeting	Committee Meeting			
Mr. Bhagwan Dass Narang	30,000	30,000	30,000	-	3,90,000
Dr. Anil Kumar Gupta	30,000	30,000	-	-	3,30,000
Ms. Jyothi Prasad	30,000	30,000	30,000	-	3,90,000
Mr. Sunil Chinubhai Vakil	30,000	30,000	30,000	-	3,90,000

C. Remuneration to Executive Directors

The appointment and remuneration of Executive Directors i. e. Managing Director and Whole-Time Directors is governed by the recommendation of the Nomination and Remuneration Committee, Resolutions passed by the Board of Directors and Shareholders of the Company and Agreement executed between them and the Company. The remuneration is fixed considering various parameters such as qualification, expertise, experience, prevailing remuneration in the industry and financial position of the Company. The remuneration package of Managing Director and Whole-Time Directors comprises of salary, perquisites and allowances, and contributions to Provident and other Retirement Benefit Funds

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

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

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

Details of Remuneration Paid to Managing Director and Executive Directors

(Amount in Rs. Lacs)

Executive Director(s)	Salary	Commission	Perquisites & Allowances	Contribution to PF Fund	Total
Mr. Neeraj Munjal	96.00	-	80.06	11.52	187.58
Mrs. Charu Munjal	48.00	-	32.06	5.76	85.82

Notes:

- The agreement between the Company and the Managing Director is for a period of five years. Either party is entitled to terminate the Agreement by giving not less than 180 days' notice in writing to the other party.
- Commission is payable @2.00% of the net profits of the Company computed in accordance with the provisions of the Companies Act, 2013. However, Commission has not been paid to Mr. Neeraj Munjal and Mrs. Charu Munjal for the year 2022-23. There are no severance fees paid to the directors.
- Presently, the Company does not have Stock Option Scheme.

4.4 Performance Evaluation Criteria for Independent Directors:

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has carried out the annual evaluation of its own performance, its Committees and all Directors individually. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such

as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. The report of performance evaluation was then discussed and noted by the Board.

The performance evaluation of the Chairman, Managing Director and Executive Directors was

carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

4.5 Policy for Selection and Appointment of Directors and their Remuneration

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management personnel and their components of remuneration. The Nomination and Remuneration Policy is displayed on the website of the Company.

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

Name of the Member	Designation	Category of Directorship	No. of Meetings attended
Mr. Sunil Chinubahi Vakil	Chairman	Independent Director	1
Ms. Jyothi Prasad*	Member	Independent Director	1
Mr. Bhagwan Dass Narang*	Member	Independent Director	1
Mr. Neeraj Munjal	Member	Executive Director	1
Dr. Anil Kumar Gupta	Member	Non-Executive Director	1

*ceased to be Director on the Board w.e.f. April 28, 2023

Compliance Officer

Ms. Preeti Sharma, Company Secretary of the Company acts as the Compliance Officer of the Company and any request / complaint can be forwarded to the Company at e-mail Id cs@shivamautotech.com.

5.2 Scope of the Committee

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

- to consider and resolve the grievances of security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.;
- to review measures taken for effective exercise of voting rights by shareholders.
- to review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

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

During the Financial Year 2022-23, 1(one) meeting of the Stakeholders' Relationship Committee were held on February 13, 2023. The requisite quorum was present at all the Meetings. The requisite quorum was present at all the Meetings.

- to review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the Company;
- to consider and approve demat/ remat of shares/split/consolidation/sub-division of share certificates;
- to consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc;
- to oversee and review all matters connected with the transfer of the Company's securities;
- to carry out any other function as prescribed under the Listing Regulations, the Companies Act, 2013 and other Applicable Law as amended from time to time;
- to carry out any other duties that may be delegated to the Committee by the Board of Directors from time-to-time.

5.3 Details of shareholders' complaints received during the FY 2022-23 and their status are as follows:

Nature of Complaints		Total Received	Total Replied / Resolved	Pending
1.	Inquiry pertaining to non-receipt of shares after transfer	0	0	---
2.	Request for issue of duplicate share certificates	0	0	---
3.	Non receipt of dividend / Revalidation of dividend warrants	0	0	---
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.	0	0	---

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

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

6. INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on February 13, 2023, inter alia, to:

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

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

Name	Designation	Category of Directorship	No. of Meetings attended
Mr. Bhagwan Dass Narang*	Chairman	Independent Director	1
Ms. Jyothi Prasad*	Member	Independent Director	1
Mr. Sunil Chinubhai Vakil	Member	Independent Director	1

*ceased to be Director on the Board w.e.f. April 28, 2023

7. RELATED PARTY TRANSACTIONS (RPT)

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and SEBI Listing Regulations during the financial year 2022-23 were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013.

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

interests of the Company at large. The details of related party transactions are given in note 37 of Financial Statements.

The Company has developed a policy on Related Party Transactions. The policy on related party transactions as approved by the Board is uploaded on the Company's website. The link of such policy is given below: http://www.shivamautotech.com/Uploads/image/261imguf_related-party-policy-shivam-autotech-limited-30-03-2022.pdf

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

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

8. GENERAL BODY MEETINGS

a) Annual General Meeting

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

For the Year	Location	Day and Date	Time	No. of Special Resolutions passed
2021-2022	Deemed Venue-Shivam Autotech Limited, 10, 1 st Floor, Emaar Digital Greens, Tower A, Sector 61, Golf Course Extension Road, Gurugram, Haryana-122102	Wednesday, September 28, 2022	12:00 Noon through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	01
2020-2021	Deemed Venue-Shivam Autotech Limited, 10, 1 st Floor, Emaar Digital Greens, Tower A, Sector 61, Golf Course Extension Road, Gurugram, Haryana-122102	Tuesday, September 29, 2021	12:00 Noon through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	02
2019-2020	Deemed Venue-Shivam Autotech Limited, 10, 1 st Floor, Emaar Digital Greens, Tower A, Sector 61, Golf Course Extension Road, Gurugram, Haryana-122102	Wednesday, September 30, 2020	11:30 A.M. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	01

(b) Resolutions passed last year through Postal Ballot:

The Company has not obtained any approval of members by way of postal ballot (e-voting and postal ballot) during financial year 2022-23.

(c) Extraordinary General Meeting (EGM)

No EGM was held during the Financial Year 2022-23.

9. MEANS OF COMMUNICATION

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

The Company's results are displayed on the Company's website i.e. www.shivamautotech.com. The website also displays the compliances done pursuant to Listing Regulations.

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

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

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

12. GENERAL SHAREHOLDER INFORMATION

12.1 Annual General Meeting

The ensuing Annual General Meeting will be held on Saturday, September 30, 2023 at 12:00

Noon through video conferencing or other audio visual means at the Registered Office of the Company at 10, 1st Floor, Emaar Digital Greens, Tower A, Sector-61, Golf Course Extension Road, Gurugram, Haryana-122102

12.2 Financial Calendar for FY 2023-24

Financial Year - April 1 to March 31

- i) First Quarter Results – on or before August 14, 2023
- ii) Second Quarter Results – on or before November 14, 2023
- iii) Third Quarter Results – on or before February 14, 2024
- iv) Fourth Quarter Results – on or before May 30, 2024
- v) Audited Results for the year ended March 31, 2024 – on or before May 30, 2024
- vi) Annual General Meeting for the year ended March 31, 2024 – on or before September 30, 2024

12.4 Listing on Stock Exchanges

The BSE Limited

The National Stock Exchange of India Limited

The Annual Listing Fees for 2023-24 have been paid to both the Stock Exchanges.

12.5 Stock Code

532776 – The BSE Limited

SHIVAMAUTO – The National Stock Exchange of India Limited

12.6 Company Identification Number (CIN): L34300HR2005PLC081531 (w.e.f. July 18, 2019)

Permanent Account Number (PAN): AAJCS7372M

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

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

12.8 Demat ISIN Number for NSDL and CDSL

INE637H01024

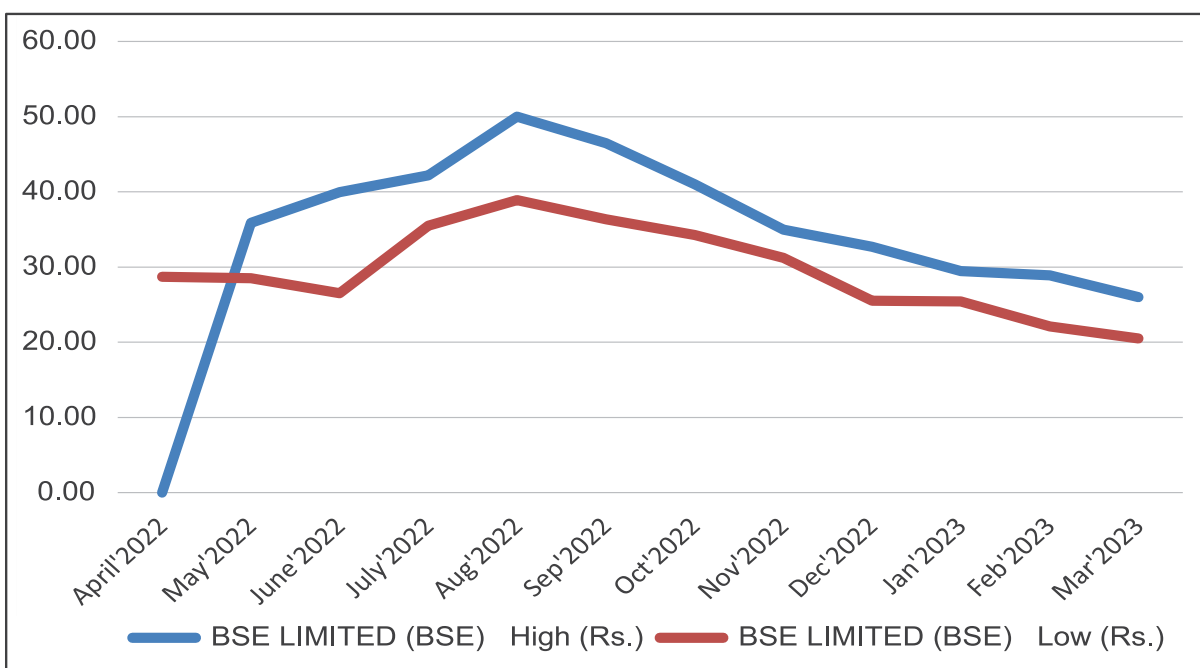
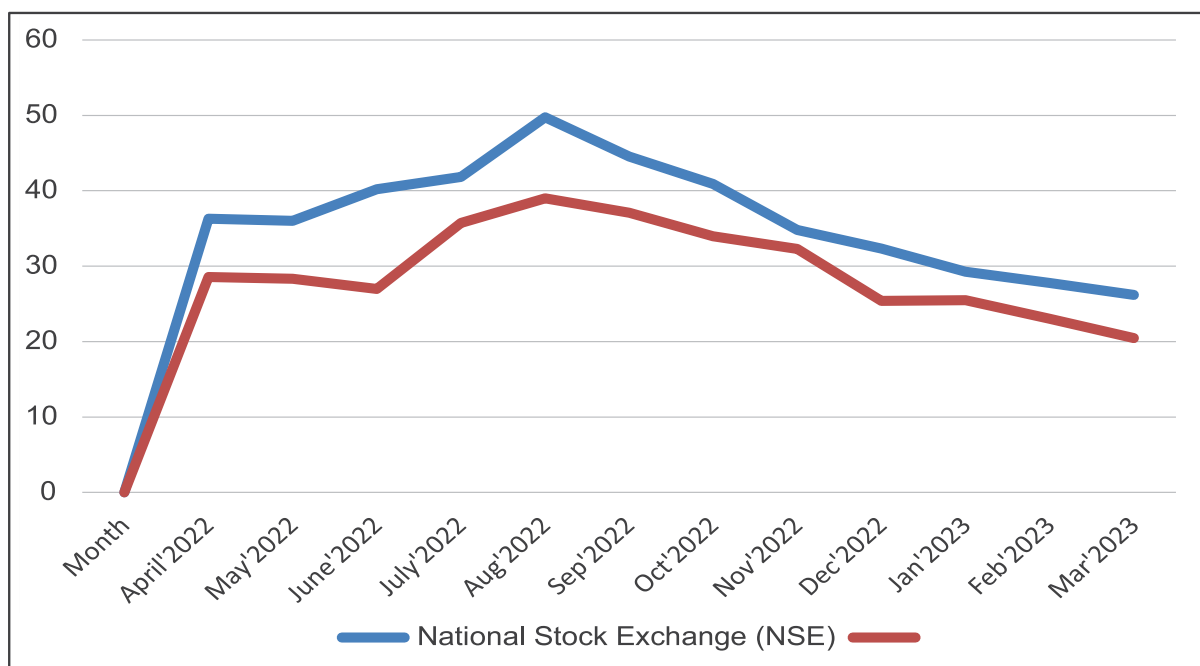
1.9 Market Price Data

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

1.10 Performance in comparison to broad-based indices

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

High Low data at BSE & NSE						
Month	BSE LIMITED (BSE)		National Stock Exchange (NSE)			
	High (Rs.)	Low (Rs.)	High (Rs.)	Date	Low (Rs.)	Date
April'2022	36.65	28.7	36.30	28-Apr-22	28.55	20-Apr-22
May'2022	35.85	28.5	36.00	05-May-22	28.35	28-May-22
June'2022	39.95	26.5	40.20	30-Jun-22	27.00	17-Jun-22
July'2022	42.20	35.5	41.85	29-Jul-22	35.75	06-Jul-22
Aug'2022	50.00	38.9	49.75	04-Aug-22	39.00	23-Aug-22
Sep'2022	46.45	36.35	44.55	13-Sep-22	37.10	27-Sep-22
Oct'2022	41.00	34.25	40.90	19-Oct-22	33.95	31-Oct-22
Nov'2022	34.95	31.2	34.80	03-Nov-22	32.30	01-Nov-22
Dec'2022	32.70	25.5	32.35	01-Dec-22	25.40	23-Dec-22
Jan'2023	29.45	25.4	29.25	09-Jan-23	25.50	31-Jan-23
Feb'2023	28.90	22.1	27.75	01-Feb-23	23.00	22-Feb-23
Mar'2023	26	20.5	26.20	17-Mar-23	20.45	31-Mar-23



10.1 Registrar and Transfer Agents

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

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

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

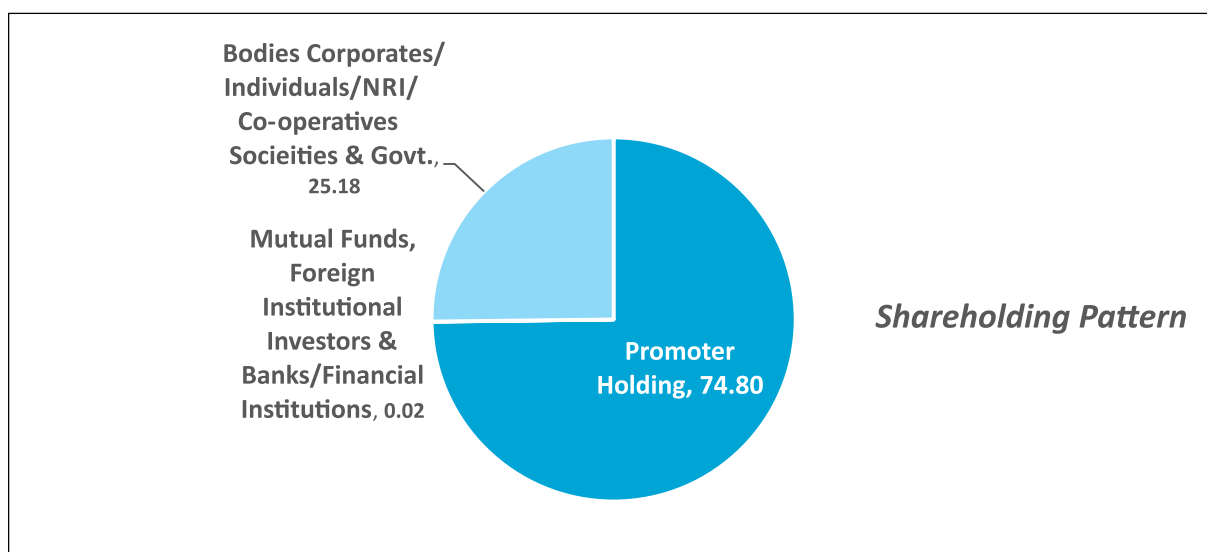
Nomination Facility

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

10.12 Distribution of Shareholding as on March 31, 2023

Range	No. of Shares		No. of Shareholders	
	Number	%	Number	%
1 - 500	3894038	3.19	24107	74.22
501 - 1000	3091046	2.53	3696	11.38
1001 - 2000	3319273	2.72	2162	6.66
2001 - 3000	2356658	1.93	916	2.82
3001 - 4000	1334792	1.09	374	1.15
4001 - 5000	1867659	1.53	389	1.20
5001 - 10000	3615997	2.96	490	1.51
10001 - 50000	5827721	4.77	299	0.92
50001 - 100000	2176282	1.78	33	0.10
And Above	94738756	77.51	14	0.04
Total	122222222	100	32480	100

S. No.	Categories	No. of Holders	No. of Shares	% Shareholding	In Demat form
A	Promoter Holding				
I	Dayanand Munjal Investments Private Limited	1	9,14,17,272	74.80	9,14,17,272
	Total Promoter Holding	1	9,14,17,272	74.80	9,14,17,272
B	Public Holding				
	<u>Institutions</u>				
i	Mutual Funds	2	17,500	0.01	17,500
ii	Foreign Institutional Investors	1	3,000	0.00	-
	Sub Total	3	20,500	0.02	17,500
	<u>Non Institutions</u>				
i	Individuals				
	Individuals holding nominal share capital upto Rs. 2 Lacs	26,773	2,31,81,476	18.97	2,21,13,081
	Individuals holding nominal share capital in excess of Rs. 2 Lacs	19	43,91,847	3.59	42,75,202
ii	Others:				
	a. Other Bodies Corporate	146	22,15,387	1.81	21,63,387
	b.NRI	266	7,21,694	0.59	6,36,194
	c. Cooperative Societies	1	4,000	0.00	4,000
	d. Govt - IEPF Suspense Account	1	2,70,046	0.22	2,70,046
	Sub Total	27,206	3,07,84,450	25.19	2,94,61,910
	Total Public Holding	27,209	3,08,04,950	25.20	2,94,79,410
	Grand Total	27,210	12,22,22,222	100.00	12,08,96,682



10.13 Share Transfer System

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

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

The Board of Directors has delegated the authority to approve the share transfers/transmissions etc. to the Company Secretary who attend the same within the prescribed period and in case of any dispute / difference, forward the same to the Stakeholders' Relationship Committee for their approval.

10.14 Dematerialisation of Shares and Liquidity

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

The Company has arrangements with National Securities Depository Ltd. (NSDL) as well as the Central Depository Services (India) Ltd. (CDSL) for demat facility. As on March 31, 2023, 98.81% of the total Equity Capital is held in the demat form with NSDL and CDSL.

Physical and Demat Shares:

	As on March 31, 2023	%
No. of Shares held by NSDL	10,74,72,358	87.93
No. of Shares held by CDSL	1,34,24,324	10.98
Physical Shares	13,25,540	1.09
TOTAL	12,22,22,222	100.00

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

Not Issued

10.16 Foreign Exchange Risk and Commodity Hedging Activities

During the year under review, the Company has no fully hedged Letters of credit in foreign currency for Imports of some raw materials, stores & spares and capital goods. The Company is consulting foreign exchange experts on day-to-day basis for hedging /booking the import bill to manage the foreign exchange risks.

10.17 Plant Locations with address

- **Binola Plant** – 58 Km Stone, Delhi - Jaipur Highway, Village - Binola, Gurugram – 122413, Haryana.
- **Haridwar Plant** - Plot No. 3, Industrial Park 2, Phase I, Village Salempur, Tehsil Mehdood, Haridwar - 249401, Uttarakhand.
- **Bengaluru Plant** - Plot No. 98, Vemagal Industrial Area, Kolar – 563101, Karnataka.
- **Rohtak Plant** - Plot No. 9, Sector-30A, IMT Rohtak, District: Rohtak -124001, Haryana.

10.18 Address for correspondence

Ms. Preeti Sharma
Company Secretary
10, 1st Floor, Emaar Digital Greens, Tower A,
Sector-61, Golf Course Extension Road,
Gurugram, Haryana-122102
Tel. No.: 0124-4698700
Fax: - 0124-4698798
cs@shivamautotech.com

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

Mr. Devendra Kumar Goyal
Chief Financial Officer
10, 1st Floor, Emaar Digital Greens, Tower A,
Sector-61, Golf Course Extension Road,
Gurugram, Haryana-122102
Tel. No.: 0124-4698700
Fax: - 0124-4698798
dkgoyal@shivamautotech.com

10.19 Credit Rating

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

10.20 Compliance with Secretarial Standards

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

10.21 Secretarial Audit

- a) Satyender Kumar & Associates, Company Secretaries have conducted a Secretarial Audit of the Company for the year 2022-23. Their Audit Report (except observations, remarks, qualifications as stated in the report) confirms that the Company has complied with the applicable provisions of the Companies Act, 2013 and the Rules made there under, Listing Agreements with the Stock Exchanges, applicable Listing Regulations and other laws applicable to the Company. The Secretarial Audit Report forms part of the Board's Report.
- b) Pursuant to Regulation 40(9) of the Listing Regulations, certificates have been issued on yearly basis, by Satyender Kumar & Associates, Company Secretaries, certifying due compliance of share transfer formalities by the Company.

10.22 Reconciliation of Share Capital Audit

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

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

10.23 Unclaimed dividend

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

and Protection Fund (IEPF) established by the Central Government.

During the year, the Company has transferred Rs.9,11,167/- lying unclaimed in Unpaid Dividend Account in respect of Dividend for the year 2014-15 to the said Fund on November 25, 2022.

13. DISCLOSURES

13.1 All transactions entered into with related parties as defined under the Act and Regulation 23 of the Listing Regulations during the Financial Year 2022-23 were in the ordinary course of business and on arm's length pricing basis and do not attract provisions of Section 188 of the Act. There were no materially significant transactions with the related parties during the Financial Year which were in conflict with the interest of Company. Suitable disclosures as required by Accounting Standard (AS 18) have been made in the Financial Statements.

13.2 Strictures and Penalties

The Company has complied with the requirements of the Stock Exchanges/ SEBI and Statutory Authorities on all matters related to the capital markets during the last three years. No other penalties have been imposed or strictures passed against the Company by the stock exchanges, the Securities and Exchange Board of India or any statutory authority on any matter related to capital markets during the last three years. Further, Securities of the Company have not been suspended for trading at any point of time during the year.

13.3 Vigil mechanism / Whistle Blower Policy

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. A Vigil mechanism / Whistle Blower Policy as defined under Regulation 22 of the Listing Regulations provides a channel to the employees and Directors of the Company to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors of the Company to avail the mechanism and also provide for direct access

to the Managing Director/Chairman of the Audit Committee in exceptional cases. This neither relieves employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations against people in authority and / or colleagues in general.

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

Name and Address of the Vigilance & Ethics Officer

Mr. Anshuman Sharma (AGM-HR&A)
Shivam Autotech Limited
10, 1st Floor, Emaar Digital Greens, Tower A,
Golf Course Extension Road, Gurugram,
Haryana-122102
0124-4698700
E-mail- anshumansharma@shivamautotech.com

Name and Address of Managing Director

Mr. Neeraj Munjal
Shivam Autotech Limited
10, 1st Floor, Emaar Digital greens, Tower A,
Golf Course Extension Road, Gurugram,
Haryana-122102
0124-4698700
Email- neeraj@shivamautotech.com

Name and Address of the Chairman of Audit Committee

Ms. Sunil Chinubhai Vakil
Shivam Autotech Limited
10, 1st Floor, Emaar Digital greens, Tower A,
Golf Course Extension Road, Gurugram,
Haryana-122102
0124-4698700
Email- admn@shivamautotech.com

Pursuant to Section 177 of the Companies Act, 2013, the SEBI Listing Regulations and the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company had adopted its Whistle Blower Policy. The website link of Vigil Mechanism / Whistle Blower Policy is given below: <http://www.shivamautotech.com/Uploads/image/295imgufWhistleBlowerPolicy.pdf>

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

13.5 Material Subsidiaries

The Company does not have any material subsidiary.

13.6 The Board has approved a policy for related party transactions which can be accessed at the Company's website link http://www.shivamautotech.com/Uploads/image/261imguf_related-party-policy-shivam-autotech-limited-30-03-2022.pdf

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

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

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

1.9 Certificate from Practising Company Secretary

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

13.10 Audit Fees paid to Statutory Auditors

The details of total fees for all services paid to the Statutory Auditors M/S. NSBP & Co., Chartered Accountants (Firm Registration No.001075N) during the year ended March 31, 2023 are as below:

Particulars	Amount (Rs. In Lakhs)
Audit Fees	10.50
Limited reviews	6.00
Certifications/other services	1.50
Total	18.00

13.11 Policy to prevent and deal with sexual harassment

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

13.12 Unclaimed / Undelivered Shares to Suspense Account

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

Particulars	Demat	
	Number of Shareholders	Number of equity shares
Aggregate Number of shareholders and the outstanding shares in the Suspense Account lying as on April 01, 2022	1367	765,870
Number of shareholders who approached the Company for transfer of shares and shares transferred from Suspense Account during the year	0	0
Aggregate Number of shareholders and the outstanding shares in the Suspense Account lying as on March 31, 2023	1367	765,870

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

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

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 ("Act") read with Rule 6 of Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and

Refund) Rules, 2016 (as amended from time to time) ("Rules"), members whose dividend amount has not been paid or claimed for seven consecutive years or more, shares held by them shall be credited to the demat Account of the Investor Education and Protection Fund Authority (IEPFA). During FY 2022-23, 11604 equity shares of Rs. 2/- each held by aforesaid members, were transferred to the demat Account of IEPF Authority constituted in accordance with the Rules.

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

The Company has initiated necessary action for transfer of shares in respect of which dividend has not been paid or claimed by the members consecutively since 2014-15. During the financial year 2022-23, notices were sent to the concerned shareholders whose shares were liable to be transferred to IEPF Demat Account under the said Rules for taking appropriate action and full details of such shareholders and shares due for transfer to IEPF Authority's Demat Account have also been uploaded on Company's website at www.shivamautotech.com.

13.14 Prevention of Insider Trading

The Company has adopted a Code of internal procedures and Conduct for regulating, monitoring and reporting of trading by designated persons with a view to regulate trading in securities by the designated persons of the Company applicable from April 01, 2019 as per SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2019. This Code is applicable to all Board Members / Officers / Designated Employees. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the designated persons while in possession of unpublished price sensitive information in relation to the Company and during the period when the trading window is closed.

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

13.15 Code of Conduct for Directors and Senior Management Personnel

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

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

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

13.16 Review of legal compliance reports under SEBI Listing Regulations

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

13.17 Compliances by the Company

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

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

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

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

13.19 Chairman

The Company has appointed Mr. Bhagwan Dass Narang as the Chairman of the Company w.e.f. November 09, 2020. He is a Non-executive and Independent Director of the Company. Further, Mr. Bhagwan Das Narang ceased to Director on Board w.e.f. April 28, 2023.

Mr. Neeraj Munjal is the Managing Director of the Company.

13.20 CEO & MD / CFO Certification

The MD and the CFO have issued certificate pursuant to Regulation 17(8) of Listing Regulations certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs for the financial year ended March 31, 2023. The said certificate forms integral part of the Annual Report.

13.21 Public Issues/Preferential Issues

The Company has raised money through Rights issue during the Financial year 2021-22. However, Company has not raised any money/funds from Public issues and preferential allotment or qualified institutional placements as specified under Regulation 32(7a) of the SEBI Listing Regulations during the financial year 2022-23.

B. NON-MANDATORY REQUIREMENTS

Adoption of Non- mandatory Requirements

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

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

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

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

The Board: The Chairman of the Company is a non-Executive Director.

**Place: Gurugram
Date: August 14, 2023**

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

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

CEO & CFO CERTIFICATE

We hereby certify to the Board that:

We hereby certify to the Board that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2023, and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We are responsible for establishing and maintaining Internal Controls for financial reporting and that we have evaluated the effectiveness of Internal Control Systems of the Company pertaining to financial reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such Internal Controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit committee:
 - (i) Significant changes in Internal Control over financial reporting during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's Internal Control System over financial reporting.

Place: Gurugram
Date: 25th May, 2023

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

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

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 2022-23.

Place: Gurugram
Date: 25th May, 2023

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

CERTIFICATE OF CORPORATE GOVERNANCE

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

We have examined the compliance of conditions of Corporate Governance by Shivam Autotech Limited ("the Company") for the financial year ended on 31st March 2023, as per the Regulation 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Officers and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Regulations, as applicable during the Financial Year ended 31st March, 2023.

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

**For Meenu S & Associates
(Company Secretaries)**

**Sd/-
Meenu Sharma
Proprietor
M. No. F10882
C.P. No. 20929
PR 2613/2022**

UDIN: F010882E000796557

**Place: Uttar Pradesh
Date: 12.08.2023**

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

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

A) CONSERVATION OF ENERGY:

I. Steps taken or impact on conservation of energy:

Energy conservation initiatives, energy efficient technologies have been on the top focus in Shivam's operations. The Company believes that actions around energy bring direct benefit to bottom-line and to the climate. The Company is making continuous efforts on ongoing basis by adopting innovative measures to reduce wastage and optimise consumption. Some of key energy initiatives undertaken during the year are as under:

Energy Projects & activities taken up:

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

- Provision of Energy Efficient Pumps for ETP/ STP, Water Supply and Fire Systems
- Usage of recycle waste
- Onsite waste water treatment and its usage.
- Rain water harvesting

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

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

The Company is following up the concept of Green Factory Building for its Rohtak and Kolar Plant and has successfully achieved the Green Building Standards for Gold Level of Certification under the Indian Green Building Council (IGBC) Green Factory Buildings Rating System in April 2021 and June 2021 respectively and is valid for 3 years. Various initiatives have been undertaken by the Company to use waste water, to recycle waste of steel scrap, wood scrap and others.

B) TECHNOLOGY ABSORPTION

Efforts made towards Technology Absorption

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

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

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

Company helped in development of novel materials & technologies resulting into enhanced product quality and to improve process capabilities.

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

technologically complex components, sub-systems or systems. This has allowed the Company to file process and product design patents, both in India & abroad.

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

Specific areas in which R & D carried out by the Company

The Company is mainly focused on specific areas of R&D and Engineering by which it can meet its Mission & Vision.

In the recent past the Company has had significant thrust and deployed its R & D focus towards electric mobility comprising of Braking system for Electric two wheelers, Differential Axles for Electric Rickshaws and L5 differential Axle for L5 category Electric Vehicle. For passenger vehicles, the main focus areas are in the domain of developing Retrofittable Hybrid Gear Box. New Products developed for EV are-

Product	Product Category
E-Rickshaw / E-Cart Axle	Axle – 3Wheeler
L5 Banjo type axle	Axle – 3Wheeler
L5 independent axle	Axle – 3Wheeler
EV 2Wheeler hydraulic CBS	Braking System – 2Wheeler
EV 2Wheeler Mechanical CBS	Braking System – 2Wheeler
L5 CBS (combined Braking system)	Braking System – 3Wheeler

c) Foreign Exchange Earnings/ Outgo: (Rupees In Lacs)	
Earnings	2258.70
Outgo	989.61

FORM No.MR-3

SECRETARIAL AUDIT REPORT

For The Financial Year ended on 31st March, 2023

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

To,
The Members,

Shivam Autotech Limited

CIN: L34300HR2005PLC081531

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering financial year ended on 31st March, 2023 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the Company during the audit period)

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not applicable to the Company during the audit period)
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- (c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable to the Company during the audit period)
- (d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the Company during the audit period)
- (e) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable to the Company during audit the period)
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued; Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent.
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and (Not applicable to the Company during the audit period)
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)
- (i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 (applicable to the Company to the extent of Compliance of Regulation 76)

- vi) As confirmed and certified by the management, there is no Sectoral law specifically applicable to the Company based on the Sectors /Businesses.

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

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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except that

- a) *The Board of Directors of the Company vide resolution dated 22.9.2021 had approved a limit of short term loan of Rs. 28 crores, that may be borrowed from Dayanand Munjal Investment Private Limited, its holding Company and terms of repayment were revised from time to time. Subsequently, the Board in its meeting held on 13.2.2023 had noted the loan transaction for an amount of Rs. 36 Crores with its holding Company during the Financial Year 2022-23 whereas the amount of loan as on 13.2.2023 was Rs. 68.88 Crores which was in excess of limits approved by the Board Resolution dated 22.9.2021. Further the Board vide resolution dated 13.2.2023 approved the additional loan limit of Rs. 36 crores during the remaining period of Financial Year 2022-23 with its holding Company and Form MGT 14 in this regard was filed on 12.8.2023 with additional fees.*
- b) *The Company has carried related party transaction with Earthly Possessions in excess of limits approved by the Board. The total transaction value during the year as per the Financial Statements 2022-23 was Rs. 588.15 lacs as against approved limit of Rs. 400 lacs.*
- c) *The Company during the year under review, has filed 9 (Nine) forms beyond the due dates as detail under:*
Four Form CHG 1 (Modification of Charge ID 100447266, 100466112, 100036612, 100177003 created on 2.4.2022) were filed on 7.5.2022, Four Form CHG 1 (Modification of Charge ID 100447266, 100466112, 100036612, 100177003 created on 7.4.2022) were filed on 13.5.2022; and Form MGT 14 dated 13.2.2023 was filed on 12.8.2023.

- d) *The details of one unpublished price sensitive information (UPSI) has been maintained in Structured Digital Database software w.e.f. 18.1.2023 whereas there were total four UPSI during Financial year 2022-23.*

- e) *The Transcript of post-results Investor call held on 10.8.2022 have not been intimated to the Stock Exchanges and also not hosted on website of the Company as required under Regulation 30 read with Regulation 46 of the Listing Regulations.*

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Directors. There was no change in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except meeting called on shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

We further report that during the audit period the Company had no specific events/actions that had a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For **SATYENDER KUMAR & ASSOCIATES**
Company Secretaries

Place: Gurugram
Date: 14.08.2023

Sd/-
Satyender Kumar
(Proprietor)
C.P. No. 5189
FCS 4087
UDIN F004087E000802874
Peer Reviewed Unit

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

To,
The Members,
Shivam Autotech Limited
CIN: L34300HR2005PLC081531
10, 1st Floor, Tower A, Emaar Digital Greens,
Sector – 61, Golf Course Extension Road,
Gurugram, Haryana – 122102

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

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

For **SATYENDER KUMAR & ASSOCIATES**
Company Secretaries

Place: Gurugram
Date : 14.08.2023

Sd/-
Satyender Kumar
(Proprietor)
C.P. No. 5189
FCS 4087
UDIN F004087E000802874
Peer Reviewed Unit

I. Information as per Section 197 of the Companies Act, 2013 read with Rule 5 (1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Board's Report for the year ended March 31, 2023.

- a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2022-23:**

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

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

- b. The percentage increase/decrease in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year 2022-23:**

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

- c. The percentage increase in the median remuneration of employees in the financial year 2022-23: 3.81%**
- d. The number of permanent employees on the rolls of Company as on March 31, 2023: 852**
- e. Average percentile increase/decrease already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase/decrease in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

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

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

Due to COVID 19 pandemic and slowdown in Auto Sector company has not increased the remuneration of permanent employees of the company including Managing Directors. Once the situation will be normalized the company will be able to increase the salary/remuneration of employees as per its Policy on the basis of the individual employee's performance.

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

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

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

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

S. No	Name	Designation	Nature of employment	Remuneration (Rs. in Lacs)	Qualification & Experience (Yrs)	Age (Yrs)	Date of Commencement of Employment	Previous Employment & Designation	Shareholding
1.	Mr. Neeraj Munjal	Managing Director	Director	187.58	B.Com & DIBM 32 years	55	01.04.2006	Munjal Auto Industries Ltd. Executive Director	Nil

Notes:

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

b. Details of top ten employee except Managing Director

S. No	Name	Designation	Remuneration Received	Nature of employment (whether contractual or otherwise)	Qualification	Experience (in years)	Date of Commencement of employment	Age (In years)	Previous employment held by the employee before joining the company
1	SURESH KUMAR	AVP	46,69,500	Permanent	BE-Mechinical & Diploma	29 YRS	25-08-2010	50	SATA VIKASH INDIA PVT. LTD
2	RAJESH KUMAR SRIVASTAVA	Asst. Vice President	44,48,849	Permanent	12 th -(Sc.-1983) Dip-(R-Elect-1986) BBA-(D-2016)	16 yrs	2/4/2007	56 YRS	Raunaq Automotive Components Ltd, Gajraula (UP)
3	SANJEEV GOEL	General Manager	38,30,936	Permanent	B.Tech-Mechinical & Diploma	36.5 yrs	1/3/2000	54	AMTEK AUTO LTD.
4	ANSHUMAN SHARMA	Dy. General Manager	30,92,688	Permanent	PGD-PMIR, Master of Labour mgt	25.5 YRS	22-07-2013	47	ASAHI INDIA GLASS LTD.
5	KAMAL SHARMA	Asst. General Manager	28,44,247	Permanent	Dip Mech	34.5 yrs	7/2/2000	55	ESCORTS LTD
6	SUBHASH SINGH NEGI	Dy. General Manager	28,41,634	Permanent	PGDM-OPERATIONS, DIP IN MECH.	29.5 yrs	13-03-2018	53	KAFILA FORGE LTD.
7	AJAY KUMAR SINGH	Dy. General Manager	28,21,215	Permanent	Secondary Tech. Course-(Mech-92) Dip-(R-Mech--97) B.S.-(WI-Engg. Tech-09)	21.5 yrs	11/12/2001	47 YRS	Sterling Tools Ltd, Faridabad
8	NARESH VASUDEO CHATURVEDI	Dy. General Manager	27,44,588	Permanent	BE-Mechinical	32.5 yrs	29-09-2009	58	AVTEC LTD.
9	ANKITA	Asst. General Manager	25,17,684	Permanent	Diploma & MBA	20 yrs	1/4/2006	40	SUNRISE AUTOMOTIVE LTD
10	RAVI KANT PANDEY	Asst. General Manager	24,90,391	Permanent	12 th -1991 B.Tech-(R-Metallurgy-1997)	9.4 yrs	27-01-2014	50 YRS	NBC Bearing, Jaipur (Rajasthan)

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members of
Shivam Autotech Limited
CIN: L34300HR2005PLC081531
10, 1st Floor, Tower A, Emaar Digital Greens,
Sector 61, Golf Course Extension Road,
Gurugram, Haryana-122102

We have examined the following documents:

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

as submitted by the Directors of Shivam Autotech Limited ('the Company') bearing CIN: L34300HR2005PLC081531 and having its registered office at 10, 1st Floor, Tower A, Emaar Digital Greens, Sector 61, Golf Course Extension Road, Gurugram, Haryana-122102 to the Board of Directors of the Company ('the Board') for the Financial Year ended 31st March, 2023 and relevant registers, records, forms and returns maintained by the Company and as made available to us for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

Based on our examination as aforesaid and such other verifications carried out by us as deemed necessary and adequate (including Directors Identification Number (DIN) status at the portal www.mca.gov.in), in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorized representatives, we hereby certify that none of the Directors on the Board of the Company, as listed hereunder for the Financial Year ending 31st March, 2023, have been debarred or disqualified from being appointed or continuing as Directors of Companies by Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Neeraj Munjal	00037792	29.07.2005
2.	Dr. Anil Kumar Gupta	02643623	09.08.2019
3.	Mrs. Charu Munjal	03094545	28.05.2013
4.	Mr. Sunil Chinubhai Vakil	02527630	21.12.2020

Note: Mr. Bhagwan Das Narang (DIN 00826573 appointed as Director of the Company w.e.f. 14.2.2006) and Ms. Jyothi Prasad (DIN 06947488 appointed as Director of the Company w.e.f. 13.11.2019) were restrained from holding the post of director, or any key managerial position or association in any capacity with any listed public company and any public company which intends to raise money from the public, or any intermediary registered with SEBI for a period of 2 years vide SEBI vide order No. WTM/SM/MIRSD/MIRSD-SEC-4/26042/2023-24 dated April 28, 2023. Accordingly, Mr. Bhagwan Das Narang and Ms. Jyothi Prasad (Independent Directors of the Company) have vide their respective letter dated May 8, 2023 resigned as Directors of the Company and the Company has filed necessary Form DIR 12 relating to their cessation w.e.f. 28.4.2023 vide SRN AA3623577 with additional fees.

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

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the Financial Year ended 31st March, 2023.

For **SATYENDER KUMAR & ASSOCIATES**
Company Secretaries

Place: Gurugram
Date : 14.08.2023

Sd/-
Satyender Kumar
(Proprietor)
C.P. No. 5189
FCS 4087
UDIN- F004087E000802940
Peer Reviewed Unit

Auditors' Report

To the Members of Shivam Autotech Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Shivam Autotech Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to:

1. Note 7 in the financial statements regarding management judgment for determining deferred tax assets and minimum alteration tax (MAT) credit entitlements of Rs.1989.25 Lakhs and Rs.1494.06 Lakhs respectively for earlier years which is available to the Company on the assumption that there will be sufficient future taxable profits. As a matter of prudence, deferred tax assets have been recognized till March 31, 2021. Deferred tax assets have not been recognized for year ended March 31, 2023.

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

Our opinion is not modified in respect of above matters.

Key Audit Matters

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

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

Other Matters

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the Other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at March 31, 2023 on its financial position in its financial statement - Refer note 31 to the financial statements.
 - ii. The Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivatives contracts.
 - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) Management has represented to us that, to the best of its knowledge and

belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) Management has represented to us that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on our audit procedures conducted that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that cause us to believe that the representation under sub-clause (a) & (b) contain any material misstatement.
- (v) In our opinion, and according to the information and explanations given to, the company has not declared and paid dividend during the year. Hence, the provisions of Section 123 to the Act are not applicable to the Company and have not been commented upon.

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

Sd/-
Subodh Kumar Modi
Partner

Place: New Delhi
Date: May 25, 2023

Membership Number: 093684
UDIN: 23093684BGXGSU7925

Annexure A to the Independent Auditor's Report to the members of Shivam Autotech Limited ('the Company')

Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Companies Act, 2013 ('the Act') as referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' of our report of even date

In terms of the information and explanation sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- i. (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) Property, Plant and Equipment have been physically verified by the management according to the programme of periodical verification in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its Property, Plant and Equipment. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us in respect of immovable properties (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) as disclosed in note 4 to the

standalone financial statements are in the name of the Company except for the following:

- (d) The Company has not revalued its Property, Plant and Equipment or Intangible Assets during the year.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii. (a) In our opinion and according to the information and explanations given to us, the management has conducted physical verification of inventory [including inventory lying with third parties] at reasonable intervals during the year. The coverage and the procedure of such verification by the management is appropriate. Discrepancies of 10% or more in aggregate were noticed in Finished Goods of Rs.81.54 Lakhs, Semi-Finished Goods of Rs.256.64 lakhs and Other Scrap & Stores of Rs.284.30 lakhs on such physical verification and have been properly dealt with in the books of account.
- (b) As disclosed in note 17.1 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks and during the year on the basis of security of current assets of the Company. The quarterly returns/ statements filed by the Company with such banks are in agreement with the books of accounts of the Company.

Quarter ended	Value per books of account	Value per quarterly return/ statement	Difference	Reason for discrepancies
June 30, 2022	10,925.96	10,589.49	336.47	DP Statement was submitted based on provisional financial statements.
September 30, 2022	9,842.93	9,922.21	(79.28)	
December 31, 2022	9,461.92	10,266.25	(804.33)	
March 31, 2023	9,787.50	9,777.64	9.86	DP Statement was submitted on March 16, 2023, based on provisional financial statements.

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

- (c) The Company has not granted loans and advances in the nature of loans to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.
- (d) The Company has not granted loans and advances in the nature of loans to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.
- (e) The Company has not granted loans and advances in the nature of loans to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.
- (f) The Company has not granted loans and advances in the nature of loans, either payable on demand or without specifying any terms or period of repayment to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans, investment, guarantee and securities, as applicable.
- v. According to the information and explanation given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of provisions of Sections 73 to 76 of the Companies Act, 2013 and the rules made thereunder. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- vi. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government of India for maintenance of cost records under Section 148(1) of the Companies Act, 2013 related to its products and are of the opinion that, prima facie, the prescribed records have been made and maintained. However, we have not carried out a detailed examination of such records with a view to determine whether they are accurate and complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues have not generally been regularly deposited by the Company with the appropriate authorities though the delays in deposits have not been serious in nature. There were no undisputed amounts payable in respect of goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable in arrear, as at March 31, 2023, for a period of more than six months from the date they became payable except for income-tax, are as follows:

Name of the statute	Nature of the dues	Amount (in Rs. lakhs)	Period to which the amount relates	Due date	Date of payment	Remarks, if any
Income Tax Act 1962	Tax Deducted at Source	14.67	April 2022	07.05.2022	Not paid till May 25, 2023	Delay due to cash flows mismatch.
Income Tax Act 1962	Tax Deducted at Source	17.31	May 2022	07.06.2022	Not paid till May 25, 2023	
Income Tax Act 1962	Tax Deducted at Source	25.64	June 2022	07.07.2022	Not paid till May 25, 2023	
Income Tax Act 1962	Tax Deducted at Source	19.24	July 2022	07.08.2022	Not paid till May 25, 2023	
Income Tax Act 1962	Tax Deducted at Source	18.58	August 2022	07.09.2022	Not paid till May 25, 2023	
Income Tax Act 1962	Tax Deducted at Source	22.86	September 2022	07.10.2022	Not paid till May 25, 2023	

- (b) The details of statutory dues referred to in clause 3(vii)(a) above which have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Gross Amount in dispute (in Rs. lakhs)	Amount deposited (in Rs lakhs)	Period to which the amount relates	Forum where dispute is pending
Haryana Value Added Tax, 2003	Non-Submission of Form F	126.07	-	2015-16	Joint Excise and Taxation Commissioner (Appeals), Haryana
Haryana Value Added Tax, 2003	Non-Submission of Form F	116.07	-	2016-17	Joint Excise and Taxation Commissioner (Appeals), Haryana
Karnataka Value Added Tax, 2003	Non-Submission of Form F	110.49	-	2016-17	Commercial Tax Officer, (Audit), Kolar
The Goods & Service Tax Act 2017	Output Tax Liability	44.14	-	2019-2022	Excise and Taxation officer of state, Haryana
Haryana Value Added Tax, 2003	Non-Submission of Form C & F	87.67	-	2016-17	Joint Excise and Taxation Commissioner (Appeals), Haryana
Haryana Value Added Tax, 2003	Non-Submission of Form C & F	82.78	-	2017-18	Joint Excise and Taxation Commissioner (Appeals), Haryana
The Goods & Service Tax Act 2017	Interest on delayed in payment of GST	92.04	-	2017-18 To 2022-23	Excise and Taxation officer of state, Haridwar, Uttarakhand
Karnataka Value Added Tax, 2003	Non-Submission of Form F	36.32	-	2017-18	Commercial Tax Officer, (Audit), Kolar
The Employees Provident Fund Act & Misc. Provision Act, 1952	PF Liability	70.00	7.07	2015-17	Central Government Industrial Tribunal, Lucknow
Income Tax Act, 1962	TDS defaults	9.51	-	From 2008 onwards	TDS-CPC

- viii According to the information and explanation given to us, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of accounts, in the tax assessments under the Income Tax Act, 1961, as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- ix. (a) According to the information and explanation given to us and as per the books of accounts examined by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanation given to us and as per the books of accounts examined by us, the Company has not been declared wilful defaulter by any bank, financial institution or government or any government authority.
- (c) Term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, prima facie, we report that that fund raised on short-term basis to the extent of Rs.5023.53 Lakhs have been used for

long term purposes mainly due to losses in earlier years.

- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.
- x. (a) According to the information and explanation given to us and as per the books of accounts examined by us, the Company has not raised any money during the year by way of initial public offer/ further public offer (including debt instruments), hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanation given to us and as per the books of accounts examined by us, the Company has not made any preferential allotment or private placement of shares/ fully or partially or optionally convertible debentures during the year and, hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of books and records of the Company carried out in accordance with generally accepted auditing practice in India, and according to the information and explanation given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year, nor have been informed of any such cases by the management.
- (b) No report under Sub-section (12) of Section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, as amended with the Central Government, during the year and up to the date of this report.
- (c) We have taken into consideration the whistleblower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
- xii. The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.
- xiii. According to the information and explanation given to us and as per the books of accounts examined by us, transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013 where applicable and details have been disclosed in the financial statements as required by applicable accounting standards.
- xiv. (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- xv. According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with its directors hence, the requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The provisions of Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the Core Investment Companies (Reserve Bank) Directions, 2016. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) In our opinion and based on the representation received from the management, there is no Core Investment Company as a part of the Group as defined in the Core Investment Companies (Reserve Bank) Directions, 2016, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not incurred cash losses in the current financial year and immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the requirement to report on clause 3(xviii) of the Order is not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios disclosed in note 44 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report

that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. (a) According to the information and explanation given to us, the Company has incurred continuous losses from the last two years. Therefore, the Company is not required to spend any amount in

Corporate Social Responsibility (CSR). Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

- (b) There are no ongoing projects with the Company. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

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

Sd/-
Subodh Kumar Modi
Partner

Place: New Delhi
Date: May 25, 2023

Membership Number: 093684
UDIN: 23093684BGXGSU7925

Annexure B to the Independent Auditor's Report to the members of Shivam Autotech Limited ('the Company')

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act') and referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' of our report of even date

We have audited the internal financial controls over financial reporting of **Shivam Autotech Limited** ("the Company") as of March 31, 2023, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to the Financial Statements

A Company's internal financial control with reference to the financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to the financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to the Financial Statements

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

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following control weaknesses have been identified with reference to the financial statements as at March 31, 2023:

- i. The Company's internal control in respect of booking of material consumption, booking of proper inventory and reconciliation of old stock lying with third party and allocation of fixed and variable overheads on product costing periodically, were not operating effectively during the current financial year to arrive at the correct value of stock including physical inventory, which could potentially result in misstatement of value of inventories and cost of goods sold as on March 31, 2023.

In view of this, the management has conducted physical verification of inventories as on March 31, 2023, and has also done reconciliation of consumption etc. in order to arrive at the correct value of inventories and cost of goods sold as on March 31, 2023. The discrepancies observed on such verification have been appropriately accounted for in the financial statements.

- ii. The Company's internal control in respect of vendors/ customers reconciliation process were not effectively operating during the current financial year. The management is in process of improving the vendors/ customers reconciliation process and frequency of the reconciliation with vendors/ customers.

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting with reference to these financial statements as of March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit

of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting with reference to these financial statements were operating effectively as of March 31, 2023.

Explanatory Paragraph

We have also audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ("ICAI"), as specified under Section 143(10) of the Act, the financial statements of the Company, which comprise the balance sheet as at March 31, 2023, and the statement of profit and loss, statement of changes in equity and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information. The material weaknesses given above were considered in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company and this report does not affect our report dated May 25, 2023, which expressed an unmodified opinion on these financial statements.

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

Sd/-
Subodh Kumar Modi
Partner

Place: New Delhi
Date: May 25, 2023

Membership Number: 093684
UDIN: 23093684BGXGSU7925

BALANCE SHEET AS AT 31ST MARCH, 2023

(All amounts are in lakhs unless otherwise stated)

	Note	As at March 31, 2023	As at March 31, 2022
A) ASSETS			
1) Non - current assets			
(a) Property, plant and equipment	4	35,687.42	38,805.04
(b) Right-of-use assets	5.1	511.71	596.95
(c) Capital work - in - progress	5.2	79.07	196.58
(d) Intangible assets	4	24.93	33.23
(e) Intangible assets under development	5.3	-	-
(f) Financial assets	6		
Others		1,127.97	1,102.75
(g) Deferred tax assets (net)	7	3,483.31	3,669.31
(h) Income tax assets (net)	8	260.84	367.99
(i) Other non - current assets	9	297.65	334.71
		41,472.90	45,106.56
2) Current assets			
(a) Inventories	10	7,898.17	8,958.41
(b) Financial assets	11		
(i) Trade receivables	11.1	9,346.69	8,290.53
(ii) Cash and cash equivalents	11.2	5,792.45	109.01
(iii) Bank Balances other than (ii) above	11.3	24.83	15.83
(iv) Loans	11.4	30.58	16.51
(v) Others	11.5	51.36	418.76
(c) Other current assets	12	997.44	1,152.52
		24,141.52	18,961.57
Total Assets		65,614.42	64,068.13
B) EQUITY AND LIABILITIES			
1) EQUITY			
(a) Equity share capital	13	2,444.44	2,444.44
(b) Other equity	13.1	8,012.97	11,410.28
		10,457.41	13,854.72
2) LIABILITIES			
Non - current liabilities			
(a) Financial liabilities	14		
(i) Borrowings	14.1	21,514.18	17,258.71
(ii) Lease Liabilities		611.11	674.63
(b) Provisions	15	464.95	444.64
(c) Other non-current liabilities	16	22.73	23.64
		22,612.97	18,401.62
Current liabilities			
(a) Financial liabilities	17		
(i) Borrowings	17.1	20,598.74	20,864.94
(ii) Trade payables	17.2		
- Dues to micro enterprises & small enterprises		1,546.55	1,305.92
- trade payable other than (as above)		5,910.81	6,095.69
(iii) Lease Liabilities		63.52	63.52
(iv) Other financial liabilities	17.3	2,770.70	1,959.96
(b) Other current liabilities	18	1,597.85	1,468.59
(c) Provisions	19	55.87	53.17
		32,544.04	31,811.79
Total Equity & Liabilities		65,614.42	64,068.13
Corporate Information	1		
Basis of preparation of financial statement	2		
Significant accounting policies	3		
The accompanying notes 1 to 49 forms an integral part of the financial statement.			

As per report of even date

For NSBP & Co.

Chartered Accountants

Firm Regn. No. 001075N

Sd/-

Subodh Kumar Modi

Partner

Membership Number: 093684

Place : New Delhi

Dated : May 25, 2023

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

Sd/-

Neeraj Munjal

Managing Director

DIN : 00037792

Sd/-

Devendra Kumar Goyal

Chief financial Officer

PAN No. AGNPG1981F

Place : Gurugram

Dated : May 25, 2023

Sd/-

Charu Munjal

Whole Time Director

DIN: 03094545

Sd/-

Preeti Sharma

Company Secretary

M No A32847

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in lakhs unless otherwise stated)

	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
INCOME			
Revenue from Operations	20	47,035.96	46,920.02
Other Income	21	286.66	418.12
Total Income		47,322.62	47,338.14
EXPENSES:			
Cost of materials consumed	22	17,911.66	16,893.55
Changes in inventories of finished goods and WIP	23	338.37	290.55
Consumptions of Stores & Spares		4,013.73	2,849.27
Job work charges		1,899.47	2,319.84
Employee benefit expenses	24	5,635.69	5,507.74
Finance cost	25	4,989.96	5,061.36
Depreciation and amortization expenses	26	3,523.45	4,089.10
Other expenses	27	12,293.73	11,932.76
Total Expenses		50,606.06	48,944.17
Profit/(Loss) before exceptional item and tax		(3,283.43)	(1,606.03)
Exceptional Item		-	-
Profit/(Loss) before tax		(3,283.43)	(1,606.03)
Tax expense:	28		
a) Current tax		-	-
b) Deferred tax		-	-
c) Tax adjustments for earlier year		188.30	-
Net Profit/(Loss) for the year after tax from continuing operations		(3,471.73)	(1,606.03)
Profit / (Loss) from discontinued operation after tax		-	-
Profit / (Loss) for the Year		(3,471.73)	(1,606.03)
Other comprehensive income			
Item that will not be reclassified to profit or loss	29	74.42	158.69
Income tax relating to items that will not be reclassified to profit or loss	28	-	-
Items that will be reclassified to profit or loss	29	-	-
Income tax relating to items that will be reclassified to profit or loss	28	-	-
Total Comprehensive income for the year		(3,397.31)	(1,447.34)
Earning per equity share (Face value of Rs 2/-each) For continuing operations	30		
(1) Basic		(2.84)	(1.46)
(2) Diluted		(2.84)	(1.46)
Corporate Information	1		
Basis of preparation of financial statement	2		
Significant accounting policies	3		
The accompanying notes 1 to 49 forms an integral part of the financial statement.			

As per report of even date

For NSBP & Co.

Chartered Accountants

Firm Regn. No. 001075N

Sd/-

Subodh Kumar Modi

Partner

Membership Number: 093684

Place : New Delhi

Dated : May 25, 2023

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

Sd/-

Neeraj Munjal

Managing Director

DIN : 00037792

Sd/-

Devendra Kumar Goyal

Chief financial Officer

PAN No. AGNPG1981F

Place : Gurugram

Dated: May 25, 2023

Sd/-

Charu Munjal

Whole Time Director

DIN: 03094545

Sd/-

Preeti Sharma

Company Secretary

M No A32847

STATEMENT OF CASH FLOW FOR THE YEAR ENDED ON MARCH 31, 2023

(All amounts are in lakhs unless otherwise stated)

	Year ended March 31, 2023	Year ended March 31, 2022
A Cash flow from operating activities		
Net Profit Before Taxation and Extraordinary activities	(3,397.31)	(1,447.37)
Adjustments for:		
Depreciation & amortisation expense	3,523.45	4,089.10
Provision for Doubtful debts/Execpted Credit Loss	195.00	110.00
Profit/(Loss) on sale of Property, Plant & Equipment	4.79	(1.59)
Fixed assets disposed off	-	2.86
Government Grant	(0.91)	(0.91)
Interest income on deposits	(24.37)	(28.19)
Finance Cost	4,989.96	5,061.36
Operating profit before working capital changes	5,290.61	7,785.26
Adjustment for working capital changes:		
(increase)/decrease in trade receivables	(1,251.16)	(1,662.12)
(increase)/decrease in inventories	1,060.24	(106.78)
increase/ (decrease) in trade payable	55.75	(453.98)
(increase)/decrease in loans & advances/ Other current and non current assets	459.18	2,421.51
increase/ (decrease) in current and non current liabilities & provisions	572.96	(1,173.46)
Cash from operations	6,187.58	6,810.42
Direct taxes (paid)/ refund (net)	293.16	(318.39)
Net cash from operating activities	6,480.74	6,492.03
B Cash flow from investing activities		
Purchase of Property, Plant & Equipment including capital work in progress & Capital Advances	(141.69)	(493.86)
Proceeds from sale of Property, Plant & Equipment	21.25	15.35
Interest received on deposits	24.37	28.19
Net cash used in investing activities	(96.07)	(450.32)
C Cash flow from financing activities		
Proceeds from right issue of Equity Shares	-	1,000.00
Proceeds from/(repayment of) from short term borrowings (net)	3,484.20	103.77
Proceeds from/(repayment of) of long term borrowings (net)	573.08	(7,035.11)
Repayment of Lease Liabilities	(63.52)	(41.79)
Interest paid	(4,695.00)	(5,286.92)
Net cash used in financing activities	(701.24)	(11,260.04)
Net (decrease)/increase in cash or cash equivalents	5,683.44	(5,218.33)
Cash or cash equivalents at beginning of the year	109.01	5,327.34
Cash or cash equivalents at the end of the year	5,792.45	109.01
Note:		
1) Previous year figures have been regrouped/restated wherever considered necessary		
2) Figures in bracket represents cash outflow		
3) The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (IND AS-7) 'Statement of Cash Flow'.		
Components of cash and cash equivalents as at		
Cash and cash equivalents:		
Cash and cash equivalents	5,792.45	109.01
Cash and cash equivalents	5,792.45	109.01

STATEMENT OF CASH FLOW FOR THE YEAR ENDED ON MARCH 31, 2023

(All amounts are in lakhs unless otherwise stated)

4) Changes in liabilities arising from financing activities (FY 2022-23)

Particulars	As at April 01, 2022	Cash Flows	Right issue #/Ind as adjustment	As at the end March 31, 2023
Non-Current Borrowings	24,324.56	573.08	(68.00)	24,829.64
Current Borrowings	13,799.08	3,484.20	-	17,283.28

4) Changes in liabilities arising from financing activities (FY 2021-22)

Particulars	As at April 01, 2021	Cash Flows	Right issue #/Ind as adjustment	As at the end March 31, 2022
Non-Current Borrowings	34,379.48	(7,035.11)	(3,019.81)	24,324.56
Current Borrowings	13,695.31	103.77	-	13,799.08

During the previous year the Company has issued right equity shares 2,22,22,222 at Rs. 18/- out of which Rs. 10,00.00 Lakhs received as cash and balance Rs. 30,00.00 Lakhs adjusted against loan from holding Company.

Corporate Information 1
Basis of preparation of financial statement 2
Significant accounting policies 3
The accompanying notes 1 to 49 forms an integral part of the financial statement.

As per report of even date

For NSBP & Co.

Chartered Accountants

Firm Regn. No. 001075N

Sd/-

Subodh Kumar Modi

Partner

Membership Number: 093684

Place : New Delhi

Dated : May 25, 2023

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

Sd/-

Neeraj Munjal

Managing Director

DIN : 00037792

Sd/-

Devendra Kumar Goyal

Chief financial Officer

PAN No. AGNPG1981F

Place : Gurugram

Dated: May 25, 2023

Sd/-

Charu Munjal

Whole Time Director

DIN: 03094545

Sd/-

Preeti Sharma

Company Secretary

M No A32847

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in lakhs unless otherwise stated)

A Equity Share capital

Balance of Equity Share Capital	Balance As at March 31, 2023	Changes during the year	Balance As at March 31, 2022	Changes during the year	Balance As at March 31, 2021
Equity shares of Rs. 2/- each issued, subscribed and fully paid up	2,444.44	-	2,444.44	444.44	2,000.00

B Other Equity

	Reserves and Surplus				Other comprehensive income	Total
	Capital Redemption Reserve	General Reserve	Retained earnings	Security Premium	Acturial loss/gain on defined benefit obligation	
Balance As at March 31, 2021	5.00	5,068.62	4,233.91		(5.47)	9,302.06
Losses of the year			(1,606.03)			(1,606.03)
Other Comprehensive Income (net of Income tax)					158.69	158.69
Change during the Year	-			3,555.56		3,555.56
Balance As at March 31, 2022	5.00	5,068.62	2,627.88	3,555.56	153.22	11,410.28
Losses of the year			(3,471.73)			(3,471.73)
Other Comprehensive Income (net of Income tax)					74.42	74.42
Change during the Year	-			-		-
Balance As at March 31, 2023	5.00	5,068.62	(843.85)	3,555.56	227.64	8,012.97

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

- Capital redemption reserve was created consequent to redemption of preference share capital, as required under the provisions of the Companies Act, 1956. This reserve shall be utilised in accordance with the provisions of Companies Act, 2013.
- General reserve represents the statutory reserve, this is in accordance with Indian corporate law wherein a portion of profit is appropriated to general reserve. Under the erstwhile Companies Act, 1956, it was mandatory to transfer the amount before a company can declare a dividend, however under the Companies Act, 2013, transfer of any amount to general reserve is at the discretion of the company.
- Retained earnings represents undistributed profits of the Company which can be distributed to its equity shareholders in accordance with the requirement of the Companies Act, 2013.
- Securities Premium was credited when Right shares were issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus Shares to provide for premium on redemption of shares, write-off equity related expenses like underwriting cost etc.
- Other Comprehensive Income (OCI) represent the balance in equity for items to be accounted in OCI. OCI is classified into (i) items that will not be reclassified to statement of profit and loss, and (ii) items that will be reclassified to statement of profit and loss.

Corporate Information	1
Basis of preparation of financial statement	2
Significant accounting policies	3

The accompanying notes 1 to 49 forms an integral part of the financial statement.

As per report of even date

For NSBP & Co.

Chartered Accountants

Firm Regn. No. 001075N

Sd/-

Subodh Kumar Modi

Partner

Membership Number: 093684

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DIN: 03094545

Sd/-

Preeti Sharma

Company Secretary

M No A32847

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in lakhs unless otherwise stated)

1 Corporate Information

Shivam Autotech Limited (the 'Company') was established in the year 1999, and was initially known as Munjal Auto Components till July, 2005. The Company got converted to a separate Public Limited Company w.e.f. 29th July, 2005. In pursuant to the scheme of Demerger & arrangement, the Gurgaon Unit was transferred to Shivam Autotech Limited on 1st August, 2005. The Company has been engaged in the manufacturing of Near-Net- Shaped, auto transmission components mainly for Original Equipment Manufacturers (OEMs). The product range includes various types of transmission gears, transmission shafts, spline shafts, plunger, power train components, and employing cold/warm/hot forging techniques. The Company has four state-of-the-art manufacturing facilities, located at Gurrgram, Haridwar, Bengaluru & Rohtak. The Company is listed on the National Stock Exchange and Bombay Stock Exchange of India. These financial statements are presented in Indian Rupees (Rs.).

2 Basis of preparation

2.1 Statement of compliance

The Financial Statements have been prepared in accordance with Indian Accounting Standards (IND AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and relevant provisions of the Companies Act, 2013. The Financial Statements comply with IND AS notified by Ministry of Company Affairs ("MCA"). The Company has consistently applied the accounting policies used in the preparation for all periods presented.

These financial statements are approved and adopted by board of directors of the Company in their meeting held on Thursday May 25, 2023.

2.2 Basis of preparation

The financial statements have been prepared accrual basis on historical cost convention, except as stated otherwise.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.3 Going concern

The board of directors have considered the financial position of the Company as at March 31, 2023 and the projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course.

2.4 Functional and presentation currency

The financial statements are presented in Indian National Rupee ('INR'), which is the Company's functional currency. All amounts have been rounded to lakhs upto two decimal places, unless otherwise indicated.

2.5 Operating cycle

All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services provided and time between the acquisition of assets for processing and thier realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

2.6 Use of judgments and estimates

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent liabilities and contingent assets at the date of financial statements, income and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

Application of accounting policies that require critical accounting estimates and assumption judgments having the most significant effect on the amounts recognized in the financial statements are:

- Measurement of defined benefit obligations;
- Recognition of deferred tax assets & MAT credit entitlement;
- Useful life and residual value of Property, plant and equipment and intangible assets;

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in lakhs unless otherwise stated)

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

3 Significant Accounting Policies

The Company has consistently applied the following accounting policies to all periods presented in the financial statements.

a) Property, plant and equipment

i) Recognition and measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, and any directly attributable cost of bringing the asset to working condition for its intended use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. The cost of replacing part of an item of property, plant and equipment or major inspections performed, are recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of all other repairs and maintenance are recognized in the statement of profit & loss as incurred.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

An item of property, plant and equipment is derecognized when no future economic benefit are expected to arise from the continued use of the asset or upon disposal. Any gain or loss on disposal of an item of property, plant and equipment is recognized in statement of profit or loss.

Subsequent Expenditure

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the costs of the item can be measured reliably. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the Property, Plant and Equipment and the resultant gain or losses are recognized in the statement of profit and loss.

ii) Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values, and is recognized in the statement of profit and loss. Depreciation on property, plant and equipment is provided on Straight Line Method at the rates determined on the basis of useful life of the assets as prescribed in Schedule II of the Companies Act, 2013.

Particulars	Useful Life as per Schedule II of Companies Act 2013 (in years)
- Plant & Machinery	15
- Plant & Machinery- (Furnace)*	25
- Buildings	30
- Computers	3
- Office equipment	5
- Furniture & fixtures	10
- Vehicles	8
- Lease hold Improvements	Amortised over the period of lease

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in lakhs unless otherwise stated)

Depreciation on additions to or on disposal of assets is calculated on pro-rata basis i.e. from (upto) the date on which the property, plant and equipment is available for use (disposed off).

Property, Plant and Equipment individually costing below Rs. 5,000 are fully depreciated during the year they are put to use.

*Change in life of Plant & Machinery (Furnace) from 15 Years to 25 Years w.e.f. 01st April, 2021

b) Intangible assets

i) Recognition & measurement and amortization

Intangible Assets are recognized, if the future economic benefits attributable to the assets are expected to flow to the company and cost of the asset can be measured reliably. All other expenditure is expensed as incurred. The same are amortized over the expected duration of benefits. Such intangible assets are measured at cost less any accumulated amortization and impairment losses, if any and are amortized over their respective individual estimated useful life on straight line method.

The estimated useful lives are as follows:

Computer Software 4 years

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period and adjusted prospectively, if appropriate.

Intangible assets are tested for impairment when there are indications that the carrying value may not be recoverable. All impairment losses are recognised immediately in profit or loss.

An item of intangible asset is derecognised when no future economic benefit are expected to arise from the continued use of the asset or upon disposal.

Any gain or loss on disposal of an item of intangible assets is recognized in statement of profit or loss.

c) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other

than deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash flows are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units ('CGUs').

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss.

In respect of assets for which impairment loss has been recognized in prior periods, the company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

d) Financial instruments

i) Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at fair value of the consideration received or receivable. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in lakhs unless otherwise stated)

liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

ii) Subsequent measurement

(i) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. When the financial asset is derecognized or impaired, the gain or loss is recognized in the statement of profit and loss.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit and loss.

When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit and loss. Equity instruments are subsequently measured at fair value. On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent

changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis. Fair value gains and losses recognized in OCI are not reclassified to profit and loss.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

iii) Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company recognizes a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

iv) Derecognition

Financial Assets

Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in lakhs unless otherwise stated)

substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

The company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

v) Reclassification of financial assets and financial liabilities

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

vi) Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Derivative financial instruments are initially recognized at fair value on the

date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each period. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, on the nature of the item being hedged. Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit or loss.

vii) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

e) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using other valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair values for measurement and/ or disclosure purposes are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 - This includes financial instruments measured using quoted prices.

Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Inputs other than quoted prices included within Level 1 that are observable

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in lakhs unless otherwise stated)

for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. Derived from prices)

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

f) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities are not recognized but are disclosed in notes. Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

g) Revenue Recognition

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

i) Sale of goods

Sales is accounted for upon dispatch of goods from the factory when the risks and rewards of ownership are transferred to the buyer.

Ind AS 115 provides for a five step model for the analysis of Revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the standard requires enhanced disclosures about the nature,

amount, timing, and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

ii) Dividends

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

iii) Insurance claim

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

iv) Interest Income

Interest income is recognised on time proportion basis taking in to account the amount outstanding and the rate applicable.

v) Government Grant & Subsidies

Grant/subsidies is recognised when there is reasonable assurance the Grant/subsidy will be received and all attaching condition will be complied with.

h) Employee Benefits

i) Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii) Defined contribution plans

Employees benefits in the form of the Company's contribution to Provident Fund, Family Pension scheme and Employees State Insurance are defined contribution schemes. The Company recognizes contribution payable to these schemes as an expense, when an employee renders the related service.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in lakhs unless otherwise stated)

If the contribution payable exceeds contribution already paid, the deficit payable is recognized as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the reporting period. The Company recognize that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

iii) Defined benefit plans

Retirement benefits in the form of gratuity are considered as defined benefit plans. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The company provides for its gratuity liability based on actuarial valuation of the gratuity liability as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary. The Company contributes to the gratuity fund, which are recognized as plan assets. The defined benefit obligation as reduced by fair value of plan assets is recognized in the Balance Sheet.

When the calculation results in a potential asset for the company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as

a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognized in statement of profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in statement of profit or loss. The company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv) Other long-term employee benefits

Employee benefits in the form of long term compensated absences are considered as long term employee benefits. The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognized in profit or loss in the period in which they arise.

The liability for long term compensated absences are provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

i) Valuation of inventories

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in lakhs unless otherwise stated)

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

j) Foreign Exchange Transactions / Translations / Hedge Accounting

Financial statements have been presented in Indian Rupees (₹), which is the Company's functional and presentation currency.

- Initial recognition

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction.

- Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

- Exchange differences

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

k) Borrowing costs

Borrowing costs are interest and other ancillary costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. General and specific borrowing costs attributable to acquisition and construction of any qualifying asset (one that takes a substantial period of time to get ready for its designated use or sale) are capitalized until such time as the

assets are substantially ready for their intended use or sale, and included as part of the cost of that asset. All the other borrowing costs are recognized in the Statement of Profit and Loss within Finance costs of the period in which they are incurred.

l) Income tax

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in Other Comprehensive Income

i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year after taking credit of the benefits available under the Income Tax Act and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if, the Company:

- a) has a legally enforceable right to set off the recognized amounts; and
- b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

ii) Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences. In contrast, deferred tax assets are only recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in lakhs unless otherwise stated)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to cover or settle the carrying value of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- i) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- ii) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognized as deferred tax assets in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

m) Segment Reporting

The Company's operating businesses are organized and managed separately according to the nature of products manufactured and services provided, with each segment representing a strategic business unit that offers different products. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate. The reportable segments have been identified based on the significant components of the enterprise for which discrete financial information is available and are reviewed by the Chief operating decision maker (CODM) to assess the performance and allocate resources to the operating segments.

n) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

o) Cash flow statement

Cash flows are reported using the indirect method as explained in the Accounting Standard on Statement of Cash Flows (Ind AS - 7), whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

p) Ind AS - 116 Lease

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the company has concluded that no changes are required to lease period relating to the existing lease contracts.

The Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in lakhs unless otherwise stated)

assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating

Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

q) Earning per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

r) Government grants

Government grants are recognized at fair value when there is reasonable assurance that the grant would be received and the Company would comply with all the conditions attached with them. Government grants related to PPE are treated as deferred income (included under non-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in lakhs unless otherwise stated)

current liabilities with current portion considered under current liabilities) and are recognized and credited in the Statement of Profit and Loss on a systematic and rational basis over the estimated useful life of the related asset and included under "Other operating income". Government grants related to revenue nature are recognized on a systematic basis in the Statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate and are adjusted with the related expenditure. If not related to a specific expenditure, it is taken as income and presented under "Other operating income".

Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements
The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to

influence decisions of primary users of general purpose financial statements. The Group does not expect this amendment to have any significant impact in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors
The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements

Ind AS 12 – Income Taxes
The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, in its financial statements.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in lakhs unless otherwise stated)

4 Property, plant & equipment & Intangible Assets

Particulars	Tangible Asset							Intangible assets	Grand Total
	Freehold Land	Building	Plant & Equipment	Computers	Office equipment	Furniture & fixtures	Vehicles	Lease hold Improvements	Total Tangible assets
Gross Block									
As at April 01, 2021	5,754.84	11,018.81	68,832.56	345.36	351.10	465.55	563.71	345.90	87,677.82
Additions	23.72	-	519.14	2.14	5.03	0.09	-	-	550.11
Disposals	-	-	(17.80)	(0.61)	-	-	(10.41)	-	(28.82)
As at March 31, 2022	5,778.56	11,018.81	69,333.90	346.89	356.12	465.64	553.30	345.90	88,199.12
Additions	-	-	328.17	0.15	4.26	-	5.75	-	338.33
Disposals	-	-	(33.24)	-	-	(0.45)	(10.04)	-	(43.74)
As at March 31, 2023	5,778.56	11,018.81	69,628.84	347.04	360.38	465.18	549.01	345.90	88,493.71
Depreciation/Amortisation									
As at April 01, 2021	-	2,488.94	41,545.17	325.48	313.79	257.24	404.92	139.00	45,474.54
Additions	-	371.00	3,427.40	7.42	16.98	29.56	44.73	34.32	3,931.40
Disposals	-	-	(1.58)	(0.58)	-	-	(9.72)	-	(11.88)
As at March 31, 2022	-	2,859.94	44,970.99	332.32	330.77	286.80	439.93	173.31	49,394.06
Additions	-	371.00	2,952.96	2.47	6.36	28.80	34.01	34.32	3,429.91
Disposals	-	-	(7.32)	-	-	(0.43)	(9.93)	-	(17.68)
As at March 31, 2023	-	3,230.94	47,916.63	334.79	337.13	315.17	464.01	207.63	52,806.29
Net Block									
As at March 31, 2022	5,778.56	8,158.87	24,362.92	14.57	25.35	178.83	113.36	172.59	38,805.06
As at March 31, 2023	5,778.56	7,787.87	21,712.21	12.25	23.25	150.01	85.00	138.27	35,687.42

Notes:-

(i) Lease hold improvements have been amortised over the period of the lease.

(ii) Refer note no. 39 for charges.

(iii) Impairment Review

Assets are tested for impairment whenever there are any internal or external indicators of impairment. Impairment test is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs within the Company at which the assets are monitored for internal management purposes, within an operating segment. The impairment assessment is based on higher of value in use and value from sale calculations. During the year, the testing did not result in any impairment in the carrying amount of other assets. The measurement of the cash generating units' value in use is determined based on financial plans that have been used by management for internal purposes. The planning horizon reflects the assumptions for short to- mid-term market conditions.

Key assumptions used in value-in-use calculations are:

- (i) Operating margins (Earnings before interest and taxes), (ii) Discount Rate, (iii) Growth Rates and (iv) Capital Expenditure
- (iv) All Immovable Properties are held in the name of the Company.
- (v) During the previous year the management has reassess the life of the furance from 15 to 25 Years based on the technical evaluation and due to the same the depreciation for the previous year is reduced by Rs. 55.90 Lakhs
- (vi) Refer Note no. 10.2

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in lakhs unless otherwise stated)

5.1 Right-of-use assets

Particulars	RIGHT OF USE ASSET
Gross carrying value as at April 01, 2021	946.17
Additions	0.29
Disposals	-
Gross carrying value as at March 31, 2022	946.46
Additions	-
Disposals	-
Gross carrying value as at March 31, 2023	946.46
Accumulated Depreciation/ amortisation as of April 01, 2021	264.28
Charge for the year	85.24
Disposals	-
Accumulated Depreciation/ amortisation as of March 31, 2022	349.52
Charge for the year	85.23
Disposals	-
Accumulated Depreciation/ amortisation as of March 31, 2023	434.75
Net Block as at March 31, 2023	511.71
Net Block as at March 31, 2022	596.94

5.2 Capital- Work-In-Progress (CWIP)

Particular	As at March 31, 2023	As at March 31, 2022
Opening CWIP	196.58	46.61
Add:	-	149.97
Less:	117.51	-
Total	79.07	196.58

Capital Work in Progress ageing schedule as at March 31, 2023

Particulars	Amount of CWIP for a period of				
Capital Work in Progress	Less than 1 year	1-2 years	2-3 years	More than 3 Years	Total
1. Projects in progress	32.45	-	-	-	32.45
2. Projects temporarily suspended.	-	-	24.60	22.02	46.62
Total	32.45	-	24.60	22.02	79.07

Capital Work in Progress ageing schedule as at March 31, 2022

Particulars	Amount of CWIP for a period of				
Capital Work in Progress	Less than 1 year	1-2 years	2-3 years	More than 3 Years	Total
1. Projects in progress	149.96	24.60	22.02	-	196.58
2. Projects temporarily suspended.	-	-	-	-	-
Total	149.96	24.60	22.02	-	

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in lakhs unless otherwise stated)

5.3 Intangible Assets Under Development

Particular	As at March 31, 2023	As at March 31, 2022
Intangible Assets under Development		
Opening	-	47.00
Add:		-
Less:	-	47.00
Total	-	-

6 Non-current- Other Financial Assets

Particular	As at March 31, 2023	As at March 31, 2022
Bank deposit with maturity above 12 months including interest thereon*	468.09	447.28
Unsecured considered good		
-Security deposits	659.88	655.47
Total	1,127.97	1,102.75

*Rs. 468.09 lakhs (previous year Rs. 447.28 lakhs) was held as security with banks against borrowings.

7 Deferred Tax Liability/Assets

Particular	As at March 31, 2023	As at March 31, 2022
Deferred tax liability	(3,544.07)	(3,625.25)
Deferred tax assets	5,533.32	5,614.50
MAT Credit Entitlement	1,494.06	1,680.06
Total	3,483.31	3,669.31

(i) Movement in deferred tax items

Financial Year 2022-23	Balance as on April 01, 2022	Recognised in Statement of Profit & Loss	Adjustments	Recognised in other comprehensive income	Balance as on March 31, 2023
Deferred tax (liability)/asset in relation to Depreciation on Property, plant & equipment	(3,625.25)	(0.53)	-	-	(3,625.78)
Recognition of DTA on unabsorbed depreciation	5,614.50	0.53	-	-	5,615.03
Deferred tax Assets/(Liability)	1,989.25	-	-	-	1,989.25
MAT Credit Entitlement	1,680.06	(188.30)	2.30	-	1,494.06
Net Deferred tax Assets/ (Liability)	3,669.31	(188.30)	2.30	-	3,483.31

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in lakhs unless otherwise stated)

Financial Year 2021-22	Balance as on April 01, 2021	Recognised in Statement of Profit & Loss	Adjustments	Recognised in other comprehensive income	Balance as on March 31, 2022
Deferred tax (liability)/asset in relation to depreciation on Property, plant & equipment	(3,707.80)	82.55	-	-	(3,625.25)
Recognition of DTA on unabsorbed depreciation	5,697.05	(82.55)	-	-	5,614.50
Deferred tax Assets/(Liability)	1,989.25	-		-	1,989.25
MAT Credit Entitlement	1,680.06		-	-	1,680.06
Net Deferred tax Assets/(Liability)	3,669.31	-	-	-	3,669.31

Significant management judgement is considered in determining deferred tax assets and liabilities and recoverability of deferred tax assets and Minimum Alternate Tax (MAT) entitlement of Rs.3483.31 Lakhs. The recoverability of deferred tax assets and Minimum Alternate Tax (MAT) entitlement is based on estimate of the taxable income for the period over which deferred tax assets and Minimum Alternate Tax (MAT) entitlement will be recovered. The Company has unabsorbed business depreciation and MAT credit which according to the management will be used to set off taxable profit arising in subsequent years from operation. However, As a matter of prudence, Deferred Tax Assets have been created till March 31, 2021 and no deferred tax has been created thereafter.

8 Income Tax Asset (Net)

Particular	As at March 31, 2023	As at March 31, 2022
Tax refund receivable (net of provision)	260.84	367.99
Total	260.84	367.99

9 Other Non Current Assets

Particular	As at March 31, 2023	As at March 31, 2022
Other advances:		
Advance to suppliers & contractors (Capital)	184.26	236.30
Balance deposit with government authorities under protest	113.39	98.41
Total	297.65	334.71

10 Inventories* (Valued at cost or net realisable value, unless otherwise stated) (Refer note i of note no 3)

(As taken, valued and certified by the management)	As at March 31, 2023	As at March 31, 2022
Raw materials	1,104.86	983.27
Work-in-progress	2,497.49	2,600.78
Finished goods	467.53	504.46
Stores and spares	3,782.10	4,625.56
Others (Scrap)	46.19	244.34
Total	7,898.17	8,958.41

* Refer note no 39-I & II for charges

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in lakhs unless otherwise stated)

10.1 Due to non-updation of Bill of Material (BOM) and expansion of the customer base, quantitative variance were observed between physical and book records. These Variance have been considered as consumption of material for the preparation of the financial statements.

10.2 Inventory Physical verification and inventory consumption

The Company has a regular programme of physical verification for its inventory and fixed assets. Further, during the year, physical verification of significant part of the inventory and fixed assets has been carried out by the management and discrepancies noticed on such verification have been appropriately adjusted in the financial statements.

11 Financial Asset: Current

11.1 Trade Receivables

Particular	As at March 31, 2023	As at March 31, 2022
Unsecured considered good		
- From related party	26.81	132.85
- From others	10,206.93	8,295.93
- Less Allowance for expected credit loss	(887.05)	(138.25)
Total	9,346.69	8,290.53
Trade receivable- credit impaired	41.59	595.41
- Less Allowance for credit Impairment	(41.59)	(595.41)
Total	9,346.69	8,290.53

Ageing of Trade Receivable as at March 31, 2023

Particulars	Not Due	Outstanding for the following period from Due date of payment				Total
		Less than 6 months	6 months - 1 year	1-2 Years	More than 3 years	
Undisputed trade receivable						
Considered good	6,556.77	1,671.83	667.14	269.31	281.51	9,638.33
which have significant increase in credit risk	-	-	-	-	-	-
credit impaired	-	-	-	-	22.36	41.59
Disputed trade receivable						
Considered good	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-
credit impaired	-	-	-	-	595.41	595.41
Gross Amount	6,556.77	1,671.83	667.14	269.31	899.28	10,275.33
Less Allowance for credit loss						928.64
Net Amount						9,346.69

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in lakhs unless otherwise stated)

Ageing of Trade Receivable as at March 31,2022

Particulars	Not Due	Outstanding for the following period from Due date of paymet				Total
		Less than 6 months	6 months - 1 year	1-2 Years	More than 3 years	
Undisputed trade receivable						
Considered good	5,828.66	1,725.31	125.73	446.01	178.19	8,428.78
which have significant increase in credit risk	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-
Disputed trade receivable						
Considered good	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-
credit impaired	-	-	-	-	595.41	595.41
Gross Amount	5,828.66	1,725.31	125.73	446.01	773.60	9,024.19
Less Allowance for credit loss						733.66
Net Amount						8,290.53

Refer note no.40 (B)

*Refer note no-39 (I), II & 44.

11.2 Cash & cash equivalents

Particular	As at March 31, 2023	As at March 31, 2022
Balance with banks	5,791.34	102.49
Cash on hand	1.11	6.52
Total	5,792.45	109.01

*Refer note 14.1 (iii)

11.3 Current- Bank balances other than cash and cash equivalents

Particular	As at March 31, 2023	As at March 31, 2022
Earmarked balances with banks:		
Unpaid dividend account	15.83	15.83
Balance in Escrow Account	9.00	-
Total	24.83	15.83

11.4 Current- Loans

Particular	As at March 31, 2023	As at March 31, 2022
Unsecured considered good		
Loans to employees	30.58	16.51
Total	30.58	16.51

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in lakhs unless otherwise stated)

11.5 Others Financial Asset

	As at March 31, 2023	As at March 31, 2022
Unsecured considered good		
Unbilled Revenue	51.36	418.76
Total	51.36	418.76

12 Others Financial Asset

Particular	As at March 31, 2023	As at March 31, 2022
Prepaid Expenses	252.42	164.68
Advances other than capital advances	587.12	749.98
Balance with government authorities	99.02	121.70
Power Open Access Receivable	37.13	37.13
Budgetary support from Government	8.55	8.55
Others	13.20	70.48
Total	997.44	1,152.52

13 Share Capital

Particular	As at March 31, 2023	As at March 31, 2022
Authorised Share Capital		
12,50,00,000 (previous year- 12,50,00,000) equity shares of Rs. 2/- each	2,500.00	2,500.00
Issued, Subscribed and Fully Paid Up		
12,22,22,222 (previous year- 12,22,22,222) equity shares of Rs 2/- each	2,444.44	2,444.44
Total	2,444.44	2,444.44

Reconciliation of number and amount of equity shares

Particular	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	122,222,222	2,444.44	100,000,000	2,000.00
Changes during the year	-	-	22,222,222	444.44
Outstanding at the end of the year	122,222,222	2,444.44	122,222,222	2,444.44

Terms & right attached to equity shares

- The Company has only one class of equity shares having par value of Rs. 2/- per share. Each shareholder of equity shares is entitled to one vote per share. The company declares dividends in Indian Rupees. During the year ended 31st March 2023, the amount of dividend per share recognised as distributed to equity shareholder was Rs NIL (31st March 2022 Rs.NIL).
- Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.-Nil.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in lakhs unless otherwise stated)

- c) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of the preferential amount, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.
- d) The Board of Directors in its meeting held on December 10, 2021 considered and approved the Issue Price, Ratio and Record date for further issue of Equity shares to the existing shareholders of the Company on Right basis. Further, Pursuant to the provisions of section 62(1)(a), and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (including any statutory modification(s) of re-enactments thereof for the time being in force 2,22,22,222 Equity shares of face value of Rs.2/- each issued at price of Rs.18/- per Equity share (including security premium of Rs.16/- per share) of the Company be and hereby allotted to the eligible shareholders of the Company in the Board Meeting held on February 07, 2022 and in pursuance to the Basis of Allotment approved by BSE Limited, the designated stock exchange on February 04, 2022. These share have been listed on BSE Limited and National Stock Exchange of India.
- (ii) **Details of shareholders holding more than 5% shares in the company**

Particular	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% of shares	No. of Shares	% of shares
Dayanand Munjal Investments Pvt Ltd (holding company)	91,417,272	74.80%	91,417,272	74.80%

As per the records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Shares held by Promoter at the Year ended on March 31, 2023

SL No.	Promoter Name	No. of Shares	% of Total Shares	% Change during the year
1	Dayanand Munjal Investments Pvt Ltd	91,417,272	74.80%	No

Shares held by Promoter at the Year ended on March 31, 2022

SL No.	Promoter Name	No. of Shares	% of Total Shares	% Change during the year
1	Dayanand Munjal Investments Pvt Ltd	91,417,272	74.80%	No

Shares held by Promoter as at April 01, 2021

SL No.	Promoter Name	No. of Shares	% of Total Shares	% Change during the year
1	Dayanand Munjal Investments Pvt Ltd	74,795,950	74.80%	No

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in lakhs unless otherwise stated)

13.2 Other equity

Particular	As at March 31, 2023	As at March 31, 2022
Capital Redemption Reserve		
Opening balance	5.00	5.00
Transferred to retained earnings	-	-
Closing Capital redemption reserve	5.00	5.00
Security premium		
Opening balance	3,555.56	-
Addition/adjustments	-	3,555.56
Closing Securities Premium	3,555.56	3,555.56
General Reserve		
Opening balance	5,068.61	5,068.62
Addition/adjustments	(0.01)	(0.01)
Closing General Reserve	5,068.60	5,068.61
Retained Earnings		
Opening balance	2,627.90	4,233.93
Losses for the year	(3,471.73)	(1,606.03)
Closing Retained Earnings	(843.83)	2,627.90
Other Comprehensive Income		
Opening balance	153.22	(5.47)
Addition/adjustment	74.42	158.69
Closing Comprehensive Income	227.64	153.22
Total other equity	8,012.97	11,410.28

14 Financial Liability : Non Current

14.1 Borrowing

Particular	As at March 31, 2023	As at March 31, 2022
Term loans:		
i. From banks-Secured	15,387.05	20,648.82
Less: Shown in current maturities of long term borrowings*	(2,556.98)	(6,394.96)
ii. From others-Secured	9,555.37	3,720.52
Less: Shown in current maturities of long term borrowings*	(758.48)	(670.89)
iii. From Others -Unsecured	-	-
Less: Shown in current maturities of long term borrowings*	-	-
iv. From related parties -Unsecured	-	-
Less: Shown in current maturities of long term borrowings*	-	-
IND AS Adjustment	(112.78)	(44.78)
Total	21,514.18	17,258.71

* Amount disclosed under the head 'Short term Borrowing' note no. 17.3

Note: Refer note -40 -I , II & III for borrowing terms,defaults and repayment of loan

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in lakhs unless otherwise stated)

15 Provision

Particular	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits		
- Gratuity	342.20	322.78
- Leave Encashment	122.75	121.86
Total	464.95	444.64

*Refer Note No.36

16 Other non-current liabilities

Particular	As at March 31, 2023	As at March 31, 2022
Deferred Income - Government Grant	22.73	23.64
Total	22.73	23.64

17 Financial Liability : Current

Particular	As at March 31, 2023	As at March 31, 2022
Secured - at amortised cost		
Bank		
- Cash Credit	8,611.74	4,990.25
- Working Capital Demand Loan		4,705.98
Other		-
- Working Capital Demand Loan	734.58	734.58
Current maturities of long term debt		-
a) From Banks	2,556.98	6,394.96
b) From others	758.48	670.89
Unsecured -at amortised cost		
Other Loan from Related Parties	7,936.97	3,368.28
Total	20,598.74	20,864.94

Note: Refer note -39 II for borrowing terms and repayment of loan

As at March 31,2023

Particulars	Period	Amount as per financials	Amount as per Statement filed with Bankers	Remarks
Eligible Trade				
Receivable/inventory/trade payables	June, 30 2022	10,925.96	10,589.49	DP Statement was submitted based on provisional financial statements.
	September 30, 2022	9,842.93	9,922.21	
	December 31, 2022	9,461.92	10,266.25	
	March 31, 2023	9,787.50	9,777.64	DP Statement was submitted on March 16, 2023 based on provisional financial statements.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in lakhs unless otherwise stated)

17.2 Other trade Payables

	As at March 31, 2023	As at March 31, 2022
a) Micro, small and medium enterprises *	1,546.55	1,305.92
b) Due to related party	262.31	546.67
c) Others	5,648.50	5,549.02
Total	7,457.36	7,401.61

* There are no outstanding amounts payable beyond the agreed period to micro, small and medium enterprise as required by MSMED Act, 2006 to the extent interest liability on outstanding amount provided in financial statement as on the balance sheet date to the extent such enterprises have been identified based on information available with the Company. In view of this there is no overdue interest payable except already provided in financial statement. (Refer note 33)

Ageing of trade payables as at March 31, 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	342.04	1,086.68	98.47	11.92	7.44	1,546.55
ii) Others	1,480.31	3,786.75	213.77	155.23	274.76	5,910.81
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	1,822.36	4,873.42	312.23	167.15	282.20	7,457.36

Ageing of trade payables as at March 31, 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	193.31	1,058.05	45.51	6.85	2.20	1,305.92
ii) Others	2,336.63	2,220.66	1,249.44	288.96	-	6,095.69
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	2,529.94	3,278.71	1,294.95	295.81	2.20	7,401.61

17.3 Other Financial Liabilities

	As at March 31, 2023	As at March 31, 2022
Security Deposit	44.61	27.88
Interest accrued but not due on borrowings	720.18	357.24
Retention Money	12.54	13.42
Unpaid Dividend*	15.83	15.83
Other Payables		
a) Capital Creditors	130.20	103.12
b) Accrued salary & Benefits **	596.19	656.30
c) Others***	1,251.15	786.17
Total	2,770.70	1,959.96

* There are no amounts outstanding in respect of unpaid dividend for more than seven years to be transferred to Investor Education and Protection Fund.

** Includes Rs. 179.14 lakhs due to related parties (previous year Rs 54.62 lakhs)

*** Includes Rs. 4.11 lakhs due to related parties (previous year Rs 0.90 lakh)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in lakhs unless otherwise stated)

18 Other current Liability

Particular	As at March 31, 2023	As at March 31, 2022
Withholding and other taxes	1,528.83	1,333.77
Advance from Customers	68.11	133.91
Deferred Income - Government Grant	0.91	0.91
Total	1,597.85	1,468.59

19 Provision for employee benefits

Provision for employee benefits	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits	-	-
- Leave Encashment	55.87	53.17
Total	55.87	53.17

Refer note no.36

Refer Note No.36

20 Revenue From Operation

Particular	For the year ended March 31, 2023	For the year ended March 31, 2022
Sales of products	43,994.25	44,255.25
	43,994.25	44,255.25
Other operating revenues		
From scrap sale	2,579.50	2,547.48
Sales - Others	462.08	98.70
From Job work	0.13	18.59
Total Other Operative Revenue	3,041.71	2,664.77
Total Revenue From Operations	47,035.96	46,920.02

21 Other Income

Particular	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Income from bank deposits and others	24.37	28.19
Gain on foreign exchange fluctuation(Net)	69.53	-
Miscellaneous receipts	191.85	387.43
Profit on sale of property, plant and equipment's (net)	-	1.59
Interest income at amortized cost	-	-
Government grant	0.91	0.91
Total	286.66	418.12

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in lakhs unless otherwise stated)

22 Cost of Material Consumed

Particular	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening balance of the raw material inventory	983.27	1,241.01
Add : Purchases during the year	18,033.25	16,635.81
	19,016.52	17,876.82
Less: Closing balance of the raw material inventory	1,104.86	983.27
Total cost of raw materials consumed	17,911.66	16,893.55

23 (Increase) / Decrease in Stocks

Particular	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening balance of the Inventories		
Work - in - process	2600.78	3,128.49
Finished goods	504.46	407.78
Process scrap	244.34	103.86
	3,349.58	3,640.13
Closing balance of the Inventories		
Work - in - process	2,497.49	2,600.78
Finished goods	467.53	504.46
Process scrap	46.19	244.34
	3,011.21	3,349.58
Net (Increase) / Decrease in Stocks	338.37	290.55

Refer Note No 34

24 Employee benefit expenses

Particular	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages, allowances & commission including gratuity and retirement benefits	4929.63	4,814.72
Contribution to provident and other funds(Refee No 36(B)(v)	312.56	320.98
Staff welfare expenses	393.50	372.04
Total	5,635.69	5,507.74

25 Finance cost

Particular	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on term loans	2,986.63	3,179.02
Interest on cash credit	1,244.12	1,173.07
Interest others (including early payment discount)	559.55	557.77
Interest on lease liabilities	77.96	84.56
Other Borrowing Cost*	121.70	66.94
Total Finance cost	4,989.96	5,061.36

*Mainly consist of loan processing facilities from bank.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in lakhs unless otherwise stated)

26 Depreciation and amortisation expense

Particular	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of Property Plant & Equipment	3,429.91	3,931.40
Amortization of Right-of use assets	85.23	85.24
Amortization of intangible assets	8.31	72.46
Total Depreciation and Amortization Expenses	3,523.45	4,089.10

27 Other Expenses

Particular	For the year ended March 31, 2023	For the year ended March 31, 2022
Power and fuel consumption	3,845.38	3,782.71
Packing material consumption	244.46	270.19
Repair and maintenance on		
- Machinery	544.25	379.16
- Building	226.33	303.66
- Other	115.23	165.55
Lease rent	8.77	35.13
Wages to contractors	5,055.25	4,656.56
Rates and taxes	54.55	48.19
Corporate social responsibility expenses(Refer note 1 below)	-	-
Loss on sale of property, plant and equipment (net)	4.79	-
Insurance	334.15	361.80
Legal and professional	135.32	174.30
Payment to auditor *	18.83	16.98
Foreign Exchange losses (net)	-	29.26
Travelling and conveyance	324.35	277.45
Printing and stationery	0.99	1.98
Postage, telegram and telephones	14.67	16.32
Selling expenses	55.24	85.49
Board & secretarial expenses	48.43	69.17
Security expenses	220.67	197.48
Freight and forwarding charges	686.73	632.91
Provision for expected credit loss	195.00	110.00
Miscellaneous expenses	160.34	318.47
Total Other Expenses	12,293.73	11,932.76
Payment to auditor		
As auditor:		
- Audit Fee	10.50	10.50
- Limited review	6.00	4.50
- Certification/other services	1.50	-
Reimbursement of expenses	0.83	1.98
Total	18.83	16.98

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in lakhs unless otherwise stated)

28 Tax Reconciliation

Particular	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax		
Deferred Tax	-	-
Deferred Tax - Ind AS	-	-
Earlier year tax adjustment	188.30	-
	188.30	-
Reconciliation of effective tax rate		
Tax expense		
Profit before tax	(3,283.43)	(1,606.03)
Add: Interest on Tax as grouped in finance cost		
Less: Other comprehensive income	-	-
Add: Ind AS Adjustment	-	-
	(3,283.43)	(1,606.03)
Applicable tax rate	34.94%	34.944%
Computed tax expense	(1,147.36)	(561.22)
Total Tax Expense	(1,147.36)	(561.22)
Adjustment for:		
Income exempt for tax purpose	-	-
Expenses not allowed for tax purpose		
Brought forward unabsorbed depreciation setoff		
Changes in recognized deductible temporary differences	-	-
Other Tax Adjustments	1,147.36	561.22
Earlier year tax adjustment	-	-
Net adjustments	-	-
Tax Expense	-	-

29 Other Comprehensive Income

Particular	For the year ended March 31, 2023	For the year ended March 31, 2022
Item that will not be reclassified to profit or loss		
Re-measurement of defined benefit plans	74.42	158.69
Income tax relating to items that will not be reclassified to profit or loss	-	-
Total Other Comprehensive Income	74.42	158.69

30 Earning per Share

Particular	For the year ended March 31, 2023	For the year ended March 31, 2022
Net profit for calculation of basic and diluted EPS (Rs. In Lakhs)	(3,471.73)	(1,606.05)
Total number of equity shares outstanding at the end of the year	122,222,222	122,222,222.00
Weighted average number of equity shares in calculating basic and diluted EPS	122,222,222	109,651,339.00
EPS	(2.84)	(1.46)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in lakhs unless otherwise stated)

31 Contingent Liabilities (not provided for) in respect of:

S.N.	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a)	Letter of credit opened by banks	401.54	447.96
b)	PF Liability where the cases are pending at various stages of appeal with the authorities	70.00	70.00
c)	Bank Guarantees	14.16	14.16
d)	Sales tax / vat/ gst demand	582.12	284.71
e)	Traces demands *	9.51	18.17

Interest on above demands is not computed and demanded by the department, therefore interest amount is not included above except otherwise stated.

* The Traces demands have been extracted from the traces online portal.

Contingent liabilities and claims against the Company not acknowledged as debts related to various matters (Refer Note (a) below)

- In respect of above matters, future cash outflows are determinable only on receipt of judgements / decisions pending at various forums / authorities.
- The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

32 Commitments:

S.N.	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	202.62	143.31
b)	Estimated amount of contracts remaining to be executed on other than capital account and not provided for (net of advances)	-	-

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

S.N.	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a)	Principal amount and Interest due thereon remaining unpaid to any supplier as at end of each accounting year	1,546.55	1,455.91
b)	Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year.	-	-
c)	the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
d)	the amount of interest accrued and remaining unpaid	72.99	49.98
e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in lakhs unless otherwise stated)

34 Details of Opening and Closing Inventory of Finished Goods:

S.N.	Class of Product	Year ended March 31, 2023	Year ended March 31, 2022
a)	Opening stock		
	Gear Components	504.46	407.78
b)	Closing stock		
	Gear Components	467.53	504.46

35 Segment Information

(i) General Disclosure

The Company is primarily in the business of manufacture and sale of components to automotive original equipment manufacturers. Hence there is only one identified reportable segments as per Ind As 108 - Segment reporting.

The above reportable segments have been identified based on the significant components of the enterprise for which discrete financial information is available and are reviewed by the Chief operating decision maker (CODM) to assess the performance and allocate resources to the operating segments.

(ii) Entity wide disclosure required by IND AS 108 are made as follows:

a) Revenues from sale of products to external customers

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
India	44,777.26	43,267.48
Outside India	2,258.70	3,652.54
Total	47,035.96	46,920.02

b) Segment Assets

Total of non-current assets other than financial instruments, and deferred tax assets broken down by location of the assets, is shown below

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
India	36766.33	40,255.11
Outside India	-	-

(iii) Information about major customers:

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Amount	Percentage	Amount	Percentage
Hero Moto corp Limited	18,573.25	39%	20,227.07	43%

36 Employee Benefits - Gratuity & Post employment benefits

The Company has classified the various benefits provided to employees as under:-

A. Defined Contribution Plan

The Company makes contribution to Statutory Provident Fund and Employee State Insurance in accordance with Employees Provident Fund and Miscellaneous Provision Act, 1952 and Employee State Insurance Act, 1948 respectively. This is post-employment benefit and is in the nature of defined contribution plan.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in lakhs unless otherwise stated)

B. Defined Benefit Plan

Gratuity (being partly administered by a Trust) is computed as 15 days salary, for every recognized retirement/ termination / resignation. The Gratuity plan for the company is a defined benefit scheme where annual contributions as per actuarial valuation are charged to the statement of profit and loss.

The Company also has a leave encashment scheme with defined benefits for its employees. The Company makes provision for such liability in the books of accounts on the basis of year end actuarial valuation. No fund has been created for this scheme.

For summarizing the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans, the details are as under

The Company is primarily in the business of manufacture and sale of components to automotive original equipment manufacturers. Hence there is only one identified reportable segments as per Ind As 108 - Segment reporting.

A. Statement of profit and loss

Net employee benefit expense

Particulars	2022-2023		2021-2022	
	Gratuity (Funded)	Leave encashment	Gratuity (Funded)	Leave encashment
Current Service cost	77.64	65.12	89.52	(34.60)
Net Interest cost	22.09	-	26.58	-
Expenses recognized in the statement of profit & loss	99.73	65.12	116.10	(34.60)

B. Balance Sheet

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

Particulars	2022-2023		2021-2022	
	Gratuity (Funded)	Leave encashment	Gratuity (Funded)	Leave encashment
Defined benefit obligation	1,022.96	178.62	1,012.21	175.04
Fair value of plan assets	680.76	-	689.43	-
Net Asset/(Liability) recognized in the Balance Sheet	342.20	178.62	(322.78)	(175.04)

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

Particulars	2022-2023		2021-2022	
	Gratuity (Funded)	Leave encashment	Gratuity (Funded)	Leave encashment
Opening defined benefit obligation	1,012.21	140.44	1,075.46	314.32
Interest cost	69.29		73.08	(34.60)
Current service cost	77.64	65.12	89.52	(34.60)
Past service cost	-		-	-
Benefit paid	(61.99)	(61.54)	(72.63)	(104.68)
Actuarial (gains)/losses on obligation	(74.19)		(153.20)	-
Closing defined benefit obligation	1,022.96	144.02	1,012.21	140.44

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in lakhs unless otherwise stated)

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

Particulars	2022-2023	2021-2022
Opening fair value of plan assets	689.43	684.35
Actual return on Plan Assets	47.19	46.50
Contribution during the year	5.90	0.68
Benefit paid	(61.99)	(47.58)
Return on plan assets , excluding amount recognised in net interest expense	0.23	5.48
Acquisition Adjustment	-	-
Closing fair value of plan assets	680.76	689.43

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

Particulars	2022-2023 %	2021-2022 %
Discount rate (%)	7.40%	6.85%
Expected salary increase (%)	4.00%	4.00%
Demographic Assumptions		
Mortality rate (% of IALM 06-08)	100%	100%
Retirement Age (year)	58 Years	58 Years
Attrition / Withdrawal rates, based on age: (per annum)		
Up to 30 years	9.50%	9.50%
31 - 44 years	9.50%	9.50%
Above 44 years	9.50%	9.50%

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The above information is certified by Actuary.

v. Contribution to defined contribution plans:

Particulars	2022-2023	2021-2022
Provident fund	295.44	304.20
Employee State Insurance	12.68	13.39
Labour welfare fund	4.43	3.39
Total	320.98	320.98

vi Sensitivity analysis of the defined benefit obligation:

Particulars	2022-2023		2021-2022	
	Gratuity (Funded)	Leave encashment	Gratuity (Funded)	Leave encashment
Impact of the change in discount rate				
Present value of obligation at the end of the period	1,022.96	144.02	1,012.21	175.04
Impact due to increase of 1.00%	68.13	8.63	71.34	8.87
Impact due to decrease of 1.00%	61.17	9.88	63.7	9.96
Impact of the change in salary increase				
Present value of obligation at the end of the period	1,022.96	144.02	1,012.21	175.04
Impact due to increase of 1.00%	69.78	9.88	72.67	10.15
Impact due to decrease of 1.00%	63.64	8.97	65.95	9.19

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in lakhs unless otherwise stated)

vii Other comprehensive income (OCI):

Particulars	2022-2023		2021-2022	
	Gratuity (Funded)	Leave encashment	Gratuity (Funded)	Leave encashment
Actuarial (gains) / losses				
- changes in demographic assumptions	-	-	144.39	-
- changes in financial assumptions	(36.53)	-	(254.81)	-
- experience variance (i.e. Actual experience vs assumptions)	(37.66)	-	(42.79)	-
- others		-	-	-
Return on plan assets, excluding amount recognised in net expense	(0.23)	-	(5.48)	-
Re-measurement (or Actuarial) (gain)/ loss arising because of change in effect of asset ceiling		-	-	-
Components of defined benefit costs recognised in other comprehensive income	(74.42)	-	(158.69)	-

37 Related Party Transaction

a) List of Related Parties (as certified by the management)

(i) Key Managerial Personnel

Mr. Neeraj Munjal, Managing Director

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

Mrs. Charu Munjal, Whole Time Director

Mr. Davendra Ujlayan, VP- Finance, upto 08.07.2021

Mr. Rakesh Gupta, CFO- Finance from 03.01.2022

Ms. Samta Bajaj, Company Secretary upto 01.10.2021

Mr. Davendra Kumar Goyal, CFO- Finance, from 13.02.2023

Ms. Preeti Sharma, Company Secretary w.e.f November 12, 2021

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

Mr. Sunil Chinubhai Vakil, Independent Director w.e.f. 21.12.2020

*Mr Bhagwan das Narang-Independent Director

*SEBI vide order No WTM/SM/MIRSD/MIRSD- SEC-4/26042/2023-24 dated April 28, 2023 has restrained Mr Bhawan Das Narang and Ms Jyothi Prasad (Independent Directors of the Company) from holding the post of directors. Or any key managerial position or association in any capacity with any listed public Company and public Company which intends to raise money from the public, or any intermediary registered with SEBI for a period of 2 years Mr. Bhagwan Das Narang and Ms. Jyoti Prasad (Independent Directors of the Company) have vide their respective letter dated May 8, 2023 resigned as Directors of the Company.

(ii) Holding Company

Dayanand Munjal Investments Private Limited

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

Munjal Showa Limited

Pushti Metal Industries LLP

Earthly Possessions

Sunil Vakil Associates

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in lakhs unless otherwise stated)

b) The following transactions were carried out with related parties in the ordinary course of business:

Nature of transaction	Key management personnel		Enterprises over which key management personnel and their relatives are able to exercise significant influence		Total	
	2022-2023	2021-2022	2022-2023	2021-2022	2022-2023	2021-2022
Sale of Goods & Services						
Munjal Showa Limited			487.72	629.73	487.72	629.73
Pushti Metal Industries LLP			6.63	5.13	6.63	5.13
Purchase of goods and services						
Munjal Showa Limited			332.71	123.05	332.71	123.05
Pushti Metal Industries LLP			400.16	560.18	400.16	560.18
Earthly Possessions			588.15	612.64	588.15	612.64
Sunil Vakil Associates			4.41	5.50	4.41	5.50
Finance Cost						
Munjal Showa Limited			85.27	71.44	85.27	71.44
Dayanand Munjal Investment Pvt. Ltd.			475.81	422.57	475.81	422.57
Loans Taken						
Dayanand Munjal Investment Pvt. Ltd.			4400.00	2,800.00	4,400.00	2,800.00
Munjal Showa Limited			338.00	650.00	338.00	650.00
Loans Repaid						
Munjal Showa Limited			169.30	430.00	169.30	430.00
Dayanand Munjal Investment Pvt. Ltd.			-	3,511.73	-	3,511.73
Salary & perquisites						
Neeraj Munjal	176.06	176.06			176.06	176.06
Charu Munjal	80.06	80.06			80.06	80.06
Rhea Seth Munjal	3.29	-			3.29	-
Davendra Ujlayan	-	27.27			-	27.27
Rakesh Gupta	36.01	9.09			36.01	9.09
Devendra Kumar Goyal	8.64	-			8.64	-
Samta Bajaj	-	2.46			-	2.46
Preeti Sharma	7.13	2.52			7.13	2.52
Sitting fees						
Mr. Sunil Kant Munjal	-	1.50			-	1.50
Mr Bhagwan das Narang	3.9	5.70			3.90	6.90
Dr. Anil Kumar Gupta	3.6	6.00			3.60	6.60
Mr. Sunil Chinubhai Vakil	3.9	6.30			3.90	1.50
Ms. Jyothi Prasad	3.9	6.30			3.90	6.00

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in lakhs unless otherwise stated)

c) Balances Outstanding at Year End:

Nature of transaction	Key management personnel		Enterprises over which key management personnel and their relatives are able to exercise significant influence		Total	
	2022-2023	2021-2022	2022-2023	2021-2022	2022-2023	2021-2022
Trade Receivable:						
Munjal Showa Limited			26.81	127.72	26.81	127.72
Pushti Metal Industries LLP			-	5.13	-	5.13
Trade Payable:						
Munjal Showa Limited			157.03	104.97	157.03	104.97
Pushti Metal Industries LLP			4.85	223.26	4.85	223.26
Earthly Possessions			100.43	218.44	100.43	218.44
Sunil Vakil Associates	3.31	3.70			3.31	3.70
Salary & perquisites payable:						
Neeraj Munjal	111.81	35.36			111.81	35.36
Charu Munjal	64.66	19.26			64.66	19.26
Rhea Seth Munjal	2.67	-			2.67	-
Devendra Kumar Goyal	2.97	-			2.97	-
Preeti Sharma	0.20	0.48			0.20	0.48
Rakesh Gupta	-	2.00			-	2.00
Jyoti Prasad	0.27	0.30			0.27	0.30
Sunil Chinubhai Vakil	3.30	0.30			3.30	0.30
Bhagwan Das Narang	0.27	0.30			0.27	0.30
Dr. Anil Kumar Gupta	0.27	-			0.27	-
Borrowings:						
Dayanand Munjal Investment Pvt. Ltd.			7,188.27	2,788.27	7,188.27	2,788.27
Munjal Showa Limited			748.70	580.00	748.70	580.00
Interest Payable:						
Dayanand Munjal Investment Pvt. Ltd.			587.08	158.85	587.08	158.85
Munjal Showa Limited			-	-	-	-

Based on the recommendation of the Nomination and Remuneration Committee, all decisions relating to the remuneration of the directors are taken by the Board of Directors of the Company, in accordance with shareholder's approval, wherever necessary.

The sales to and purchases from related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions.

Gratuity and leave liability is determined for all the employees on an overall basis, based on the actuarial valuation done by an independent actuary. The specific amount of gratuity and leave liability for KMP cannot be ascertained separately, except for the amount actually paid.

The above transactions for sale and purchase of goods and services are inclusive of GST, wherever applicable.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in lakhs unless otherwise stated)

38 Operating Lease

(a) Operating lease arrangements

Office premises are taken on operating lease. There is no escalation clause in the lease agreement

(b) Future minimum rentals payables under non-cancellable operating lease:

Particulars	As at March 31, 2023	As at March 31, 2022
Not later than one year	141.48	141.48
Later than one year and not later than five years	794.30	758.32
Later than five years	-	177.47
Total	935.78	1,077.26

39 Summary of borrowing arrangement

I Long Term Borrowings

From Bank

Particulars	As at March 31, 2023	As at March 31, 2022	Rate of interest	Security	Repayment terms
IDFC bank	-	287.99	11.75%	First parri passu charge on the present and future Immoveable and Moveable Assets situated at Haridwar Plant	Repayable in 18 quarterly installments beginning from August,2017
IDFC bank-15Cr	596.14	882.28	11.25%	First parri passu charge on the present and future Immoveable and Moveable Assets situated at Haridwar Plant	Repayable in 66 Monthly Equal installments beginning from May,2019
IDFC bank-27Cr	57.81	751.53	11.25%	First parri passu charge on the present and future Immoveable and Moveable Assets situated at Haridwar Plant	Repayable in 49 Monthly Equal installments beginning from Oct,2018
IDFC bank-ECLGS	1,230.00	1,640.00	9.20%	Second Pari Passu charge on- 1. Current Assets both present and future & 2. Fixed Assets of Haridwar Plant including Land and Building, except exclusively charged to other lenders.	Repayable in 48 Monthly Equal installments beginning from April, 2022
IDFC bank-ECLGS - 2	200.00	-	9.25%	Second Pari Passu charge on- 1. Current Assets both present and future & 2. Fixed Assets of Haridwar Plant including Land and Building, except exclusively charged to other lenders.	Repayable in 36 Monthly Equal installments beginning from April, 2025
IDFC bank-5.95 Cr	456.40	575.47	12.85%	First pari-passu charge on entire current assets of the company	Repayable in 60 Monthly Equal installments beginning from April, 2022

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in lakhs unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022	Rate of interest	Security	Repayment terms
Yes Bank - 50Cr	630.75	1,292.27	12.6%- 13.75%	Exclusive charge on all the Assets procured out of Term Loan proceeds (1.2x to be maintained)	Repayable in 22 quarterly installments beginning from June,2018
Yes Bank - 50Cr	2,516.80	2,874.17	12.6%- 13.75%	First pari passu charge on Immovable & Movable Fixed Assets of Bangalore and Rohtak Plant (both present and future)	Repayable in 24 quarterly installments beginning from December,2018
Yes Bank - 100Cr	5,473.44	6,152.74	12.6%- 13.75%	1. Exclusive charge on all Moveable Fixed Assets of Binola Plant 2. First Pari passu charge on all Fixed Assets of Bangalore and Rohtak Plant	Repayable in 24 quarterly installments beginning from June,2020
Yes Bank - ECLGS	2,989.58	4,014.58	9.25%	1. Exclusive charge on Current assets financed through the said WCTL facility. 2. Second Charge on entire Current Assets of the Company. 3. Second charge on entire Moveable Fixed Assets of Binola Plant. 4. Second Charge on on Immovable & entire Moveable Fixed Assets of Rohtak and Bangalore plants. 5. Second charge on all the assets procured out of proceeds of Term Loan 2, 4 & 5 of the Borrower. "	Repayable in 48 Monthly Equal installments beginning from March, 2022
HDFC Bank - TL	384.17	1,050.84	10.45%	1. First pari passu on fixed assets of all plants except Manesar with other lenders, Exclusive charge on movable fixed asset of manesar Plant. 2. First pari passu charge on present and future current assets of the Company Plants at Binola, Haridwar and Manesar. 3. First pari passu charge on equitable mortgage of factory land and building located at Binola, Haridwar, Rohtak and Bangalore Plant.	Repayable in 36 monthly installment beginning from October, 2020

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in lakhs unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022	Rate of interest	Security	Repayment terms
HDFC Bank - ECLGS	802.08	1,077.08	9.25%	Second PP charge over existing primary and collateral securities including mortgages created in favour of the Bank.	Repayable in 48 Monthly Equal installments beginning from March, 2022
HDFC Bank - Other Loan	49.88	49.88	10.45%	Funded Interest Term Loan	One Time Repayment at maturity date of loans on 23-September-2023
Total	15,387.05	20,648.83			

From Bank

Binola Plant

Particulars	As at March 31, 2023	As at March 31, 2022	Rate of interest	Security	Repayment terms
Hero Fin Corp Limited	2,168.68	2,611.52	12.25%	Secured first pari-passu charge on current assets of the Company	Repayable in 60 monthly installment beginning from November, 2021
Hero Fin Corp-ECLGS	886.69	1,109.00	14.00%	Second Pari Passu charge on the present and future current assets of Binola and Haridwar Plant	Repayable in 48 Monthly Equal installments beginning from April, 2022
STCI Loan	6,500.00	-	12.75%	Second Pari Passu charge on the present and future current assets of Binola and Haridwar Plant	Repayable in 48 Monthly Equal installments beginning from April, 2022
Total	9,555.37	3,720.52			
Ind As Impact	(112.78)	(44.78)			
Total	24,829.64	24,324.57			

II Short Term Borrowings

From Bank - Cash Credit / Working Capital Demand Loan

Particulars	As at March 31, 2023	As at March 31, 2022	Security
Hero Fin Corp	734.58	734.58	First pari-passu charge on present and future current assets of plants situated at Binola and Haridwar.
Unsecured Loan from Dayanand Munjal Investment Pvt Ltd	7,188.27	2,788.29	Unsecured
Munjal Showa Ltd	748.70	580.00	Unsecured

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in lakhs unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022	Security
IDFC Bank	1,152.00	1,839.40	1. First Pari Passu charge on Current Assets of Haridwar Plant- 45 cr 2. Exclusive charge on all the current assets of Rohtak Plant-5 cr
HDFC Bank	1,500.18	1,705.77	First pari passu charges on the current asset of Binola & Haridwar plant along with the other working capital bankers.
Yes bank	3,509.55	3,059.37	Exclusive charges on all the current assets of Bengaluru plant and first pari pasu charge on all the current assets of Binola & Haridwar plant of the Borrower (Present & future)
Yes bank	2,450.00	3,091.67	Exclusive charges on all the current assets of Bengaluru plant and first pari pasu charge on all the current assets of Binola & Haridwar plant of the Borrower (Present & future)
Total	17,283.28	13,799.09	

III Delay in repayment of borrowings (current and non current) and interest

During financials year 2022-23

Sr.	Name of lender	Borrowings/Principal		Interest	
		Outstanding as at March 31, 2023		Outstanding as at March 31, 2022	
		Amount	Period (in days)	Amount	Period (in days)
1	IDFC Bank 10000028103	260.31	10.00	7.23	2.00
2	IDFC Bank 10068406612	-	-	12.88	1.00
3	IDFC Bank 10068406612	-	-	12.88	1.00
4	IDFC Bank 10068406612	-	-	12.47	2.00
5	IDFC Bank 10030005351	31.02	1.00	1.51	1.00
6	IDFC Bank 10030005351	0.16	1.00	-	-
7	IDFC Bank 10030004618	21.38	2.00	-	-
8	IDFC Bank 10030004618	5.10	1.00	-	-
9	IDFC Bank 10030004618	8.23	2.00	-	-
10	IDFC Bank 10030004618	20.87	1.00	-	-
11	Hero Fincorp Limited HCFDELWCT00007263881	34.12	3.00	-	-
12	Hero Fincorp Limited HCFDELWCT00007263881	34.45	1.00	-	-
13	Hero Fincorp Limited HCFDELWCT00007263881	-	-	3.51	9.00
14	Hero Fincorp Limited HCFDELWCT00007263881	0	-	26.35	3.00

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in lakhs unless otherwise stated)

Sr.	Name of lender	Borrowings/Principal		Interest	
		Outstanding as at March 31, 2023		Outstanding as at March 31, 2022	
		Amount	Period (in days)	Amount	Period (in days)
15	Hero Fincorp Limited HCFDELWCT00007263881	0	-	26.03	1.00
16	Hero Fincorp Limited HCFDELWCT00007723278	0	-	7.04	9.00
17	Hero Fincorp Limited HCFDELWCT00002352770	312.5	84.00	6.97	27.00
18	Hero Fincorp Limited HCFDELWCT00002352770	0	-	0.39	62.00
19	Hero Fincorp Limited HCFDELWCT00002352770	0	-	0.77	23.00
20	Hero Fincorp Limited HCFDELWCT00002352770	0	-	0.77	6.00

40 Financial Risk Management

Financial risk management objectives and policies:

The Company, as an internationally active supplier for the automobile industry expose its business and products to various market risks, credit risk and liquidity risk. The Company realizes that risks are inherent and integral aspect of any business. The primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's senior management oversees the management of these risks and devise appropriate risk management framework for the Company. The senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

Below notes explain the sources of risks in which the Company is exposed to and how it manages the risks:

A Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to the risk of movements in interest rates, inventory price and foreign currency exchange rates that affects its assets, liabilities and future transactions. The Company is exposed to following key market risks:

a) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long-term borrowings with variable rates, which exposes the Company to cash flow interest rate risk. During March 31, 2023 and March 31, 2022, the Company's borrowings at variable rate were mainly denominated in INR.

Interest rate risk exposure - The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Variable Rate Borrowing	42,225.70	26,959.46
Fixed Rate Borrowing	6,108.35	11,208.97
Ind as Adjustment	(112.78)	(44.78)
Total	48,221.28	38,123.65

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in lakhs unless otherwise stated)

An analysis by maturities is provided in Note (C) Maturities of financial liabilities below.

Sensitivity analysis - For Floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

Sensitivity on variable rate borrowings	Impact on Profit & Loss Account	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest rate increase by 0.25%	105.56	67.40
Interest rate decrease by 0.25%	(105.56)	(67.40)

b) Price Risk

Fluctuation in commodity price in global market affects directly and indirectly the price of raw material and components used by the Company in its various products segment. Substantial pricing pressure from major OEMs to give price cuts and inability to pass on the increased cost to customers may also affect the profitability of the Company.

Key Raw material - As per the agreement with the customers, any increase in the raw material prices is passed on to the customer. But in some cases where the customer was already asking for reduction in prices, the company has to absorb the price increase.

c) Foreign Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an foreign exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's export revenue and import of raw materials and other consumables.

The unhedged foreign currency exposure is as follows:

Particulars	Trade Receivable		Trade Paybles	
	Foreingn Currency in Lakhs	Rs in lakhs	Foreingn Currency in Lakhs	Rs in lakhs
Foreign Exposure as at March 31, 2023				
CHF			0.30	20.77
EUR	2.40	214.94	0.17	12.31
GBP			0.09	7.93
JPY			157.49	102.33
SGD				
USD	9.41	774.05	0.66	53.62
Foreign Exposure as at March 31, 2022				
CHF	-	-	0.28	22.95
EUR	3.72	314.89	-	-
GBP	-	-	0.09	8.80
JPY	-	-	234.33	145.82
SGD	-	-	0.15	8.46
USD	18.11	1,373.17	0.81	60.52

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in lakhs unless otherwise stated)

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in foreign exchange rates, with all other variables held constant.

Particulars	Change in FCR / INR Rate	Impact on Profit & Loss Statements	
		For the year ended March 31, 2023	For the year ended March 31, 2022
USD	+ 50 basis points	4.37	8.65
	- 50 basis points	(4.37)	(8.65)
EURO	+ 50 basis points	1.12	1.86
	- 50 basis points	(1.12)	(1.86)
CHF	+ 50 basis points	(0.15)	(0.14)
	- 50 basis points	0.15	0.14
JPY	+ 50 basis points	(78.75)	(117.17)
	- 50 basis points	78.75	117.17
SGD	+ 50 basis points	-	(0.08)
	- 50 basis points	-	0.08
GBP	+ 50 basis points	(0.04)	(0.04)
	- 50 basis points	0.04	0.04

B Credit risk:

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and advances to suppliers) and from its financing activities, including deposits and other financial instruments.

The Company has developed guidelines for the management of credit risk from trade receivables. The Company's primary customers are major Indian automobile manufacturers (OEMs) with good credit ratings. Non-OEM clients are subjected to credit assessments as a precautionary measure, and the adherence of all clients to payment due dates is monitored on an on-going basis. An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 44. The Company does not hold collateral as security except in case of few customers. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Particulars	As at March 31, 2023			As at March 31, 2022		
	Upto 6 months	More than 6 months	Total	Upto 6 months	More than 6 months	Total
Gross carrying amount (A)	8,228.59	2,046.74	10,275.33	7,540.20	1,483.98	9,024.17
Expected Credit Losses (B)		928.64	928.64		733.64	733.64
Net Carrying Amount (A-B)	8,228.59	1,118.09	9,346.69	7,540.20	750.34	8,290.53

Credit risk from balances with banks and other financial asset is managed in accordance with the Company's approved investment policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed on regular basis and the said limits gets revised as and when appropriate. The limits are set to minimise the concentration of risks and

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in lakhs unless otherwise stated)

therefore mitigate financial loss through counterparty's potential failure to make payments. The Company has deposited liquid funds at various banking institutions. Primary banking institutions are major Indian and foreign banks. In long term credit ratings these banking institutions are considered to be investment grade. Also, no impairment loss has been recorded in respect of fixed deposits that are with recognised commercial banks and are not past due.

C Liquidity risk:

The liquidity risk encompasses any risk that the Company cannot fully meet its financial obligations. To manage the liquidity risk, cash flow forecasting is performed in the operating divisions of the Company and aggregated by Company finance. The Company's finance monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities / overdraft facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

Table hereunder provides the current ratios of the Company as at the year end

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Total current assets	24,141.52	18,961.57
Total current liabilities	32,544.04	31,811.78
Current ratio	0.74	0.60

The table below summarises the maturity profile of the Company's financial liabilities (Current and Non current):

	Particulars	Less than 1 year	1 to 5 years	> 5 years	Total
I	As at March 31, 2023				
(i)	Borrowings	20,598.74	21,464.18	50.00	42,112.92
(ii)	Lease liability	63.52	611.11	-	674.63
(iii)	Other Financial Liability	-	-	-	-
(iv)	Trade and other payable	7,457.36	-	-	7,457.36
		28,119.62	22,075.29	50.00	50,244.91
II	As at March 31, 2022				
(i)	Borrowings	20,864.94	17,258.70	-	38,123.63
(ii)	Lease liability	63.52	674.63	-	738.15
(iii)	Other Financial Liability	2,118.62	-	-	2,118.62
(iv)	Trade and other payable	7,401.61	-	-	7,401.61
	Total	30,448.69	17,933.33	-	48,382.00

41 Financial Instrument - Disclosure

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in lakhs unless otherwise stated)

Financial Asset

Sl. No	Particulars	Note	Fair value hierarchy	As at March 31, 2023		As at March 31, 2022	
				Carrying Amount	Fair Value	Carrying Amount	Fair Value
	Financial assets designated at amortised cost	D	Level 2				
(a)	<u>Non Current</u>						
	- Others Financial Asset			1,127.97	1,127.97	1,102.75	1,102.75
(b)	<u>Current</u>				=		
	- Trade receivables			9,346.69	9,346.69	8,290.53	8,290.53
	- Cash and cash equivalents			5,792.45	5,792.45	109.01	109.01
	- Bank Balances			24.83	24.83	15.83	15.83
	- Loans			30.58	30.58	16.51	16.51
	- Others Financial Asset			51.36	51.36	418.76	418.76
	Total			16,373.88	16,373.88	9,953.39	9,953.39

Financial Liability

Sl. No	Particulars	Note	Fair value hierarchy	As at March 31, 2023		As at March 31, 2022	
				Carrying Amount	Fair Value	Carrying Amount	Fair Value
	Financial liability designated at amortised cost	D	Level 2				
(a)	<u>Non Current</u>						
	- Borrowings			21,514.18	21,514.18	17,258.71	17,258.71
	- Lease liabilities			611.11	611.11	674.63	674.63
(b)	<u>Current</u>						
	- Borrowings			20,598.74	20,598.74	20,864.94	20,864.94
	- Trade payables			7,457.36	7,457.36	7,401.61	7,401.61
	- Lease liabilities			63.52	63.52	63.52	63.52
	- Other financial liabilities			2,770.70	2,770.70	1,959.96	1,959.96
	Total			53,015.63	53,015.63	48,223.36	48,223.36

A - Company has opted to fair value its mutual fund investment through profit & loss

B - Company has opted to fair value its quoted investments in equity share through OCI

C - As per Para D-15 of Appendix D of Ind AS 101, the first time adopter may chose to measure its investment in subsidiaries, JVs and Associates at cost or at fair value. Company has opted to value its investments in subsidiaries, JVs and Associates at cost.

D - Company has adopted effective rate of interest for calculating Interest. This has been calculated as the weighted average of effective interest rates calculated for each loan. In addition processing fees and transaction cost relating to each loan has also been considered for calculating effective interest rate.

* In case of trade receivables, cash and cash equivalents, trade payables, short term borrowings and other financial assets and liabilities it is assessed that the fair values approximate their carrying amounts largely due to the short-term maturities of these instruments.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in lakhs unless otherwise stated)

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair values of the financial assets and financial liabilities included above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

42 Capital Management

"For the purpose of the Company's capital management, equity includes issued equity capital and all other equity reserves attributable to the equity shareholders and net debt includes interest bearing loans and borrowings less current investments and cash and cash equivalents. The Company's objectives when managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic & financial conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, internal accruals, long term borrowings and short term borrowings. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. During the year the Company has breached with these covenants. During the year lenders has imposed the penalties towards non-fulfillment of the covenants as per the loan agreements and the same has duly been accounted in financial statements wherever charged by the lenders.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March, 2022 and 31st March, 2023.

Particulars	As at March 31, 2023	As at March 31, 2022
Debt (i)	42,112.92	38,123.65
Cash and cash equivalents	(5,792.45)	(109.01)
Net Debt	36,320.47	36,320.47
Total Equity	10,457.41	13,854.73
Net debt to equity ratio (Gearing Ratio)	4.03	2.75

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

- 43 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders, which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in lakhs unless otherwise stated)

44 Ratio

SL No	Particulars	Formula	FY 2022-23	FY 2021-22	Difference	In %	Reasons if any
1	Net Profit Margin	Net Profit after Tax/ Revenue from Operation	(7.38)	(0.03)	(7.35)	21,463.30	#
2	Debt Service Coverage Ratio	(Profit Before Tax + Finance Cost + Depreciation)/ (Finance Cost for the Period or Year + Principal Repayment made during the period or year + Interest Capitalised)	0.44	0.70	(0.26)	-37.14	##
3	Trade Receivable Turnover Ratio	Revenue from Operation /Average Accounts Receivable	5.33	6.24	(0.91)	-14.58	
4	Inventory Turnover Ratio	Revenue from Operation /Average Inventory	5.58	5.27	0.31	5.92	
5	Debt- Equity Ratio	(Long Term Debt + Short Term Debt/ Equity	4.03	3.11	0.91	29.30	##
6	Current Ratio	Current Asset/ Current Liability	0.74	0.60	0.14	24.29	
7	Return on Equity Ratio	Net profit after tax / (Paid up capital + Free reserves)	(0.33)	(0.12)	(0.21)	179.83	#
8	Return on Capital Employed	Net profit after tax / (Paid up capital +Long term debts+ Free reserves)	(0.10)	(0.04)	(0.06)	151.77	#
9	Return on Investment	Net profit after tax / Total Asset	(0.10)	(0.03)	(0.07)	287.80	#
10	Trade payable Turnover Ratio	Net Credit Purchase /Average Trade payable	2.43	2.18	0.25	11.31	
11	Net Capital turnover Ratio	Revenue from Operation /Average Equity	3.87	3.78	0.09	2.42	

Ratio deteriorate due to increase in operational expenses mainly consumption of raw material & stores spares.

Ratio deteriorate due to decrease in operational profit caused mainly higher consumption of raw material & stores spares.

45 Events occurring After the Balance Sheet date

No adjusting or significant non adjusting events have occurred between the reporting date and date of authorization of financial statements

46 The Company is in the process of obtaining confirmations and reconciliation with its trade receivables, trade payables and other dues receivables. The confirmations to the extent received have been reconciled and adjustments, if any, have been made. The others are pending for confirmations, reconciliations and adjustments, if any. However, the management does not expect any significant variations in the existing status.

47 Corporate Social Responsibility not applicable to the company due to loss incurred in last three years.

48 Previous year figures have been regrouped / reclassified wherever necessary to correspond with current year classification/ disclosure.

- 49** i) The Company do not have any benami property, and no proceeding has been initiated against the Company for holding any benami property.
- ii) The Company do not have any transactions with companies struck off.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in lakhs unless otherwise stated)

- iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- iv) The Company have not traded or invested in crypto currency or virtual currency during the financial year.
- v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
 - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
 - b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- vii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
- viii) The Company have not declared willful defaulter by any banks or any other financial institution at any time during the financial year.
- ix) All immovable properties are held in the name of the Company.

As per report of even date

For NSBP & Co.

Chartered Accountants

Firm Regn. No. 001075N

Sd/-

Subodh Kumar Modi

Partner

Membership Number: 093684

Place : New Delhi

Dated: May 25, 2023

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

Sd/-

Neeraj Munjal

Managing Director

DIN : 00037792

Sd/-

Devendra Kumar

Goyal

Chief financial Officer

PAN No. AGNPG1981F

Place : Gurugram

Dated: May 25, 2023

Sd/-

Charu Munjal

Whole Time Director

DIN: 03094545

Sd/-

Preeti Sharma

Company Secretary

M No A32847

Notes

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Notes

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