

## BOARD OF DIRECTORS

### CHAIRMAN

Sunil Kant Munjal

### MANAGING DIRECTOR

Neeraj Munjal

### DIRECTORS

Satyanand Munjal  
Brijmohan Lall Munjal  
Om Prakash Munjal  
Charu Munjal, Executive Director  
Bhagwan Dass Narang  
Surrinder Lal Kapur  
Vinayshil Gautam  
Anil Kumar Gupta, Director Technical

### FINANCE TEAM

Davendra Ujlayan                      AVP-Finance &  
Company Secretary

### AUDITORS

S.S. Kothari Mehta & Co.  
Chartered Accountants  
146-149, Tribhvan Complex,  
Ishwar Nagar, Mathura Road,  
New Delhi-110065

### BANKERS

IDBI Limited  
Punjab National Bank  
AXIS Bank Ltd.  
ING Vysya Bank

### REGISTERED OFFICE

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

### GURGAON PLANT

58th Km. Stone  
Delhi-Jaipur Highway  
Village: Binola-122 413  
Dist. : Gurgaon (Haryana)

### HARIDWAR PLANT

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

### SHARE TRANSFER AGENTS

MCS Limited  
F-65, First Floor,  
Okhla Industrial Area, Phase I,  
New Delhi-110 020

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## NOTICE

Notice is hereby given that the **8<sup>th</sup> Annual General Meeting** of the Members of **SHIVAM AUTOTECH LIMITED** will be held on Tuesday, the 24<sup>th</sup> day of September, 2013 at 11:00 A.M. at Tivoli Garden Resort, Near Chattarpur Mandir, Chattarpur Road, New Delhi-110030, to transact the following business:

### [A] ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2013 and Profit & Loss Account for the year ended on that date along with the Report of the Directors and the Auditors thereon.
2. To declare dividend to the equity shareholders for the year ended March 31, 2013.
3. To appoint a Director in place of Mr. Sunil Kant Munjal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Brijmohan Lal Munjal, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s S.S. Kothari Mehta & Co., Chartered Accountants, New Delhi, the retiring auditors to hold office as Statutory Auditors for Financial Year 2013-14 from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorize the Audit Committee to fix their remuneration.

### [B] SPECIAL BUSINESS

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION.

**“RESOLVED THAT** Mrs. Charu Munjal who was appointed as an Additional Director of the Company, pursuant to Section 260 of the Companies Act, 1956, by the Board of Directors w.e.f. May 28, 2013 and who holds office upto the date of this Annual General Meeting, and is eligible for appointment under the relevant provisions of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing from a member signifying his intention to propose her as a candidate for the office of the Director, be and is hereby appointed as a Director of the Company.”

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

**“RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309, 310 and 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or re-enactment thereof for the time being in force) and subject to the approval of the Central Government, if required, consent of the members be and is hereby accorded to the appointment of **Mrs. Charu Munjal** as Whole Time Director designated as “Executive Director” for a period of 5 (Five) years with effect from June 01, 2013 on such terms and conditions including remuneration as set out in explanatory statement annexed to this Notice.

**FURTHER RESOLVED THAT** the Board of the Directors of the Company be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings, as may be required to give effect to the aforesaid resolutions.

**FURTHER RESOLVED THAT** in the event of loss, absence or inadequacy of profits of the Company in any financial year during the term of the office of the appointee, the remuneration as mentioned in the explanatory statement shall be paid to her as minimum remuneration.”

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

**“RESOLVED THAT** in accordance with the provision of Section 198, 269, 309, 310, 311 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, (including any statutory modifications or re-enactment thereof for the time being in force), subject to such approvals as may be necessary, the Company hereby approves the revision in the remuneration of Mr. Neeraj Munjal, Managing Director with effect from April 01, 2013 for the remainder of his tenure in the manner as set out in the explanatory statement annexed to the Notice convening this meeting.

**RESOLVED THAT** except as stated in the explanatory statement annexed below, other

terms and conditions of re-appointment as approved by the shareholders at the Annual General Meeting held on September 30, 2011 shall remain unchanged.

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

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

“**RESOLVED THAT** in accordance with the provision of Section 198, 269, 309, 310, 311 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, (including any statutory modifications or re-enactment thereof for the time being in force), subject to such approvals as may be necessary, the Company hereby approves the revision in the remuneration of Dr. Anil Kumar Gupta, Whole Time Director of the Company designated as “Director (Technical)” with effect from December 20, 2012 for the remainder of his tenure in the manner as set out in the explanatory statement annexed to the Notice convening this meeting.

**RESOLVED THAT** except as stated in the explanatory statement annexed below, other terms and conditions of re-appointment as approved by the shareholders at the Annual General Meeting held on September 25, 2012 shall remain unchanged.

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

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

“**RESOLVED THAT** pursuant to Section 309 and other applicable provisions of the Companies Act, 1956, (including any statutory modifications or re-enactment thereof for the time being in force) and

subject to such approvals as may be necessary, consent and approval of the Company be and is hereby accorded for payment of commission not exceeding in the aggregate, 0.30% per annum of the company's net profit or Rs. 8.00 Lacs, whichever is minimum computed in the manner laid down by Section 198, 349, 350 and other applicable provisions, if any, of the Act, to the non-executive directors of the Company as may be decided by the Board of Directors from time to time, for a period of 5 years commencing from April 01, 2013

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to take such steps as may be necessary to give effect to this Resolution.

By Order of the Board of Directors  
For **Shivam Autotech Limited**  
**Sd/-**  
Davendra Ujlayan  
**AVP - Finance &**  
**Company Secretary**

Place: New Delhi  
Date: August 14, 2013

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

## NOTES

**1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER.**

2. In order to be valid, proxies duly stamped, should be lodged with Company at its Registered Office not later than forty eight hours before the commencement of the Annual General Meeting.
3. For the convenience of the Members, attendance slip is enclosed herewith in the Annual Report. Members / proxies should bring duly filled Attendance Slips sent herewith to attend the meeting along with their copies of the Annual Report.
4. Corporate Members are requested to send a duly certified copy of the Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorising their representatives to attend and vote at the Annual General Meeting.
5. As required under the provisions of Clause 49(IV) of the Listing Agreement, particulars relating to Mr. Sunil Kant Munjal and Mr. Brijmohan Lal Munjal, Directors retiring by rotation and whose re-appointments are being proposed at the forthcoming Annual General Meeting, are enclosed in the Appendix to this Notice.
6. Explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956, which sets out details relating to Special Business to be transacted at the meeting, is annexed hereto.
7. Pursuant to Section 154 of the Companies Act, 1956, the Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, September 17, 2013 to Tuesday, September 24, 2013 (both days inclusive)
8. In accordance with SEBI's directions vide their Circular No. DCC/FITT/Cir-3/2001 dated October 15, 2001, arrangements have been made to credit your dividend amount directly to bank account of members through the Electronic Clearing Service (ECS).  
  
In case of holding in physical form, please furnish your bank details in the ECS Mandate Form enclosed separately and return to our Registrars, MCS Limited on or before September 16, 2013. The said details in respect of the shares held in electronic form should be sent to your respective Depository Participant and not to the Registrar as the Registrar is obliged to use only the data provided by the Depository while making payment of dividend.
9. The dividend as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid at par after September 24, 2013 to (i) those shareholders whose names

appear on the Company's Register of Members after giving effect to all valid share transfers in physical form lodged with the Company on or before September 16, 2013; (ii) in respect of shares held in electronic form to those beneficiaries whose names appear in the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL) as at the end of business hours on September 16, 2013.

10. As per Section 53 of the Companies Act, 1956, which provides for service of documents under "certificate of posting" as one of the accepted mode of service, whereas the Department of Posts has recently discontinued the postal facility under "certificate of posting" vide their letter dated February 23, 2011. The Information Technology Act, 2000 also permits service of documents, etc., in electronic mode. Keeping this in view the Ministry of Corporate Affairs vide their circular no. 17/2011 dated April 21, 2011 clarified that a Company would have complied with Section 53 of the Companies Act, 1956, if the service of documents has been made through electronic mode provided the Company has obtained email addresses of its members for sending the notice/documents through email by giving an advance opportunity to every shareholders to register their email address and changes therein from time to time with the Company.

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

admin@mcsdel.com

11. Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956, dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid dividend account is required to be transferred by the Company to Investor Education and Protection Fund (IEPF), established by the Central Government under the provisions of Section 205C of the Companies Act, 1956.

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

be identified and uploaded on the website of the Company as per Rule 3 of the said Rules.

The first dividend declared by the Company for the financial year 2005-06 was paid on 25- Sep-2006. The seven years period for the above dividend shall end on October 26, 2013 and the unclaimed/ unpaid dividend amount of Rs. 3,76,137.50 (Rupees Three Lacs Seventy Six Thousand One Hundred Thirty Seven and Fifty Paise only) shall be transferred to IEPF by November 25, 2013.

Accordingly, members who have not encashed their Dividend Warrant(s) are requested to approach the RTA/ Company for issuance of demand draft(s) upon completion of necessary formalities for the same in lieu of such warrant(s). Unclaimed/unpaid final dividend for the financial year 2005-06, which is due for transfer to IEPF, should be claimed by the members before October 26, 2013. After that date, no claim shall lie against the IEPF/ Company, in respect of the said amount.

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

12. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Company Secretary at least seven days before the date of the Meeting, so that the information required may be made available at the meeting.

## ANNEXURE TO NOTICE

### Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.

#### ITEM NO. 6

The Board of Directors of the Company in its meeting held on May 28, 2013 has appointed Mrs. Charu Munjal as an Additional Director of the Company w.e.f. May 28, 2013. A notice under Section 257 of the Companies Act, 1956 has been received from a member proposing the candidature of Mrs. Charu Munjal as a Director of the Company.

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

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

#### ITEM NO. 7

The present proposal is to seek the Members' approval for appointment of Mrs. Charu Munjal as Whole Time Director designated as "Executive Director", in terms of the applicable provisions of the Companies Act, 1956.

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

Shareholding in the Company: Nil

The Board of Directors, on the recommendations of Remuneration Committee, in their meeting held on May 28, 2013 has approved the proposal for appointment of Mrs. Charu Munjal as Whole Time Director designated as "Executive Director", subject to the approval of the members.

The terms & conditions of her appointment and remuneration are set out as under:

- A) **Basic Salary:** Rs. 167,000/- (Rupees One Lakh Sixty Seven Thousand only) per month.
- B) **Commission:** She will also be entitled to commission in addition to Basic Salary, Perquisites and any other Allowances, benefits or amenities, subject to the condition that the amount of commission shall not exceed 1.00% (one percent) of the Net Profit of the Company in a particular financial year as computed in the manner referred to in Section 198 of the Companies Act, 1956.
- C) **Perquisites and Allowances:** In addition to the above Basic Salary and Commission, She shall be entitled to the following monthly perquisites and allowances:
  - I. **Allowances**

a. House Rent Allowance	60%
b. Electricity Allowance	10%
c. Professional Development Allowance	10%
d. Child Education Allowance	5%
e. Furnishing Allowance	5%
  - II. **Perquisites:** The Executive Director shall also be entitled to the following perquisites:
    - a. **Club Fees:** Reimbursement of Actual Fees of Clubs.
    - b. **Personal Accident Insurance:** Actual premium to be paid by the Company.
    - c. **Medical Reimbursement:** Reimbursement of actual medical insurance premium and medical expenses incurred by her and her family.



**d. Insurance of Household goods:** Actual premium to be paid by the Company.

**e. Car:** Facility of cars with drivers to be used for the business of the Company shall not be included in the computation of the ceiling of perquisites.

**f. Telephone:** Free telephone facility at residence including Mobile Phone to be used for the business of the Company shall not be included in the computation of the ceiling of perquisites.

**g. Leave:** One month's leave with full salary for every 11 months of service subject to the condition that leave accumulated but not availed will be encashed.

**h. Reimbursement of expenses:** Reimbursement of entertainment, travelling, hotel and other expenses actually and properly incurred by her in India and abroad for the business of the Company.

**i. Contribution to Provident Fund, Super Annuation or Annuity Fund etc.:** Company's Contribution to Provident Fund, Super Annuation or Annuity Fund etc. will be as per policy/rules of the Company to the extent these either singly or put together are not taxable under the Income Tax Act.

**j. Gratuity:** Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

**k. Leave Travel Concession:** For the Executive Director and her family once in a year incurred in accordance with the policy/rules of the Company.

**l. Other allowances:** As may be applicable from time to time as per policy/rules of the Company.

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

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

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

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

a. Contribution to Provident Fund, Super Annuation Fund or Annuity Fund to the extent

these either singly or put together are not taxable under Income Tax Act, 1961; and

b. Gratuity payable at a rate not exceeding half month' salary for each completed year of service.

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

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

#### ITEM NO. 8

The present proposal is to seek the Members' approval for revision in the remuneration of Mr. Neeraj Munjal, Managing Director, in terms of the applicable provisions of the Companies Act, 1956.

Mr. Neeraj Munjal was re-appointed as the Managing Director of the Company for a period of five years w.e.f. April 01, 2011. He has completed his Bachelor's degree in Commerce and holds Diploma in Business management from Bradford & Likhay community college, England. He has more than 25 years of experience in the Auto Components sector.

Shareholding in the Company: Nil

The Board of Directors, on the recommendations of Remuneration Committee, has approved the proposal of increase in the remuneration in their meeting held on May 28, 2013, subject to the approval of the members. All other terms & conditions of his appointment will remain unchanged. The increased remuneration of Mr. Neeraj Munjal is set out as under:

**A) Basic Salary:** Rs. 510,000/- (Rupees Five Lakhs Ten Thousand only) per month.

**B) Commission:** He will also be entitled to commission in addition to Basic Salary, Perquisites and any other Allowances, benefits or amenities subject to the condition that the amount of commission shall not exceed 2.00% (two percent) of the Net Profit of the Company in a particular financial year as computed in the manner referred to in Section 198 of the Companies Act, 1956.

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

a) Allowances

• House Rent Allowance	70%
• Electricity Allowance	10%
• Professional Development Allowance	10%
• Child Education Allowance	5%
• Furnishing Allowance	5%

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

- i. **Club Fees:** Reimbursement of Actual Fees of Clubs.
- ii. **Personal Accident Insurance:** Actual premium to be paid by the Company.
- iii. **Medical Reimbursement:** Reimbursement of actual medical insurance premium and medical expenses incurred by him and his family.
- iv. **Insurance of Household goods:** Actual premium to be paid by the Company.
- v. **Car:** Facility of cars with drivers to be used for the business of the Company shall not be included in the computation of the ceiling of perquisites.
- vi. **Telephone:** Free telephone facility at residence including Mobile Phone to be used for the business of the Company shall not be included in the computation of the ceiling of perquisites.
- vii. **Leave:** One month's leave with full salary for every 11 months of service subject to the condition that leave accumulated but not availed will be encashed.
- viii. **Reimbursement of expenses:** Reimbursement of entertainment, travelling, hotel and other expenses actually and properly incurred by him in India and abroad for the business of the Company.
- ix. **Contribution to Provident Fund, Super Annuation or Annuity Fund etc.:** Company's Contribution to Provident Fund, Super Annuation or Annuity Fund etc. will be as per policy/rules of the Company to the extent these either singly or put together are not taxable under the Income Tax Act.
- x. **Gratuity:** Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- xi. **Leave Travel Concession:** For the Managing Director and his family once in a year incurred in accordance with the policy/rules of the Company.
- xii. **Spouse Traveling Expenses:** Such traveling expenses of the spouse as may be required in connection with the business of the Company.
- xiii. **Other allowances:** As may be applicable from time to time as per policy/rules of the Company.

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

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

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

Companies Act, 1956.

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

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

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

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

#### ITEM NO. 9

The present proposal is to seek the Members' approval for revision in the remuneration of Whole Time Director designated as "Director (Technical)", in terms of the applicable provisions of the Companies Act, 1956.

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

Shareholding of the Company: Nil

The Board of Directors, on the recommendations of Remuneration Committee, has approved the proposal of increase in the remuneration in their meeting held on February 09, 2013, subject to the approval of the members. All other terms & conditions of his appointment will remain unchanged. The increased remuneration of Dr. Anil Kumar Gupta is set out as under:

- A) Basic Salary: Rs.130,000/- (Rupees One Lac and Thirty Thousand) per month.
- B) Perquisites and Allowances: In addition to the above Basic Salary, he shall be entitled to the following monthly perquisites and allowances:

#### a) Allowances

S. No	Particulars	% of Basic Salary
i.	House Rent Allowance	60%
ii.	Dearness Allowance	10%
iii.	Professional Development Allowance	10%
iv.	Special Allowance	21%
v.	Medical Reimbursement Allowance	3%

- b) Perquisites: The Director (Technical) shall also be entitled to the following perquisites:

- i. **Car:** Facility of car with driver to be used for the business of the Company shall not be included in the computation of the ceiling of perquisites.
- ii. **Telephone:** Free telephone facility at residence including Mobile Phone to be used for the business of the Company shall not be included in the computation of the ceiling of perquisites.
- iii. **Leave:** As per rules of the Company.
- iv. **Reimbursement of expenses:** Reimbursement of entertainment, travelling, hotel and other expenses actually and properly incurred by him in India and abroad for the business of the Company.
- v. **Contribution to Provident Fund:** Company's Contribution to Provident Fund as per rules of the Company.
- vi. **Leave Travel Concession:** For the Director (Technical) and his family once in a year incurred in accordance with the policy/rules of the Company, restricted to one months' basic salary.
- vii. **Variable Performance Bonus:** Director (Technical) shall be entitled for Variable Performance Bonus upto a maximum of Rs. 5 Lakhs (Rupees Five Lakhs Only) in a Financial Year depending upon the levels of measurement as may be decided by the Board of Directors.
- viii. **Other allowances:** As may be applicable from time to time as per policy/rules of the Company.

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

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

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

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

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

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

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

#### ITEM NO. 10

The Company has been greatly benefiting from the invaluable inputs provided by the non-executive directors, who have vast experience, expertise and wisdom in various fields of business. The non-executive directors are members of various Committees constituted by the Board and offer expert advice and guidance.

The Board had approved the payment of commission to non-executive & independent directors, not exceeding 0.30% per annum of the net profit of the Company or Rs. 6.00 lacs (Rupees Six Lacs Only) whichever is less, for a period of 4 (four) years commencing from April 01, 2009, which was approved by the members at the Annual General Meeting held on September 30, 2009.

The aforesaid approval was up to March 31, 2013 and it is necessary to seek fresh approval. In appreciation of the valuable support and guidance rendered by the Non-Executive & Independent Directors, the Board, at its meeting held on May 28, 2013, fixed the limit for payment of commission not exceeding in the aggregate, 0.30% per annum of the Company's net profit or Rs.8.00 Lacs, whichever is minimum, computed in the manner laid down by Sections 198, 349 and 350 and other applicable provisions, if any, of the Companies Act, 1956, for a period of 5 (five) years commencing from April 1, 2013.

Your approval is accordingly sought, authorising the payment of commission to non-executive directors as per the Special Resolution which would also constitute your approval pursuant to the Clause 49 of the Listing Agreement.

All non-executive directors are interested in the said Resolution. The resolution is accordingly recommended for the approval of the Members as Special Resolution.

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



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

## **(PURSUANT TO CLAUSE 49 (IV) OF THE LISTING AGREEMENT)**

<b>Name of Director</b>	<b>Sunil Kant Munjal</b>	<b>Brijmohan Lal Munjal</b>
<b>Date of Birth</b>	14-Dec-1957	01-Jul-1923
<b>Date of Appointment</b>	14-Feb-2006	29-Jul-2005
<b>Qualifications</b>	B. Com Training in Mechanical Engineering	Privately educated & trained in management
<b>Experience in specific</b>	Information, technology, insurance, customer relationship, finance and corporate planning	Padma Bhusan Awardee in recognition of his overall contribution to the Indian Industry and Society. Expertise in overall management skills.
<b>List of Companies in which outside Directorship held</b>	1. Hero Management Service Limited 2. Hero Corporate Services Limited 3. Hero MotoCorp Limited 4. DCM Shriram Consolidated Limited 5. Hero InvestCorp Limited 6. Hero Realty Limited 7. Hero Realty and Infra Limited 8. Hero Mindmine Institute Limited 9. Rockman Industries Limited 10. Satyam Auto Components Limited 11. Easy Bills Limited 12. Hero Life Insurance Company Limited	1. Easy Bill Limited 2. Hero FinCorp Limited 3. Hero InvestCorp Limited 4. Hero MotoCorp Limited 5. Munjal Showa Limited 6. Rockman Industries Limited 7. Survam Infrastructure Limited
<b>Chairman / Member of Committees of Board of directors of other companies in which he is a director</b>	Nil	Hero FinCorp Limited – Audit Committee
<b>No of Shares held</b>	Nil	Nil

\* Excluding private limited companies

\*\* Only Audit Committee & Shareholders Grievance Committee considered

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

Place : New Delhi  
**Date: 14<sup>th</sup> August, 2013**

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

Davendra Ujlayan  
**AVP - Finance &  
Company Secretary**

## DIRECTORS' REPORT

### To The Members,

The Directors have pleasure in presenting the 8th Annual Report of the Company together with its Audited Statement of Profit and Loss Account for the year ended March 31, 2013 and the Balance Sheet as on that date:

### FINANCIAL RESULTS

The summarized financial results of the Company for the year ended March 31, 2013 are presented below:

Particulars	2012-13	2011-12
Gross Sales & Other Income	39,208.79	37,908.70
<b>Profit before Depreciation and Interest</b>	<b>8,734.23</b>	<b>8,497.27</b>
Depreciation	3,077.00	2,941.88
Interest	2,482.30	2,705.01
<b>Profit before Taxation</b>	<b>3174.94</b>	<b>2850.38</b>
Provision for Taxation (Deferred & Current)	353.46	987.76
<b>Profit after Taxation</b>	<b>2821.48</b>	<b>1862.63</b>
Profit available for appropriations	2821.48	1862.63
<b>Appropriations</b>		
Amount transferred to General Reserve	300.00	300.00
Proposed Dividend on Equity Shares	400.00	320.00
Tax on Dividend	67.98	51.91
<b>Profit after Appropriations</b>	<b>2053.50</b>	<b>1190.72</b>

(Rs. In Lacs)

### PERFORMANCE

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

The total income of the Company increased by 3.43% from Rs. 37,908.70 Lacs in 2011-12 to Rs.39,208.79 Lacs in 2012-13. Operating profit (PBDIT) of the company increased by 2.79% from Rs.8,497.27 Lacs in 2011-12 to Rs. 8,734.23 Lacs in 2012-13.

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

### DIVIDEND

The Board of Directors of the Company recommend, for consideration of shareholders at the 8th Annual General Meeting, payment of dividend of 40% (Rs. 4.00 per share) on equity shares of the face value of Re.10/- each for the year ended March 31, 2013. The dividend paid during the previous year was 32% (Rs. 3.20 per share).

### BUSINESS OVERVIEW

India's automobile industry faced significant challenges in 2012-13, owing to high interest rates, rising fuel prices and spiralling inflation. Despite these challenges, the Indian automobile industry has managed to carve a niche for itself in the global auto sector.

The company's efforts in adding new customers and increased business from its existing customers have started yielding results.

Hero MotoCorp Limited (HMCL), the main customer of the company and the world No. 1 two wheeler manufacturer for 12 consecutive years, continues to maintain its leadership position in the two wheeler industry.

### CORPORATE GOVERNANCE

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

Separate detailed chapters on Corporate Governance, Additional Shareholder information and Management Discussion and Analysis are attached herewith and form part of this Report. All the board members and senior managerial personnel have affirmed compliance with the code of conduct for the Financial Year 2012-13.