

Steering Products & ABS, Alternator  
Diesel Injection, Starter Motor

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Diesel Injection, Starter Motor

Aerospace Gears & Shafts

Gears & Shafts

**ANNUAL  
REPORT  
2022-23**

Non-Automotive Gears  
& Precision Components

Domestic Appliance

EV - Axles

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



**Annual  
Report  
2022-23**



**LEADING MANUFACTURER OF**

**Transmission, Gears, Shafts & Precision Engineering Components**

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## Introduction

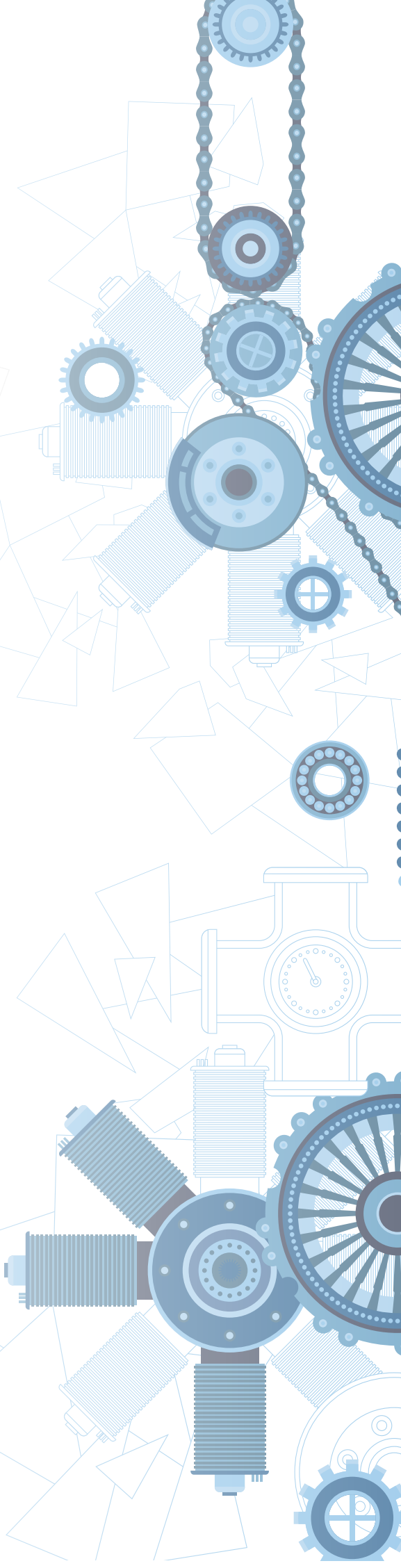
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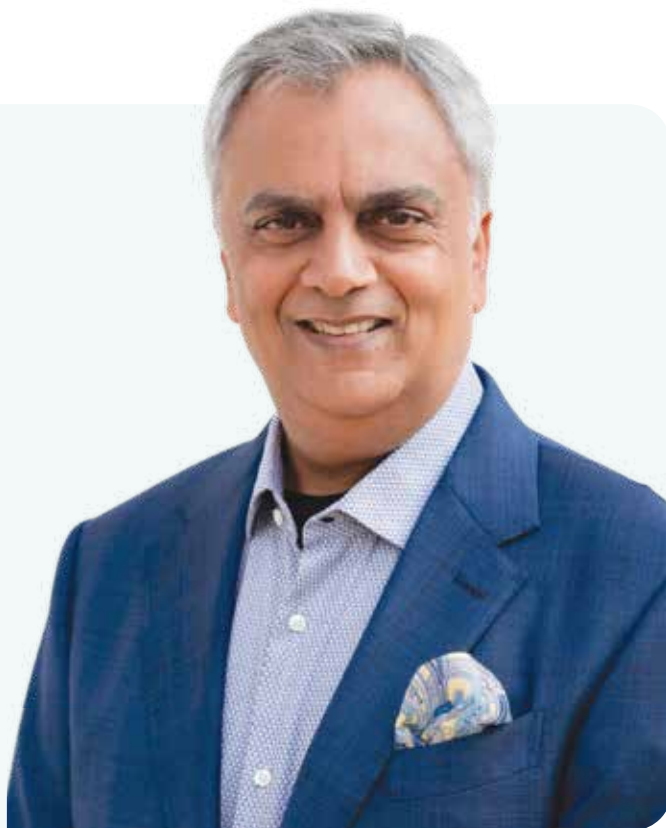
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## FROM THE DESK OF Managing Director

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



Binola

Bangalore



Rohtak

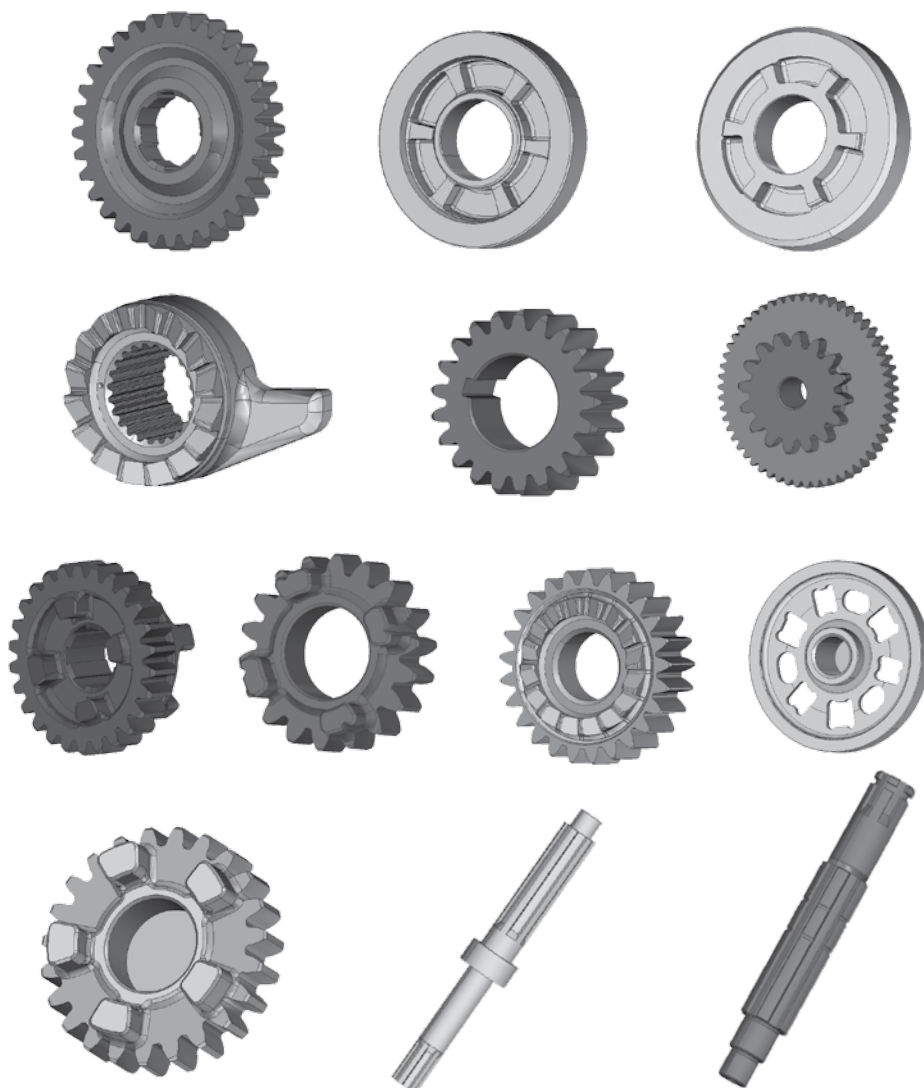
Haridwar





BUSINESS  
Verticals

Two Wheeler  
Segment



Aerospace  
Segment







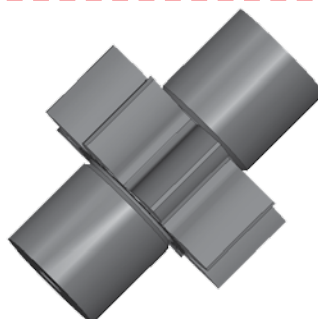
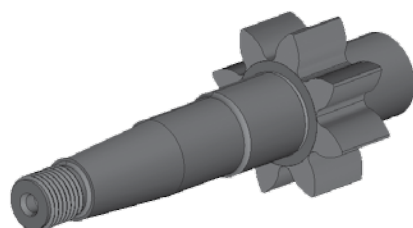
**Non-Automotive Segment**



**Automobile Segment**



**Commercial Vehicle**



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

## PRODUCT Range

### PRECISION ENGINEERING COMPONENTS AND ASSEMBLIES



### TRANSMISSION GEARS AND SHAFTS

