

Shivalik Engineering Industries Limited

CIN No. U27107CT2011PLC022353

(Formerly : Shivalik Engineering Industries Pvt. Ltd.)

BOARD'S REPORT

To,
The Members of
M/s Shivalik Engineering Industries Limited
Raipur (C.G.)

Your Directors have pleasure in presenting their Annual Report of the Company for the financial year ended 31st March 2022.

1) FINANCIAL SUMMARY AND HIGHLIGHTS:

PARTICULAR	STANDALONE		CONSOLIDATED	
	F.Y. 2021-22	F.Y. 2020-21	F.Y. 2021-22	F.Y. 2020-21
	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
Revenue from operations	31,330.20	18,864.18	31,330.20	18,864.18
Other Income	30.81	35.07	30.81	35.07
Profit before depreciation, exceptional, extraordinary item and tax	314.81	857.50	314.81	857.50
Less: Depreciation & Amortization expense	686.69	663.25	686.69	663.25
Profit before exceptional, extraordinary item and tax	371.88	194.25	371.88	194.25
Less: Exceptional item	-	-	-	-
Less: Extraordinary item	-	-	-	-
Profit before tax	371.88	194.25	371.88	194.25
Less: Tax expense	25.32	98.45	25.32	98.45
Profit after tax	346.56	95.80	346.56	95.80

2) OPERATION: STANDALONE

OPERATION:

During the financial year under review, the revenue from operations of the Company has significantly increased to Rs. 31,330.20 lakhs as compared to Rs. 18,864.18 lakhs in the previous year. Further, the other income of the Company has marginally decreased to Rs. 30.81 lakhs as compared to Rs. 35.07 lakhs in the previous year. As a result of the above, the net profit of the Company significantly increased to Rs. 346.56 lakhs as compared to net profit of Rs. 95.80 lakhs in the previous year. The Company expects to achieve better performance in future.

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CONSOLIDATED OPERATION:

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During the financial year under review, the consolidated revenue from operations of the Company has significantly increased to Rs. 31,330.20 lakhs as compared to Rs. 18,864.18 lakhs in the previous year. Further, the consolidated other income of the Company has marginally decreased to Rs. 30.81 lakhs as compared to Rs. 35.07 lakhs in the previous year. As a result of the above, the consolidated net profit of the Company significantly increased to Rs. 346.56 lakhs as compared to consolidated net profit of Rs. 95.80 lakhs in the previous year. The Company expects to achieve better performance in future.

Pursuant to the provisions of section 129(3) of the Companies Act, 2013, a separate statement containing salient features of the Financial Statements of subsidiary, joint venture or associate company in the Form No. AOC-1 is as per **Annexure "I"** annexed herewith.

3) CHANGES IN NATURE OF BUSINESS:

During the financial year under review, there were no changes in the Nature of business of the Company.

4) CHANGES IN CAPITAL STRUCTURE:

During the year under review, the Company has allotted 13,25,631 partly paid equity shares of Rs. 10/- each at a premium of Rs. 265/- per share on rights issue basis. As a result, the paid-up share capital of the Company at the end of the financial year under review stood at Rs. 8,04,21,624/- as per the details given below-

S No.	Type of share	Number of shares	Face Value per share (in Rs.)	Paid-up Value as on 31.03.2022 (in Rs.)
1	Equity shares	6,45,454	10/-	25,81,816
2	Equity shares	6,80,177	10/-	27,20,708
		13,25,631		53,02,524

5) DIVIDEND:

In order to conserve the resources of the Company, your Directors do not recommend any dividend for the year under review.

6) TRANSFER TO RESERVE:

During the financial year under review, the Company does not propose any amount to be transferred to any reserves of the company. However, pursuant to allotment of 13,25,631 partly paid equity shares of Rs. 10/- each at a premium of Rs. 265/- per share on rights issue basis, an amount of Rs. 6,76,07,181/- have been added to the Securities premium reserves.

7) PUBLIC DEPOSITS:

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During the year under review, your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. Further, the Company has also not received any unsecured loan from directors and relative of directors of the Company within the meaning of Section 73 of the Companies Act, 2013, Clause 2(c)(viii) of the Companies (Acceptance of Deposits) Rules, 2014 read with notification number G.S.R. 695(E) dated 15 September, 2015.

8) DIRECTORS & KEY MANAGERIAL PERSONNEL:

As per the provisions of the Companies Act 2013, and the Articles of Association of the Company, Shri Vinay Agrawal (DIN- 06954626), Director of the Company, retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. Further, the Board of directors of the Company, subject to the approval of members, has re-appointed Shri Giriraj Singhania (DIN- 00369479) as the Managing Director of the Company, not liable to retire by rotation, for a further period of five years. Further, except the above, there was no change in the constitution of the Board of Directors of the Company.

Further, the Company does not fall within the purview of criteria prescribed under the provisions of Section 203 of Companies Act, 2013 for appointment of any Key Managerial Personnel.

9) INDEPENDENT DIRECTORS:

In compliance with the provisions of Section 149(6) of the Companies Act, 2013 and the rules made thereunder, the Company has Shri Mithlesh Kumar (DIN- 07772807) and Shri Aasheesh Kumar Sharma (DIN- 06892614) as Independent Directors.

In the opinion of the Board, there has been no change in the circumstances which may affect the status of Independent Directors of the Company and the Board is satisfied of the integrity, expertise, and experience (including proficiency in terms of Section 150(1) of the Act and applicable rules thereunder) of all Independent Directors on the Board.

Further, the Independent Directors of the Company met one time during the financial year ended 31st March, 2022. The Independent Directors inter alia discuss the issues arising out of Committee Meetings and Board discussion including the quality, quantity and timely flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

10) STATEMENT ON DECLARATION BY INDEPENDENT DIRECTOR:

All independent directors of the Company have given declarations as required under the provisions of section 149 (7) of the Companies Act, 2013 stating that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013.

11) DIRECTORS' RESPONSIBILITY STATEMENT:

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As required under section 134 (5) of the Companies Act, 2013, your Directors confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit & loss of the company for that period;
- (iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) the directors had prepared the annual accounts on a going concern basis; and
- (v) 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.

12) NUMBER OF MEETINGS OF THE BOARD:

24 (Twenty Four) Board Meetings were held during the financial year ended March 31, 2022.

13) AUDIT COMMITTEE & NOMINATION & REMUNERATION COMMITTEE:

AUDIT COMMITTEE:

The Audit Committee of the Company comprises of the following three Directors:-

SL. NO.	NAME OF DIRECTOR	DIN	DESIGNATION
1.	Shri Mithlesh Kumar	07772807	Independent Director
2.	Shri Aasheesh Kumar Sharma	06892614	Independent Director
3.	Shri Vishal Sharma	00369593	Director

The Members of Audit Committee have adequate knowledge of Accounts, Audit and Finance. Further, there were no such cases where the Board of Directors of the Company had not accepted any recommendation of the Audit Committee.

NOMINATION & REMUNERATION COMMITTEE:

The Nomination & Remuneration Committee of the Company comprises of the following three Directors:-

SL. NO.	NAME OF DIRECTOR	DIN	DESIGNATION
1.	Shri Mithlesh Kumar	07772807	Independent Director
2.	Shri Aasheesh Kumar Sharma	06892614	Independent Director
3.	Shri Vinay Agrawal	06954626	Director

A copy of the company's policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of directors and other matters provided under section 178(3) is enclosed herewith as **Annexure-"II"**. Further, the same is also available at the website of the Company- www.shivalikcastings.com.

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14) CORPORATE SOCIAL RESPONSIBILITY:

As per the provisions section 135(9) of Companies Act, 2013 inserted vide Companies Amendment Act, 2020 notified by the Ministry of Corporate Affairs, Govt. of India, vide notification dated 28th September, 2020, where the amount to be spent by the company under section 135 of the Companies Act, 2013, does not exceed Rs. 50 Lakhs, the requirement of CSR Committee shall not be applicable and the function of CSR Committee shall be discharged by the Board of Directors.

Therefore, pursuant to the above notification and the resolution passed by the Board of Directors of the Company in its meeting held on 23.02.2021, the Corporate Social Responsibility Committee of the Company has been dismantled/ dissolved w.e.f. 23.02.2021.

A copy of the revised CSR Policy duly approved by the Board of Directors of the Company is enclosed herewith as Annexure-“III”. Further, the same is also available at the website of the Company- www.shivalikcastings.com.

The Company was required to spend the following amounts on the CSR Activities for the following financial years:-

Financial Years	Amount (Rs. in Lakh)
2021-22	14.43
2018-19	0.32 (Previous Balance Amount)
Total	14.75

During the financial year under review, the Company has incurred expenditure on the following CSR activities:

Sr. No.	CSR Activities	Amount approved by Board of Director against CSR Projects in FY 2020-21	CSR expenditure incurred	F.Y. for which CSR Expenditure relates	*FY In CSR Expenditure Incurred
1.	Promoting Education	29.00	18.05	2019-20	2021-22
			10.95	2018-19	2021-22
Total		29.00	29.00		

Further, the Company has identified following projects/ programs for CSR activities for the F.Y. 2021-22:-

Sr. No.	CSR Activities	Location of the project	Amount transferred to Unspent CSR Account	Details of amount transferred	Name of implementing agency
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1.	Development & Running of School (Promoting Education)	Raipur (C.G.)	14,43,381/-	Date- 30.04.2022	Shri Gargi Educational Foundation (CSR Reg No- CSR00003666)
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Further, the balance amount of Rs. 0.32 lakh (Balance Amount for the FY 2018-19) will be spend during the current financial year. The Report on CSR Activities for the year 2021-22 in compliance to Section 135 of the Companies Act, 2013 is annexed herewith as an Annexure-“IV”.

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15) VIGIL MECHANISM:

The Company has a Vigil Mechanism as required under the provisions of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014. The said mechanism has been properly communicated to all directors and employees of the Company.

16) BOARD EVALUATION:

The Company was not required to carry out any formal annual evaluation of the performance of the Board, its Committees and of individual Directors as required under Section 134(3)(p) of the Companies Act, 2013.

17) STATUTORY AUDITORS:

At the Annual General Meeting of the Company for the Financial Year ended 31st March, 2019 held on 30th September, 2019, M/s Rajendra Prasad, Chartered Accountant, Raipur (C.G.) were appointed as Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2024.

18) STATUTORY AUDITOR'S REPORT:

The observation made in the Auditors' Report are self-explanatory and, therefore, do not call any further comments.

19) REPORTING OF FRAUD:

The Statutory Auditor of the company has not reported any fraud as specified under Section 143(12) of the Companies Act, 2013. Further, no case of Fraud has been reported to the Management of the Company from any other sources.

20) SECRETARIAL AUDIT REPORT:

The provisions of Secretarial Audit under Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are applicable on the Company from the financial year 2022-23.

21) INTERNAL AUDITOR:

The Company has appointed M/s Santosh Kumar Jain & Co. as Internal Auditor of the Company as per the provisions of section 138 of the Companies Act, 2013.

22) MAINTENANCE OF COST RECORDS:

Your Company is maintaining Cost Records of the product of the Company as prescribed by the Central Government under provision of Section 148(1) of the Companies Act, 2013.

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23) COST AUDITORS:

The Board of Directors of your Company has appointed M/s Sanat Joshi & Associates, Cost Accountants, as the Cost Auditor for audit of the Cost Accounting Records of your Company for the financial year 2022-23.

24) COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board meetings and General Meetings.

25) ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

Adequate internal financial controls were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements.

26) RISK MANAGEMENT:

The Company has a Risk Management Policy to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. Pursuant to the policy, your Directors periodically review the risks associated with the business which may threaten the prospects of the Company. At present, the Company has not identified any element of risk which may threaten the existence of the company.

27) MATERIAL CHANGES AND COMMITMENTS:

No Material changes occurred subsequent to the close of the financial year of the Company to which the Annual Report relates.

Further, pursuant to the applicable provisions of Companies Act, 2013 & the rules made thereunder, the Articles of Association of the Company and the resolution dated 28.06.2022 passed by the Board of Directors, the Company has forfeited 13,25,631 equity shares. However, the above event does not seem to affect the financial position of the company.

28) SIGNIFICANT AND MATERIAL ORDERS:

During the financial year under review, there were no significant and material orders passed by any Regulator, Court, Tribunal, Statutory and quasi-judicial body, impacting the going concern status of the company and its future operations.

29) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

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The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

a) Conservation of energy:

(i)	the steps taken or impact on conservation of energy	The company has taken adequate measures for conservation of energy
(ii)	the steps taken by the company for utilizing alternate sources of energy	Nil
(iii)	the capital investment on energy conservation equipment's	No additional investment or proposal is under implementation for conservation of energy.

(b) Technology absorption:

(i)	the efforts made towards technology absorption	Not Applicable
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	Not Applicable
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	Not Applicable
	(a) the details of technology imported	Nil
	(b) the year of import;	Nil
	(c) whether the technology been fully absorbed	Nil
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Nil
(iv)	the expenditure incurred on Research and Development	Nil

(c) Foreign exchange earnings and Outgo:

			2021-2022	2020-2021
			Rs. in Lakhs	
(a)	Earnings in Foreign Currency	INR	1,314.58	527.06
(b)	Expenditure in Foreign Currency	INR	6.07	3.28

30) PARTICULARS OF EMPLOYEES:

The information required pursuant to Section 197 read with Rule 5 (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company & the Statement showing the names and other particulars of the employees of the company as required under Rule 5 (2 & 3) of Companies (Appointment and Remuneration of

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Managerial Personnel) Rules, 2014 is enclosed herewith as Annexure- “V”. Further, details of remuneration paid to the Directors of the Company is enclosed herewith in Annexure- “VI”.

31) SUBSIDIARIES, JOINT VENTURES & ASSOCIATE COMPANIES:

The following subsidiary company, Joint Ventures & Associate Companies of your Company have been consolidated with the financial statements of your Company;

SR. NO.	NAME OF THE COMPANY	PARTICULARS	% OF HOLDING
1.	Shivalik Auto Engineering Private Limited	Associate Company	45.83

Except the above, your Company is not having any subsidiary company, Joint Ventures & Associate Companies.

32) PERFORMANCE OF SUBSIDIARY COMPANY/ ASSOCIATE COMPANY/ JOINT VENTURES COMPANY:

During the financial year under review, the revenue from operations of Shivalik Auto Engineering Private Limited (Associate Company) has significantly increased to Rs. 11,162.02 lakhs as compared to Rs. 3,795.90 lakhs in the previous year. Further, the other income of the Company has also significantly increased to Rs. 30.59 lakhs as compared to Rs. 15.97 lakhs in the previous year. As a result of the above, the Company has earned net profit of Rs. 155.04 lakhs as compared to net profit of Rs. 14.79 lakhs in the previous year. The Company expects to achieve better performance in future.

33) PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

During the financial year under review, the Company has given guarantees in compliance with the provisions of section 186 of the Companies Act, 2013. The particulars of the above guarantees given by the company are provided in the Financial Statements (Refer Note 29).

Except the above, the Company has not made any loans & advances/investments /given guarantees /provided securities to other bodies corporate or persons covered under the provisions of section 186 of the Companies Act, 2013.

34) PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All contracts / arrangements / transactions entered by the Company, during the financial year under review, with the related parties were in the ordinary course of business and on an arm's length basis in the best interest of the Company. Accordingly, the above transactions are not covered under section 188(1) of the Companies Act, 2013. Further, pursuant to provisions of Section 134 (3)(h) of the Companies Act, 2013, particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 in prescribed format i.e Form No. AOC-2 is enclosed herewith as Annexure-“VII”.

35) STATUS OF CASES FILED PURSUANT TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

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The company is having Internal Complaint Committee as required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Further, during the financial year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

36) PROCEEDINGS UNDER IBC, 2016:

During the financial year under review, there were no applications made by or against the Company under the Insolvency and Bankruptcy Code, 2016. Further, there are no proceedings pending under the Insolvency and Bankruptcy Code 2016.

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37) DETAILS OF ONE TIME SETTLEMENT:

The Company has not made any one-time settlement with any of its Banker's/Financial Institution etc.

38) ANNUAL RETURN:

The Annual Return of the Company for the financial year ended 31st March, 2022 is available at the website of the Company- www.shivalikcastings.com.

39) ACKNOWLEDGEMENT:

Your directors express its sincere gratitude to the Central Government, State Government, various Govt. authorities, shareholders, bankers and all other business associates for their continued support.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



**GIRIRAJ SINGHANIA
MANAGING DIRECTOR
DIN: 00369479**



**VISHAL SHARMA
DIRECTOR
DIN: 00369593**

**PLACE: RAIPUR (C.G.)
DATE: 11.09.2022**

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ANNEXURE-“I”**FORM AOC-1****(PURSUANT TO FIRST PROVISIO TO SUB-SECTION (3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014)**

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

PART “A”: SUBSIDIARIES:

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	
1.	Name of the subsidiary	NIL
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	
4.	Share capital	
5.	Reserves & surplus	
6.	Total assets	
7.	Total Liabilities	
8.	Investments	
9.	Turnover	
10.	Profit before taxation	
11.	Provision for taxation	
12.	Profit after taxation	
13.	Proposed Dividend	
14.	% of shareholding	

Notes: The following information shall be furnished at the end of the statement:

- a) Names of subsidiaries which are yet to commence operations -**NIL**
- b) Names of subsidiaries which have been liquidated or sold during the year. -**NIL**

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PART "B": ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/ Joint Ventures	Shivalik Auto Engineering Private Limited
1). Latest audited Balance Sheet Date	31/03/2021
2). Shares of Associate/ Joint Ventures held by the company on the year end	
No. of shares	55,56,400
Amount of Investment in Associates/Joint Venture	8,02,89,980
Extent of Holding%	45.83%
3). Description of how there is significant influence	Holds more than 20% of Paid-up Equity Share Capital
4). Reason why the associate/joint venture is not consolidated	
5). Net worth attributable to shareholding as per latest audited Balance Sheet	9,69,79,687.97
6). Profit/Loss for the year	
i). Considered in Consolidation	71,05,275.58
ii). Not Considered in Consolidation	83,98,271.40


- a) Names of associates or joint ventures which are yet to commence operations. -NIL
b) Names of associates or joint ventures which have been liquidated or sold during the year. -NIL

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PLACE: RAIPUR (C.G.)
DATE: 11.09.2022



GIRIRAJ SINGHANIA
MANAGING DIRECTOR
DIN: 00369479



VISHAL SHARMA
DIRECTOR
DIN: 00369593

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ANNEXURE-“II”

DIRECTOR’S APPOINTMENT & REMUNERATION POLICY

(I) PREAMBLE:

The Companies Act, 2013 ('the Act') requires a Company to frame policy for determining the remuneration payable to the Directors, Key Managerial Personnel (KMPs) and other employees. While appointing the Directors, etc the Nomination and Remuneration Committee ('NRC') considers qualification, competencies, positive attributes, areas of expertise, experience, independence, ability to contribute in the growth of the Company, number of Directorships in other companies and such other factors as it may deem fit. The Board considers the recommendation made by NRC, and takes appropriate action.

The objective of the Remuneration Policy ('the Policy') of the Company is to provide a framework for the remuneration of the Independent Directors, Non-executive Directors, Managing Director/Executive Directors, KMPs, and other Senior level employees of the Company in accordance with the applicable laws. The policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for stakeholders.

(II) OBJECTIVE:

The primary objectives of this Policy are:

- i. To ensure that the level and composition of remuneration is reasonable and sufficient to attract and retain the best talents required to run the company successfully by ensuring a fair, transparent and equitable remuneration to employees, Directors and KMP based inter alia on individual job requirements, responsibilities, commensurate qualifications of individuals, experience, short and long-term performance objectives appropriate to the working of the company and its goals and the performance/ contribution of the individual employee.
- ii. To ensure that the relationship of remuneration to performance is clear, can be measured through a structured and transparent appraisal process, meets appropriate performance benchmarks and is in line with industry and Group practice.

(III) GUIDING PRINCIPLES OF REMUNERATION:

The following principles shall act as guiding factors while designing compensation for Directors, Key managerial personnel, senior management and other employees:

- **Support for Strategic Objectives:** Remuneration and reward frameworks and decisions shall be developed in a manner that is consistent with, supports and reinforces the achievement of the Company's vision and strategy.
- **Transparency:** The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.

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- **Internal equity:** The Company shall remunerate the board members, KMP and senior management in terms of their roles within the organisation. Positions shall be formally evaluated to determine their relative weight in relation to other positions within the Company.
- **External equity:** The Company strives to pay an equitable remuneration, capable of attracting and retaining high quality personnel. Therefore, the Company will remain logically mindful of the ongoing need to attract and retain high quality people, and the influence of external remuneration pressures. Reference to external market norms will be made using appropriate market sources, including relevant and comparative survey data, as determined to have meaning to the Company's remuneration practices at that time.
- **Flexibility:** Remuneration and reward offerings shall be sufficiently flexible to meet both the needs of individuals and those of the Company whilst complying with relevant tax and other legislation.
- **Performance-Driven Remuneration:** The Company shall entrench a culture of performance driven remuneration through the implementation of the Performance Incentive System.
- **Affordability and Sustainability:** The Company shall ensure that remuneration is affordable on a sustainable basis.

(IV) DEFINITIONS:

'Act' means the Companies Act, 2013 and the Rules made thereunder including any amendment or modification thereof;

'Board / Board of Directors' shall mean the Board of Directors of the Company;

'Company' shall mean Shivalik Engineering Industries Limited [SEIL];

'Directors' shall mean the directors of the Company;

'Independent Director' shall mean a director referred to in Section 149 (6) of the Companies Act, 2013 and the rules made thereunder;

'Key Managerial Personnel/ KMP' means key managerial personnel as defined under the Companies Act, 2013.

'Nomination & Remuneration Committee/ Committee' means Nomination & Remuneration Committee constituted and re-constituted by the Board of Directors of the Company from time to time under the provisions of the Companies Act 2013 and the rules made thereunder.

'Senior Management Personnel' means personnel of the company who are members of its core management team excluding Board of Directors, and comprises of all members of management who are in the grade that is one level below the Directors and divisional heads.

'Other employees' means all the employees other than the Directors, KMPs and the Senior Management Personnel.

(V) PROCEDURE FOR SELECTION AND APPOINTMENT OF THE BOARD MEMBERS:

(A) Board membership criteria

1. The Committee, along with the Board, reviews on an annual basis, appropriate skills, characteristics and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience in business, government, academics, technology and in areas that are relevant for the Company's business operations

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2. In evaluating the suitability of individual Board members, the Committee takes into account many factors, including general understanding of the Company's business dynamics, global business and social perspective, educational and professional background and personal achievements. Directors must possess experience at policy-making and operational levels that will indicate their ability to make meaningful contributions to the Board's discussion and decision-making in the array of issues facing the Company.
3. Director should possess the highest personal and professional ethics, integrity and values. They should be able to balance the legitimate interest and concerns of all the Company's stakeholders in arriving at decisions, rather than advancing the interests of a particular constituency.
4. In addition, Directors must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively. They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.
5. The Committee evaluates each individual with the objective of having a group that best enables the success of the Company's business.

(B) SELECTION OF BOARD MEMBERS/ EXTENDING INVITATION TO A POTENTIAL DIRECTOR TO JOIN THE BOARD

1. One of the roles of the Committee is to periodically identify competency gaps in the Board, evaluate potential candidates as per the criteria laid above, ascertain their availability and make suitable recommendations to the Board. The objective is to ensure that the Company's Board is appropriate at all points of time to be able to take decisions commensurate with the size and scale of operations of the Company. The Committee also identifies suitable candidates in the event of a vacancy being created on the Board on account of retirement, resignation or demise of an existing Board member. Based on the recommendations of the Committee, the Board evaluates the candidate(s) and decides on the selection of the appropriate member.
2. The Board then makes an invitation (verbal/ written) to the new member to join the Board as a Director. On acceptance of the same, the new Director is appointed by the Board.

(C) PROCEDURE FOR SELECTION AND APPOINTMENT OF EXECUTIVES OTHER THAN BOARD MEMBERS

1. The Committee shall actively liaise with the relevant departments of the Company to study the requirement for management personnel, and produce a written document thereon;
2. The Committee may conduct a wide-ranging search for candidates for the vacant positions within the Company, within enterprises controlled by the Company or within enterprises in which the Company holds equity, and on the human resources market;
3. The professional, academic qualifications, professional titles, detailed work experience and all concurrently held positions of the initial candidates shall be compiled as a written document;
4. The qualifications of the initial candidates shall be examined on the basis of standard benchmarks in line with industry and Group practice;
5. Before the selection of the candidate, the recommendations of and relevant information on the relevant candidate(s) shall be discussed;

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6. The Committee shall carry out other follow-up tasks based on the decisions of and feedback from the Board of Directors.

(VI) REMUNERATION:

(1) General-

- a) The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the provisions of the Act and further subject to prior/post approval of the shareholders of the Company and Central Government, wherever required.
- b) The remuneration and commission to be paid to the Whole-time Directors shall be in accordance with the approval of the shareholders of the Company and as per the provisions of the Act.
- c) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be in terms of the approval of the Shareholders in the case of Whole-time Director.
- d) Where any insurance is taken by the Company for its Whole-time Director, Key Managerial Personnel and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

e) Leaves

The employees, including directors where applicable, shall be eligible for casual leaves, earned leaves and maternity leaves as per prevailing Rules of the Service.

f) Retirement benefits

The Company shall extend Provident Fund and Gratuity benefits as per provisions of the applicable law. In addition, the Company may extend benefit of Provident Fund to employees drawing higher salary and also contribution to superannuation and other pension fund/schemes for selective employees with mutual consent. The gratuity, superannuation and pensionary contribution shall be invested in approved funds.

g) Loans to employees

The Company may extend interest free/ concessional loans to the employees of the company for meeting fund requirement for higher education of children, land purchase, building purchase/ construction/ furnishing & repair, marriage of self and family members, medical treatment of self and family members and other exigencies. For the purpose Rules shall be framed with authority for exceptions at appropriate levels.

(2) Remuneration to Whole-time / Managing Director-

➤ **Fixed pay**

The Whole-time Director shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee subject to approval of the shareholders and Central Government, wherever required. The breakup of the pay and quantum of

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perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees, allowances, severance payments, etc. shall be decided and approved by the Board/the Person authorized by the Board on the recommendation of the Committee and

➤ **Variable Pay**

The Committee may recommend suitable performance related variable payments linked to the performance of the Director concerned and of the Company.

➤ **Minimum Remuneration**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

➤ **Provisions for excess remuneration**

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

➤ **Stock Options**

The Committee shall determine the stock options and other share-based payments to be made to Whole Time Directors, subject to prevailing guidelines of SEBI, if any.

(3) Remuneration to Non- Executive / Independent Director-

➤ **Remuneration / Commission**

Commission may be paid within the monetary limit approved by shareholders, subject to the limits prescribed in the Act computed as per the applicable provisions of the Act.

➤ **Sitting Fees**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof, as may be approved by the Board on the recommendation of the Nomination & Remuneration Committee.

Provided that the amount of such fees shall not exceed the amount as may be prescribed by the Central Government from time to time.

➤ **Stock Options**

An Independent Director shall not be entitled to any stock option of the Company.

➤ Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as remuneration, if the following conditions are satisfied:

i) The Services are rendered by such Director in his capacity as the professional; and

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ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

(4) Remuneration to Key Managerial Personnel and Senior Management-

- a) The remuneration to Key Managerial Personnel and Senior Management may consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b) The Committee shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.
- c) The Fixed pay shall include monthly remuneration, employer's contribution to superannuation fund, Provident Fund, contribution to pension fund, pension schemes, allowances, bonus, etc. as decided from time to time, for which Rules shall be framed.
- d) The Incentive pay, if any, shall be decided based on the performance of the Company and the performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

(5) Other Employees-

- a) The remuneration of other employees shall be fixed from time to time as per the guiding principles outlined above and considering industry standards and cost of living. In addition to basic salary, they shall also be provided perquisites and retirement benefits as per schemes of the Company and statutory requirements, wherever applicable. Policy of motivation/reward/severance payments are applicable to this category of personnel as in the case of those in the management cadre.
- b) The implementation of remuneration policy for other employees is to be ensured by the Board of Directors of the Company or any other personnel that the Board of Directors may deem fit to delegate.

(VII) REMUNERATION DUTIES:

The duties of the Committee in relation to remuneration matters shall include:

- a) Considering and determining the remuneration based on such other factors as the Committee shall deem appropriate bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate talent.
- b) Approving the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company.
- c) Professional indemnity and liability insurance for Directors and senior management.

(VIII) IMPLEMENTATION:

- a) The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- b) The Committee may Delegate any of its powers to one or more of its members.

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(IX) POLICY REVIEW:

The Committee may assess the adequacy of this Policy and suggest any necessary or desirable amendments from time to time in the policy to the Board for approval to ensure it remains consistent with the Company's objectives, current laws and best practices.

(X) DISSEMINATION AND PUBLICATION:

- a) The policy shall be placed on the Company's website, if any.
- b) Necessary disclosures in respect of the policy shall be made in the Board's Report in the manner stated in the Companies Act, 2013 or the rules made thereunder or in any other statute.

(XI) SUPPLEMENTARY PROVISIONS:

- a) Any matters not provided for in this Policy shall be handled in accordance with relevant State laws and regulations and the Company's Articles of Association. If this Policy conflicts with any laws or regulations subsequently promulgated by the state or with the Company's Articles of Association as amended pursuant to lawful procedure, the relevant state laws and regulations and the Company's Articles of Association shall prevail, and this Policy shall be amended in a timely manner and submitted to the Board of Directors for review and adoption.
- b) The right to interpret this Policy vests in the Board of Directors of the Company.

(XII) TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS (ID):

The Terms and Conditions of the appointment of IDs of the Company, which shall, in any event be subject to the provisions of the Companies Act, 2013 and the rules made thereunder and the Articles of Association of the Company, are set out below.

Appointment

1. Appointment as a Non-Executive ID on the Board of Directors of the Company is subject to the provisions of the Companies Act, 2013 and in compliance with provisions of section 149 and other applicable provisions of the Companies Act, 2013, the directorship is not subject to retirement by rotation.
2. The board of directors may appoint an ID as Member/ Chairman of one or more of its committees as may be decided by the Board of directors.
3. Notwithstanding other provisions, the appointment to the Board and consequent appointment to any committee, if any, may be terminated in accordance with the provisions of the Articles of Association of the Company.

Time Commitment

4. Non- Executive ID(s) are expected to bring objectivity and independence of view to the Board's discussions and to help provide the Board with effective leadership in relation to the Company's strategy, performance and risk management as well as ensuring high standards of

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financial probity and corporate governance. IDs are expected to attend Board and Board Committees to which they may be appointed and shareholders meetings and to devote such time towards their duties, as appropriate for discharging their duties effectively.

Role and Duties

5. Role and duties of ID(s) will be those normally required of Non - Executive ID under the Companies Act, 2013, There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:
 - a) IDs shall act in accordance with the Company's Articles of Association as may be amended from time to time.
 - b) IDs shall act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interest of the Company.
 - c) IDs shall discharge their duties with due and reasonable care, skill and diligence. IDs shall not involve themselves in a situation in which they may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
 - d) IDs shall not achieve or attempt to achieve any undue gain or advantage either to themselves or to their relatives, partners or associates.
 - e) IDs shall not assign their office as Director and any assignments so made shall be void.

In addition to the above requirements, IDs shall also perform the following functions:

- i. IDs should constructively challenge and help develop proposals on strategy for growth of the company.
- ii. IDs should evaluate the performance of management in meeting agreed goals and objectives.
- iii. IDs should satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are effective and defensible.
- iv. IDs are responsible for determining appropriate levels of remuneration of executive directors and have a prime role in appointing, succession planning and where necessary, removing Executive Directors.
- v. IDs shall take responsibility for the processes for accurately reporting on performance and the financial position of the company.
- vi. IDs should keep governance and compliance with the applicable legislation and regulations under review and the conformity of company's practices to accepted norms.

Status of Appointment

6. IDs will not be employees of the company and their appointment shall not constitute a contract of employment. IDs will be paid such remuneration by way of sitting fees for meetings of the board and its committees as may be decided by the board. Further, IDs will also be paid remuneration by way of commission as may be approved by the board and the shareholders from time to time.
7. IDs will have no entitlement to any bonus during the appointment and no entitlement to participate in any Employee Stock Option Scheme operated by the Company or any Subsidiary or Associate Company.

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8. In addition to the remuneration described above, the company will, for the period of their appointment, reimburse IDs for travel, hotel and other incidental expenses incurred by them in the performance of their role and duties.

Independent Professional Advice

9. There may be occasions when ID(s) considers that they need professional advice in furtherance of their duties as director and it will be appropriate for them to consult independent advisers. In such case with the prior approval of the Board, they may avail such services at the company's expense.

Conflict of Interest

10. It is accepted and acknowledged that IDs may have business interest other than those of the company. As a condition of appointment, IDs are required to declare any such directorships, appointments and interests to the board in writing in the prescribed form at the time of appointment.
11. In the event ID(s) circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the board to revise its judgment that ID is independent, should be disclosed to both the Chairman & Managing Director and the Company Secretary.

Evaluation

12. The Board of Directors will carry out an evaluation of the performance as per company's policy.

Disclosure of Interest

13. Any material interest that ID(s) may have in any transaction or arrangement that the company has entered into should be disclosed not later than when the transaction or arrangement comes up at a board meeting at so that the minutes may record the ID(s) interest appropriately and Company's records are updated. A general notice that ID is interested in any contract with a particular person, firm or company is acceptable.

Code of Conduct

14. During the tenure, ID(s) are required to comply with regulations as contained in Schedule IV under the Companies Act, 2013.

Confidentiality

15. All information acquired by ID(s) during their appointment is confidential to the Company and should not be released, either during IDs appointment or following termination (by whatever means) to third parties without prior clearance from the Chairman & Managing Director unless

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required by any law or regulatory body. On reasonable request ID(s) shall surrender any documents and other materials made available to them by the Company.


Termination

16. ID may resign from his position at any time and if he wishes to do so, ID is requested to serve a reasonable written notice to the board. In terms of the provisions of the Companies Act, 2013 ID is may file a copy of his Resignation Letter with Registrar of Companies.
17. Appointment of IDs may be terminated in accordance with the provisions of the Articles of Association of the Company, from time to time in force or on failure to meet the parameters of independence as defined in section 149 or on the occurrence of any event as defined in section 167 of the Companies Act, 2013.
18. Upon termination or upon ID(s) resignation for any reason, duly intimated to the Company, ID will not be entitled to any compensation for loss of office.


General

19. These terms and conditions are subject to such changes/modifications as the Board may deem fit and proper and are also subject to such changes/modifications as may be required by /under any law.
20. The appointment of IDs and any non-contractual obligations arising out of or in connection with appointment are governed by and shall be construed in accordance with the laws of India and the parties agree to submit to the exclusive jurisdiction of the courts having jurisdiction at the registered office of the Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



GIRIRAJ SINGHANIA
MANAGING DIRECTOR
DIN: 00369479



VISHAL SHARMA
DIRECTOR
DIN: 00369593

PLACE: RAIPUR (C.G.)
DATE: 11.09.2022

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21. ANNEXURE- “III” CORPORATE SOCIAL RESPONSIBILITY POLICY

INTRODUCTION

M/S SHIVALIK ENGINEERING INDUSTRIES LIMITED, was incorporated on 9th March, 2011. The CSR Policy of the Company has been formulated in compliance with Section 135 of the Companies Act, 2013 read along with the applicable rules thereto.

OBJECTIVE

The main objective of CSR policy is:-

- To lay down guidelines to make CSR a key business process for sustainable development of the society.
- To directly/ indirectly undertake projects/programs which will enhance the quality of life and economic well-being of the communities in and around work site and society at large.
- To generate goodwill and recognition among all stake holders of the company.

SCOPE

In furtherance of its CSR objects, the following are covered under this Policy:

- I. CSR activities implemented by the Company on its own.
- II. CSR activities implemented by the Company through own trust/ society/ Section 8 Company.
- III. CSR activities of the Company through an external trust/ society/ Section 8 Company.

CSR ACTIVITIES

The scope of the CSR activities of the Company will cover the following areas but not limited to the same and may extend to other specific projects/ programs as permitted under the law from time to time:-

Sr. No.	Area	Activities/Initiatives/Programs
1a.	Eradicating hunger, poverty and malnutrition	Agro Based livelihoods, Better Cotton Initiatives, Agriculture Development, Krishi Vigyan Kendra.
1b.	Promoting health care including preventive healthcare and sanitation	Health and Sanitation Development programs, medical camps, programs for HIV Aids etc. Contribution to Swachha Bharat Kosh set-up by the Central Government for the promotion of sanitation
1c.	Providing safe drinking water	Drinking water programs, construction of check dams, dykes, ponds, links, channels, wells and water storage tanks.

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2	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;	Construction and running of schools and libraries, vocational training and special education institutes, providing financial assistance and scholarships for higher education. Undertaking skills and entrepreneurship programs.
3	Promoting gender equality, women empowerment and Facilities for orphans, Senior Citizens;	Setting up homes, hostels, centers & institutions for women & orphans and old age homes, day care centres and such other facilities for senior citizens. Promoting Self Help Groups (SHGs) amongst women & socially and other economically backward groups for undertaking income generating activities and reducing inequalities.
4.	Ensuring environmental, Sustainability ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;	Horticulture plantation, agro farm forestry, afforestation, projects on non-conventional energy (biogas), animal husbandry programs, forest conservation projects, water resource management and soil conservation, promoting micro-irrigation etc. Contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
5	Promotion and protection of art & culture;	Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
6	Measures for the benefit of armed forces, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, war widows and their dependents;	Activities/programs for benefit of armed forces and families.
7	Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;	Projects/ programs promoting various sports activities
8	Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;	Projects/ programs for development, upgradation or research and development in the field of science, technology, engineering and medicine.
9	Contribution/Financial Assistance;	Contribution to Prime Minister's National Relief Fund, Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES

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		Fund) or any other fund set up by the Central Government for socio- economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
10	Rural development projects;	Rural infrastructure projects and agriculture development programs and projects.
11.	Slum Area Development;	Development on slum area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.
12.	Disaster management	Projects/ programs for disaster management, including relief, rehabilitation and reconstruction activities.

EXCLUSION FROM CSR

The following activity shall not form part of the CSR activities of the Company:-

- The activities undertaken in pursuance of normal course of business of a company;
- Any CSR projects/ programs or activities undertaken outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
- Any contribution directly/ indirectly to political party or any funds directed towards political parties or political causes;
- CSR projects/ programs or activities that benefit only the employees of the Company and their families;
- Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- Activities carried out for fulfilment of any other statutory obligations under any law in force in India.

CSR COMMITTEE

The functions of the CSR committee as prescribed under the Companies Act, 2013 shall be discharged by the Board of Directors of the Company.

IDENTIFICATION OF CSR PROJECT

The committee shall endeavour to spend at least 2% of the average net profit during the preceding 3 financial years on CSR activities as enumerated above. The allocation of the fund shall be made as follows:-

- Such amount as may be sanctioned by the Board of Directors based on their annual budget. The amount sanctioned by the Board will have to be utilised for the projects/ programs as

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specified by the CSR committees. The unspent amount, if any, at the close of the financial year shall be retained and shall be spent only on specified projects/ programs.

- CSR Projects need to be identified and planned for approval of the CSR Committee with estimated expenditure and phase wise implementation schedules.
- The Company shall ensure that in identifying its CSR Projects, preference shall be given to the local area and areas around which the Company operates. However, this shall not bar the Company from pursuing its CSR objects in other areas.
- The CSR Officer may engage external professionals/ firms/ agencies if required, for the purpose of identification of CSR Projects.
- Any surplus arising out of the contribution made for CSR Activities shall not form part of the business profit of the Company and redeployed for such activities.

IMPLEMENTATION OF CSR PROJECTS

The Company shall implement the identified CSR Projects by the following means:

- The Company may itself implement the identified CSR Projects presently within the scope and ambit of the Areas as defined in the Policy;
- The Company may also implement the identified Projects through its Trust or Society or Section 8 Company which is involved in CSR activities, within the scope and ambit of the Areas as defined in the Policy.
- The CSR Officer may engage external professionals/ firms/ agencies if required, for the purpose of implementation of its CSR Projects.
- The Company may collaborate with other companies, for fulfilling its CSR objects provided that the CSR Committees of respective companies are in a position to monitor separately such CSR Projects.
- The Company may implement the identified CSR Projects through Agencies, subject to the condition that the Agency has an established track record of at least three years in undertaking similar programs or projects.
- The Company may collaborate with other companies, if required, for fulfilling its CSR objects provided that the CSR Committees of respective companies are in a position to monitor separately such Projects.

MONITORING

- Monitoring process for CSR Projects shall include the following:
 - Evaluation of Planned progress V/s Actual Progress
 - Actual Expenditure V/s Expenditure as per Approved Budget
- The CSR Committee shall monitor the implementation of the CSR Policy and CSR Plan.

CSR OFFICER

- The CSR Committee shall designate an officer of the Company as CSR Officer.
- The CSR Officer shall be responsible for the proper implementation and execution of CSR Projects of the Company.
- The CSR Officer shall be responsible for monitoring the Projects vis-à-vis the Annual Plan.

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- The CSR Officer shall place before the CSR Committee CSR report and CSR Annual Plan and the draft annual report as per the format in Rules.
- The CSR Officer shall be directly responsible to the CSR Committee for any act that may be required to be done by the CSR Committee in accordance with the Policy.

DISCLOSURES:

The Annual Report of the Company include a section on CSR outlining the CSR Policy, CSR committee, CSR initiatives undertaken by Company, the CSR spend during the financial year and other information as required by the prevailing law. In case the Company fails to spend the statutory minimum limit of 2% of Company's average net profits of the immediately preceding three years, in any given financial year, the Board shall specify the reasons for the same in its report in terms of clause (o) of sub-section (3) of section 134 of the Companies Act, 2013.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



GIRIRAJ SINGHANIA
MANAGING DIRECTOR
DIN: 00369479



VISHAL SHARMA
DIRECTOR
DIN: 00369593

PLACE: RAIPUR (C.G.)
DATE: 11.09.2022

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ANNEXURE - "IV" ANNUAL REPORT ON CSR ACTIVITIES

1.	Brief outline on CSR Policy of the Company	<p>The Company is having a CSR policy duly approved by the Board of Directors of the Company for undertaking the activities as specified in Schedule VII to the Companies Act, 2013.</p> <p>A copy of the revised CSR Policy duly approved by the Board of Directors of the Company is enclosed herewith as <u>Annexure- "III"</u>. Further, the same is also available at the website of the Company- www.shivalikcastings.com.</p>			
2.	Composition of CSR Committee	Not applicable			
3.	Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.	www.shivalikcastings.com			
4.	Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).	Not Applicable			
5.	Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any	Sl. No.	Financial Year	Amount available for set-off from preceding financial years (In Rs)	Amount required to be setoff for the financial year, if any (In Rs)
		1.	NIL		
		2.			
		3.			
6.	Average net profit of the company as per section 135(5).	Rs. 7,21,69,038/-			
7.	(a) Two percent of average net profit of the company as per section 135(5)	Rs. 14,43,381/-			
	(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	Nil			
	(c) Amount required to be set	Nil			

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	off for the financial year, if any															
	(d) Total CSR obligation for the financial year (7a+7b+7c).	Rs. 14,43,381/-														
8.	(a) CSR amount spent or unspent for the financial year:	As Per <u>Annexure “IVA”</u>														
	(b) Details of CSR amount spent against ongoing projects for the financial year:	As Per <u>Annexure “IVB”</u>														
	(c) Details of CSR amount spent against other than ongoing projects for the financial year:	As Per <u>Annexure “IVC”</u>														
	(d) Amount spent in Administrative Overheads	Not Applicable														
	(e) Amount spent on Impact Assessment, if applicable	Not Applicable														
	(f) Total amount spent for the Financial Year (8b+8c+8d+8e)	As per above annexures.														
	(g) Excess amount for set off, if any	<table border="1" style="width: 100%;"> <thead> <tr> <th style="width: 10%;">Sl. No.</th> <th style="width: 60%;">Particular</th> <th style="width: 30%;">Amount (in Rs.)</th> </tr> </thead> <tbody> <tr> <td>(i)</td> <td>Two percent of average net profit of the company as per section 135(5)</td> <td rowspan="5" style="text-align: center; vertical-align: middle;">NIL</td> </tr> <tr> <td>(ii)</td> <td>Total amount spent for the Financial Year</td> </tr> <tr> <td>(iii)</td> <td>Excess amount spent for the financial year [(ii)-(i)]</td> </tr> <tr> <td>(iv)</td> <td>Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any</td> </tr> <tr> <td>(v)</td> <td>Amount available for set off in succeeding financial years [(iii)-(iv)]</td> </tr> </tbody> </table>	Sl. No.	Particular	Amount (in Rs.)	(i)	Two percent of average net profit of the company as per section 135(5)	NIL	(ii)	Total amount spent for the Financial Year	(iii)	Excess amount spent for the financial year [(ii)-(i)]	(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]
Sl. No.	Particular	Amount (in Rs.)														
(i)	Two percent of average net profit of the company as per section 135(5)	NIL														
(ii)	Total amount spent for the Financial Year															
(iii)	Excess amount spent for the financial year [(ii)-(i)]															
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any															
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]															
9.	(a) Details of Unspent CSR amount for the preceding three financial years:	As Per <u>Annexure “IVD”</u>														
	(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):	As Per <u>Annexure “IVE”</u>														

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10.	<p>In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)</p> <p>(a) Date of creation or acquisition of the capital asset(s).</p> <p>(b) Amount of CSR spent for creation or acquisition of capital asset.</p> <p>(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.</p> <p>(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).</p>	Not Applicable
11.	<p>Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).</p>	<p>The Company could not incur any expenditure on the remaining amount of Rs. 0.32/- lacs (Balance Amount for the FY 2018-19), since the Company could not find any suitable project(s) during the financial year under review.</p> <p>The company is in due course of identifying suitable projects for incurring the unspent CSR expenditure.</p>

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PLACE: RAIPUR (C.G.)
DATE: 11.09.2022


GIRIRAJ SINGHANIA
MANAGING DIRECTOR
DIN: 00369479


VISHAL SHARMA
DIRECTOR
DIN: 00369593

Shivalik Engineering Industries Limited

CIN No. U27107CT2011PLC022353

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ANNEXURE “IVA”
CSR AMOUNT SPENT OR UNSPENT FOR THE FINANCIAL YEAR

Total Amount Spent for the Financial Year (In Rs.)	Amount Unspent (in Rs.)			
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)	
	Amount	Date of transfer	Amount	Date of transfer
-	14,43,381/-	30.04.2022	-	-

ANNEXURE “IVB”
DETAILS OF CSR AMOUNT SPENT AGAINST ONGOING PROJECTS FOR THE FINANCIAL YEAR

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No).	Location of the project.	Project duration.	Amount transferred to Unspent CSR Account for the project as per section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation Through implementing agency	
				Sta	Dist			Name	CSR Reg.



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				te	.					No.
1.	Develop ment & Running of School	Promot ing Educat ion	Yes	C.G	Raip ur	3 years	14,43,3 81/-	No	Shri Gargi Educati onal Foundat ion	CSR0000 3666
	Total									

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ANNEXURE “IVC”
DETAILS OF CSR AMOUNT SPENT AGAINST OTHER THAN ONGOING PROJECTS
FOR THE FINANCIAL YEAR 2021-22

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State	District		Name	Name	CSR registration number
1.	Nil								
2.									
	TOTAL								

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ANNEXURE “IVD”
DETAILS OF UNSPENT CSR AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.).	Date of transfer.	
				NA			

Unspent amount-

Rs. 0.32/- lacs (Balance Amount for the FY 2018-19)

ANNEXURE “IVE”
DETAILS OF CSR AMOUNT SPENT IN THE FINANCIAL YEAR FOR ONGOING PROJECTS OF THE PRECEDING FINANCIAL YEAR(S):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
1.								
2.								
3.								
	TOTAL							

Shivalik Engineering Industries Limited

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ANNEXURE - "V"

Information as per Section 197 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Details of Top Ten Employees in Terms of Remuneration Drawn

Details of Top Ten Employees in terms of Remuneration Drawn (2021-22)

Sr. no.	Name of Employee	Designation	Remuneration Received during the FY 21-22 (in Rs.)	Nature of Employment (Contractual/Permanent)	Qualification	Experience (in years)	Date of Commencement of Employment	Age (in years)	Last Employment held	Percentage of Shares Held in the company	Whether Relative of any Director/Manager
1	Pramod Phadtare	Vice President	1,800,000	Permanent	Diploma In Mechanical	21	20-04-2015	47	NA	NA	NA
2	Job Yuvaraj Gajendrababu	DGM	1,800,000	Permanent	MBA	13	01-03-2022	38	NA	NA	NA
3	Bikash Singhi	General Manager	1,800,000	Permanent	MBA	18	27-09-2021	46	NA	NA	NA
4	Vishal Vitthal Bhosale	DGM	1,677,000	Permanent	BE	16	21-09-2022	37	NA	NA	NA
5	Binu T R	DGM	1,512,000	Permanent	Diploma In Mechanical	19	12-07-2022	49	NA	NA	NA
6	Anil Kr. Shukla	DGM	1,380,000	Permanent	Diploma In Mechanical	17	16-11-2015	45	NA	NA	NA


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7	Shashidhar Pandey	General Manager	1,338,000	Permanent	BSC, MBA	14	01-02-2016	36	NA	NA	NA
8	P Chandra Sekhar Raju	DGM	1,258,836	Permanent	B. Tech	17	21-01-2019	57	NA	NA	NA
9	Sanjay Nilkanth Shevale	Asst. General Manager	1,032,000	Permanent	DME	18	01-07-2022	48	NA	NA	NA
10	Thalisetti Gajapathi	DGM	900,000	Permanent	Diploma	22	01-09-2021	60	NA	NA	NA

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS


GIRIRAJ SINGHANIA
MANAGING DIRECTOR
DIN: 00369479



VISHAL SHARMA
DIRECTOR
DIN: 00369593

PLACE: RAIPUR (C.G.)
DATE: 11.09.2022

Shivalik Engineering Industries Limited

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ANNEXURE - "VI"

Information as per Section 197 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Details of Directors in Terms of Remuneration Drawn (2021-22)

Sr. no.	Name of Director	Remuneration Received during the FY 21-22 (in Rs.)	Date of Commencement of Directorship	Age (in years)	Whether Relative of any Director/Manager
1	Giriraj Singhanian	44,20,000	09.03.2011	53	Managing Director
2	Vinay Agrawal	66,00,000	03.03.2017	40	Director
3	Raghvendra Singhanian	44,20,000	28.02.2017	52	CFO (KMP)

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PLACE: RAIPUR (C.G.)
DATE: 11.09.2022
GIRIRAJ SINGHANIA
MANAGING DIRECTOR
DIN: 00369479
VISHAL SHARMA
DIRECTOR
DIN: 00369593

Shivalik Engineering Industries Limited

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ANNEXURE- "VII"

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: **Not Applicable.**

(a)	Name(s) of the related party and nature of relationship	N.A.
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts/arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if Any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	Date of approval by the Board	
(g)	Amount paid as advances, if any:	
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

2. Details of material contracts or arrangement or transactions at arm's length basis:

		(1)
(a)	Name(s) of the related party and nature of relationship	Shri Giriraj Singhania (MD) Shri Raghvendra Singhania (CFO) Shri Vinay Agrawal (Director)
(b)	Nature of contracts/arrangements/transactions	Salary to KMP
(c)	Duration of the contracts/arrangements/transactions	Transaction to Transaction basis
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Rs. 44,20,000/- (Shri Giriraj Singhania) Rs.44,20,000/- (Shri Raghvendra Singhania) Rs. 66,00,000/- (Shri Vinay Agrawal)
		<u>Salient terms of the contracts or arrangements or transactions: -</u> All contracts / arrangements / transactions entered by the Company, during the financial year under review, with the related parties were in the ordinary course of business and on an arm's length

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		basis in the best interest of the Company. Accordingly, the above transactions are not covered under section 188(1) of the Companies Act, 2013.
(e)	Date of approval by the Board	Not Applicable.
(f)	Amount paid as advances, if any:	-

(2)

(a)	Name(s) of the related party and nature of relationship	Shri Giriraj Singhania (MD) Shri Raghvendra Singhania (CFO) Smt. Shilpa Singhania (Wife of Giriraj Singhania) M/s Sharda Shree Agriculture And Developers Private Limited (Enterprise over which KMP is able to exercise significant influence)
(b)	Nature of contracts/arrangements/transactions	Rent
(c)	Duration of the contracts/arrangements/transactions	Transaction to Transaction basis
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Rs. 12,00,000/- (Shri Giriraj Singhania) Rs. 12,00,000/- (Shri Raghvendra Singhania) Rs. 13,20,000/- (Smt. Shilpa Singhania) Rs. 12,90,000/- (M/s Sharda Shree Agriculture And Developers Private Limited) <u>Salient terms of the contracts or arrangements or transactions: -</u> All contracts / arrangements / transactions entered by the Company, during the financial year under review, with the related parties were in the ordinary course of business and on an arm's length basis in the best interest of the Company. Accordingly, the above transactions are not covered under section 188(1) of the Companies Act, 2013.
(e)	Date of approval by the Board	Not Applicable.
(f)	Amount paid as advances, if any:	-

(3)

(a)	Name(s) of the related party and nature of relationship	Shivalik Auto Engineering Private Limited (Associate Company)
(b)	Nature of contracts/arrangements/transactions	Sales & Purchases of goods/ services
(c)	Duration of the contracts/arrangements/transactions	Transaction to Transaction basis
(d)	Salient terms of the contracts or	Rs. 1,05,07,02,514.98/- (Purchases)

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	arrangements or transactions including the value, if any	Rs. 6,98,65,659.74/- (Sales) <u>Salient terms of the contracts or arrangements or transactions: -</u> All contracts / arrangements / transactions entered by the Company, during the financial year under review, with the related parties were in the ordinary course of business and on an arm's length basis in the best interest of the Company. Accordingly, the above transactions are not covered under section 188(1) of the Companies Act, 2013.
(e)	Date of approval by the Board	Not Applicable.
(f)	Amount paid as advances, if any:	-

(4)		
(a)	Name(s) of the related party and nature of relationship	Shivalik Power And Steel Private Limited (Enterprise over which KMP is able to exercise significant influence)
(b)	Nature of contracts/arrangements/transactions	Sales & Purchases of goods/ services
(c)	Duration of the contracts/arrangements/transactions	Transaction to Transaction basis
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Rs. 16,45,09,187/- (Purchases) Rs. 59,82,89,671/- (Sales) <u>Salient terms of the contracts or arrangements or transactions: -</u> All contracts / arrangements / transactions entered by the Company, during the financial year under review, with the related parties were in the ordinary course of business and on an arm's length basis in the best interest of the Company. Accordingly, the above transactions are not covered under section 188(1) of the Companies Act, 2013.
(e)	Date of approval by the Board	Not Applicable.
(f)	Amount paid as advances, if any:	-

(5)		
(a)	Name(s) of the related party and nature of relationship	M/s Sharda Shree Agriculture (Enterprise over which KMP is able to exercise significant influence)
(b)	Nature of contracts/arrangements/transactions	Commission
(c)	Duration of the	Transaction to Transaction basis

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	contracts/arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Rs. 1,65,67,924/- <u>Salient terms of the contracts or arrangements or transactions: -</u> All contracts / arrangements / transactions entered by the Company, during the financial year under review, with the related parties were in the ordinary course of business and on an arm's length basis in the best interest of the Company. Accordingly, the above transactions are not covered under section 188(1) of the Companies Act, 2013.
(e)	Date of approval by the Board	Not Applicable.
(f)	Amount paid as advances, if any:	-

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



**GIRIRAJ SINGHANIA
MANAGING DIRECTOR
DIN: 00369479**



**VISHAL SHARMA
DIRECTOR
DIN: 00369593**

**PLACE: RAIPUR (C.G.)
DATE: 11.09.2022**

INDEPENDENT AUDITOR'S REPORT

**To the Members of
Shivalik Engineering Industries Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Shivalik Engineering Industries Limited** ("the Company"), which comprises of the balance sheet as at March 31, 2022, the Statement of Profit and Loss and Statement of Cash Flows for the year ended on that date and notes to financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its profit and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 Standalone 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act 2013 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 obtained by us is sufficient and appropriate to provide a basis for our opinion on standalone financial statements.

Responsibilities of Management for the Financial Statements

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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 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 standalone 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 are also 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 standalone 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 on the basis of these standalone 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 standalone 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)(7) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place 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 standalone 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.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the '**Annexure A**', a statement on the matters specified in paragraphs 3 and 4 of the Order.

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 and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule (7) of the Companies (Account) Rules, 2014.
- (e) 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 and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (f) On the basis of the written representations received from the directors as on 31st March'2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March'2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in '**Annexure B**'.
- (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, in our opinion and to the best of our information and according to the explanations given to us:



RAJENDRA PRASAD
CHARTERED ACCOUNTANTS

HO: O-12, Near Shakti Udyan,
Anupam Nagar, Raipur - 492001 (C.G.)
Ph.0771- 4035802-803
Email: audit.rajendraprasad@gmail.com

- i. The Company has adequately disclosed the impact of pending litigations on its financial position in the Standalone Financial Statements.
- ii. The company has made adequate provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (a) The management has represented 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 person(s) or entity, 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 ultimately Beneficiaries.

(b) The management has represented, 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 persons or entity, 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 ultimately Beneficiaries.

(c) Based on our audit procedures that we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The company has not declared or paid dividend during the year.

Place: Raipur
Date: 05-09-2022

for, **RAJENDRA PRASAD**
Chartered Accountants
FRN No. 000203C

Mayank Kumar Saraf
Partner
Membership No. 413035
UDIN-22413035ASPAQP2252

ANNEXURE A TO THE AUDITOR'S REPORT

(Referred to in paragraph 1 under '**Report on Other Legal and Regulatory Requirements**' section of our report to the members of '**Shivalik Engineering Industries Limited**' of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit. We report that:

- i. (a) In respect of company's Property, Plant and Equipment and Intangible Assets:
 - A. The company is maintaining proper records showing full particulars, including quantitative and situation of Property, Plant and Equipment.
 - B. The company has no Intangible Assets during the year.
- (b) Property, Plant and Equipment have been physically verified by the management at reasonable intervals during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds 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 the financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) and its intangible assets. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.
- (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i) (e) of the Order are not applicable to the Company.
- ii. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification, coverage & procedure of such verification is reasonable and appropriate. No material discrepancies were noticed on such verification.
- (b) The Company has been sanctioned working capital limits in excess of Rs.5 crores in aggregate from Banks on the basis of security of current assets. Quarterly returns / statements filed with such Banks have insignificant variations with the books of account.



- iii. (a) According to the information and explanation provided to us, the Company has provided corporate guarantee to the extent of Rs.58.92 cr. (Outstanding as at the balance sheet date) to bankers against financial assistance provided to associates and corporate guarantee to the extent of Rs.23.13 cr. (Outstanding as at the balance sheet date) to parties other than subsidiary, joint ventures and associates, however, are under common control of board of directors.
- (b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms and conditions in relation to guarantees provided are not prejudicial to the interest of the Company. Since the company has not given any loan or advances in the nature of loan, clause (iii) (c) to (f) is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 73, 74, 75 and 76 of the Act, the rules framed thereunder and the Circulars, notifications issued from time to time with regard to the deposits accepted. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this respect.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income-tax, duty of customs, cess have been regularly deposited by the company with appropriate authorities in all cases during the year.
- (b) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of income tax, goods and service tax, customs duty, cess and any other statutory dues which have not been deposited on account of any dispute.



- viii According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.
- ix. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information explanation provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone¹ financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
- (e) The company has not taken funds from any person or entity to meet the obligation of its associates.
- (f) The company has not raised loan during the financial year on the pledge of securities held in its associates.
- x. (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated in paragraph (x) (a) of the Order are not applicable to the Company.
- (b) The company has not made preferential allotment or private placement of equity shares or convertible debenture during the year. Hence, reporting under this clause is not considered applicable.
- xi. (a) During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have not come across any instance of fraud by the Company or on the Company.
- (b) We have not come across of any instance of fraud by the Company or on the Company during the course of audit of the standalone¹ financial statement for the year



ended March 31, 2022, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.

- (c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the year. Accordingly, the provisions stated in paragraph (xi)(c) of the Order is not applicable to company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone¹ financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion, the internal audit system is commensurate with the nature and size of the company's business.
(b) The reports of internal auditor has been considered by us in forming our audit opinion.
- xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to company. Accordingly, the provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.
- xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi)(a) of the Order are not applicable to the Company.
- xvii. Based on the overall review of standalone¹ financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph clause 3 (xvii) of the Order are not applicable to the Company.
- xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph clause 3 (xviii) of the Order are not applicable to the Company.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and 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 indicating 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. The company has transferred unspent CSR amount in respect of ongoing projects to special account in compliance with the provision of sub section (6) of section 135 of the Act.

Xxi The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in the report.

Place: Raipur
Date: 05-09-2022

for, **RAJENDRA PRASAD**
Chartered Accountants
FRN No. 000203C



Mayank Kumar Saraf
Partner

Membership No. 413035
UDIN-22413035ASPAQP2252

ANNEXURE B TO THE AUDITOR'S REPORT

(Referred to in paragraph 2(g) under '**Report on Other Legal and Regulatory Requirements**' section of our report to the members of '**Shivalik Engineering Industries Limited**' of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Shivalik Engineering Industries Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone 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". 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, 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 system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 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 over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



RAJENDRA PRASAD
CHARTERED ACCOUNTANTS

HO: O-12, Near Shakti Udyan,
Anupam Nagar, Raipur - 492001 (C.G.)
Ph.0771- 4035802-803
Email: audit.rajendraprasad@gmail.com

Opinion

In our opinion, company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, 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".

Place: Raipur
Date: 05-09-2022

for, **RAJENDRA PRASAD**
Chartered Accountants
FRN No. 000203C



Mayank Kumar Saraf
Partner
Membership No. 413035
UDIN-22413035ASPAQP2252

Shivalik Engineering Industries Limited
CIN - U27107CT2011PLC022353
Balance Sheet as at March 31, 2022

(amounts in lakh unless otherwise stated)

I EQUITY AND LIABILITIES

1 Shareholders' funds

- (a) Share capital
 (b) Reserves and surplus
 (c) Money Received Against Share Warrants

2 Share Application Money Pending Allotment

3 Non-current liabilities

- (a) Long-term borrowings
 (b) Deferred tax liabilities (net)
 (c) Other Long-term liabilities
 (d) Long-term provisions

4 Current liabilities

- (a) Short term borrowings
 (b) Trade payables
 (i) Total outstanding dues of micro enterprises and small enterprises; and
 (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises
 (c) Other current liabilities
 (d) Short-term provisions

TOTAL EQUITY AND LIABILITY

Note no.	As at March 31, 2022	As at March 31, 2021
3	804.22	751.19
4	5,469.52	4,446.89
5	3,575.54	4,467.47
6	794.48	883.07
7	454.94	894.73
8	68.35	-
9	3,378.99	3,114.06
10	-	-
	1,189.57	1,347.47
11	3,654.97	3,301.56
12	2.31	-
	19,392.88	19,206.44

II ASSETS

1 Non-current assets

- (a) Property, Plant and Equipments and Intangible Assets
 (i) Property, Plant and Equipments
 (ii) Intangible assets
 (iii) Capital work-in-progress
 (iv) Intangible assets under development

- (b) Non current investment
 (c) Deferred tax assets (net)
 (d) Long-term loans and advances
 (e) Other non-current assets

2 Current assets

- (a) Current Investments
 (b) Inventories
 (c) Trade receivables
 (d) Cash and Cash Equivalents
 (e) Short term loans and advances
 (f) Other current assets

TOTAL ASSETS

13	7,270.23	7,338.38
14	802.90	802.90
15	339.69	340.24
16	4,667.70	3,293.88
17	4,332.38	4,970.13
18	145.71	165.09
19	1,099.45	1,511.19
20	734.82	784.63
	19,392.88	19,206.44

Summary of significant accounting policies

The accompanying notes form an integral part of these financial statements

2

As per our report of even date attached

For and on behalf of the Board of Directors

for, **RAJENDRA PRASAD**
CHARTERED ACCOUNTANTS

Firm Registration No.: 000203

Mayank Kumar Saraf
 Partner

Membership No.: 413035

PAN No.: BXNPS4595R

Place : Raipur

Date : 05 SEP 2022

UDIN: 22413035ASPARP2252



[Signature]

Giriraj Singhania
 Managing Director
 DIN-00369479

[Signature]
Vishal Sharma
 Director
 DIN-00369593

[Signature]
Raghavendra Singhania
 Chief Financial Officer
 PAN-AJPS9051R

Shivalik Engineering Private Limited

CIN - U27107CT2011PLC022353

Statement of Profit and Loss for the year ended March 31, 2022

(amounts in lakhs unless otherwise stated)

Note no.	For the year ended March 31, 2022	For the year ended March 31, 2021	
I Revenue from operations	21	31,330.20	18,864.18
II Other income	22	30.81	35.07
III Total Income (I + II)		<u>31,361.01</u>	<u>18,899.26</u>
IV Expenses:			
i Cost of materials consumed	23	22,909.82	11,988.17
ii Purchases of stock-in-trade		-	-
iii Change in inventories of Finished goods, work-in-progress and Stock in trade	24	-1,386.89	-279.74
iv Employee benefits expense	25	1,339.04	912.58
v Finance costs	26	999.47	878.15
vi Depreciation and amortization expense	13	686.69	663.25
vii Other expenses	27	6,441.00	4,542.59
Total Expenses		<u>30,989.13</u>	<u>18,705.01</u>
V Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)		<u>371.88</u>	<u>194.25</u>
VI Exceptional Item			
VII Profit/(Loss) before extraordinary items and tax (V - VI)		<u>371.88</u>	<u>194.25</u>
VIII Extraordinary Item			
IX Profit/(Loss) before tax (VII- VIII)		<u>371.88</u>	<u>194.25</u>
X Tax expense:			
(1) Current tax		62.07	37.81
(2) Deferred tax		-88.60	62.73
(3) Income Tax Arrears		0.07	-2.74
(4) MAT		51.77	0.65
XI Profit/(Loss) after tax for the period from Continuing Operation (IX - X)		<u>346.56</u>	<u>95.80</u>
XII Profit/(Loss) from Discontinuing Operation		-	-
XIII Tax expenses of Discontinued operation		-	-
XIV Profit/(Loss) from Discontinued Operation (after tax) (XII-XIII)		-	-
XV Net Profit/(Loss) for the year (XI + XIV)		<u>346.56</u>	<u>95.80</u>
XVI Earning Per Share (in Rs.)	28		
Basic		4.51	1.28
Diluted		4.51	1.28
Summary of significant accounting policies	2		
The accompanying notes form an integral part of these financials statements			

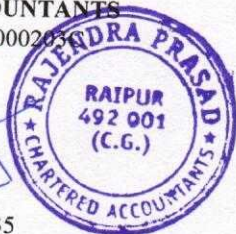
As per our report of even date attached

For and on behalf of the Board of Directors

for. RAJENDRA PRASAD

CHARTERED ACCOUNTANTS

Firm Registration No.: 000203



Mayank Kumar Saraf
Partner

Membership No.: 413035

PANo.:BXNPS4595R

Place : Raipur

Date : 05 SEP 2022

UDIN: 22413085ASPAQP2252

Giriraj Singhania
Managing Director
DIN-00369479

Vishal Sharma
Director
DIN-00369593

Raghavendra Singhania
Chief Financial Officer
PAN-AJPS9051R

Shivalik Engineering Industries Limited
 CIN - U27107CT2011PLC022353
 Cash Flow Statement for the year ended March 31, 2022

(amounts in lakh unless otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flow from operating activities		
Net profit before tax	371.88	194.25
Adjustments for:		
Depreciation and amortisation expenses	686.69	663.25
Interest Paid	999.47	878.15
Interest Received	25.79	24.65
Operating profit before working capital changes	2,032.24	1,711.00
Changes in working capital:		
Increase / (decrease) in short term borrowing	264.94	(236.92)
Increase / (decrease) in trade payables	(157.90)	664.62
Increase / (decrease) in other current liabilities	353.41	1,942.77
Increase / (decrease) in provisions	70.66	(115.29)
(Increase) / decrease in inventories	(1,373.82)	(267.02)
(Increase) / decrease in trade receivable	637.75	(2,868.90)
(Increase) / decrease in short term loans and advances	411.74	(141.15)
(Increase) / decrease in other current assets	49.81	(141.07)
Cash generated from operations	2,288.83	548.05
Less: Income taxes paid	113.91	35.06
Less: MAT Credit	-	0.65
Net cash from operating activities before adjusting Non current and Long Term Assets	2,174.91	512.34
(Increase) / decrease in Long term loans and advances	-	(35.78)
(Increase) / decrease in other Non Current Asset	0.56	
Net cash flow from operating activities	(A) 2,175.47	476.56
Cash flows from investing activities		
Purchase of property, plant and equipments (including capital work in progress)	(618.54)	(368.08)
Investment made during the year	-	-
Sale of property, plant and equipments	-	-
Sale of investment during the year	-	-
Interest received	25.79	24.65
Net cash flow used in investing activities	(B) (592.75)	(343.43)
Cash flow from financing activities		
Increase/(Decrease) in Long term Borrowings	(891.93)	843.10
Increase/(Decrease) in Other Long Term Liabilities	(439.79)	(86.63)
Increase/(Decrease) in Share Capital	53.03	-
Increase/(Decrease) in Reserve and Surplus	676.07	-
Interest Paid	(999.47)	(878.15)
Net cash flow used in financing activities	(C) (1,602.10)	(121.68)
Net increase in cash and cash equivalents (A + B + C)	(19.38)	11.45
Cash and cash equivalents at the beginning of the year	165.09	153.64
Cash and cash equivalents at the end of the year	145.71	165.09

Summary of significant accounting policies 2
 The accompanying notes form an integral part of these financials statements

As per our report of even date attached

For and on behalf of the Board of Directors

for, **RAJENDRA PRASAD**
 CHARTERED ACCOUNTANTS
 Firm Registration No.: 0002073C



Mayank Kumar Saraf
 Partner
 Membership No.: 413035
 PANo.:BXNPS4595R
 Place : Raipur

Date: 05 SEP 2022

UDIN : 22413035ASPAQP2252

(Handwritten signatures)

Giriraj Singhania **Vishal Sharma**
 Managing Director Director
 DIN-00369479 DIN-00369593

(Handwritten signature)

Raghavendra Singhania
 Chief Financial Officer
 PAN-AJJP59051R

1 The Company Overview

Shivalik Engineering Industries Limited ("The Company") is authorised original equipments manufacturer (OEM) of several automobile companies. The company is engaged in manufacture of all types of axle, and all relevant axle assembly, braking system, gear box components and other parts for motor vehicles, trucks and tractors.

The company is a Public Limited Company incorporated in India having its registered office at C-33, 3rd Floor, Ashoka Millenium, Near Shailendra Nagar, Ring Road No 1, Raipur, 492001, Chhattisgarh, India.

2 Significant accounting policies

2.1 Basis of preparation of Financial Statements

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards specified under Section 133 of the Act, read with Companies (Accounting Standards) Rules, 2021 and the provisions of the Companies Act, 2013.

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

The Company has rounded off all the amounts in these financial statements to nearest thousands and two decimal thereof, unless otherwise specifically stated.

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.3 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.4 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.5 Property, Plant and equipments and Intangible Assets

Property, Plant and equipments

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Capital work-in-progress:

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets has been provided on the Written Down Value method as per the useful life prescribed in Schedule II to the Companies Act, 2013.



2.6 Revenue recognition

Sale of goods

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

Other income

Other incomes are accounted on accrual basis.

2.7 Foreign currency transactions and translations

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement at the balance sheet date

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the period-end rates and the resultant exchange differences are recognized in the Statement of Profit and Loss. Non-monetary items of the Company are carried at historical cost.

Treatment of exchange differences

Exchange differences arising on the settlement of monetary items or on restatement of all other monetary items are recognised in the Statement of Profit and Loss.

2.8 Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties. Current investment in debt funds are marked to market at the closing date.

2.9 Employee benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity and compensated absences.

Defined contribution plans

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plan

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Actuarial gains/losses, if any, are immediately taken to Statement of Profit and Loss.



2.10 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

2.11 Taxes on income

Income-tax expense comprises current tax, deferred tax charge or credit.

Current tax is the amount of tax payable on the taxable income for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date.

Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

Deferred tax assets are reviewed at each balance sheet date for their realisability.

2.12 Inventories

Inventories are valued at the lower of cost (on FIFO) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads..

2.13 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset or a group of assets (cash generating unit) may be impaired. If any such indication exists the Company estimates the recoverable amount of the assets or a group of assets. If such recoverable amount of asset of the cash generating unit to which the asset belongs is less than its carrying amount, the reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss.

2.14 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

2.15 Operating cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.



3 SHARE CAPITAL

(amounts in lakhs unless otherwise stated)

Authorised

1,10,00,000 equity shares of Rs.10 each
(March 31, 2021: 1,10,00,000 equity shares of Rs.10 each)

As at March 31, 2022	As at March 31, 2021
1,100.00	1,100.00
1,100.00	1,100.00

Issued, subscribed and fully paid up

75,11,910 equity shares of Rs.10 each
(March 31, 2021: 75,11,910 equity shares of Rs.10 each)

751.19	751.19
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Issued, subscribed and partly paid up

13,25,631 equity shares of Rs.10 each, Rs. 4 paid up

53.03	-
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Total

Total

804.22	751.19
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a. Reconciliation of the shares

Equity shares

(amounts in lakhs unless otherwise stated)

	As at March 31, 2022		As at March 31, 2021	
	No of shares	Amount	No of shares	Amount
Balance as at the beginning of the year	75,11,910	751.19	75,11,910	751.19
Shares Issued during the year	13,25,631	53.03	-	-
Shares bought back during the year	-	-	-	-
Balance as at the end of the year	88,37,541	804.22	75,11,910	751.19

b. Terms and rights attached to equity shares

- (i) The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share.
- (ii) The dividend proposed (if any) by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.
- (iii) In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.
- (iv) During the year, no dividend has been paid

c. Shares held by ultimate holding company, holding company, subsidiaries or associates of ultimate holding company, subsidiaries or associates of holding company

Number of Equity Shares held by:

Ultimate Holding Company
Holding Company
Subsidiaries or Associates of Ultimate Holding Company
Subsidiaries or Associates of Holding Company

As at March 31, 2022	As at March 31, 2021
NIL	NIL
-	-

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 ownerships of shares.



(amounts in lakh unless otherwise stated)

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

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	No of shares	% holding	No of shares	% holding
Giriraj Singhania	26,81,400	30.34%	26,81,400	35.70%
Neelkamal Vanijya Pvt Ltd	28,74,930	32.53%	28,74,930	38.27%
Samarth Investment Co.	9,64,200	10.91%	9,64,200	12.84%
Sharda Shree Agricultural & Dev Pvt Ltd	7,67,700	8.69%	7,67,700	10.22%
Camelia Grih Nirmaan Pvt Ltd	13,25,631	15.00%	-	0.00%
	86,13,861	97.47%	72,88,230	97.02%

e. Equity shares movement during the 5 years preceding 31 March 2022

- No Equity shares has been allotted under the scheme of amalgamation sanctioned by the High Court.
- No Equity shares has been issued as bonus
- No Equity shares has been extinguished on buy-back

f. Details of Shares held by Promoters and changes in holding during the year

Promoter Name	As at March 31, 2022		As at March 31, 2021		% Change During the Year
	No. of Shares	% of holding	No. of Shares	% of holding	
Giriraj Singhania	26,81,400	30.34%	26,81,400	35.70%	-5.35%
Neelkamal Vanijya Pvt Ltd	28,74,930	32.53%	28,74,930	32.53%	0.00%
Samarth Investment Co.	9,64,200	10.91%	9,64,200	10.91%	0.00%
Sharda Shree Agricultural & Dev Pv	7,67,700	8.69%	7,67,700	8.69%	0.00%
Shivalik Power & Steel Pvt. Ltd.	1,93,679	2.19%	1,93,679	2.19%	0.00%
Mr. Singhania HUF	1	0.00%	1	0.00%	0.00%
Vishal Sharma	30,000	0.34%	30000	0.34%	0.00%
	75,11,910	85.00%	75,11,910	90.35%	-5.35%

4 RESERVES AND SURPLUS

(i) Securities premium

Balance at the beginning of the year
Addition during the year
Less: Utilised during the year
Closing balance (A)

As at March 31, 2022	As at March 31, 2021
1,690.53	1,690.53
676.07	-
-	-
2,366.60	1,690.53

(ii) Surplus, i.e., Balance in statement of profit and loss

Balance at the beginning of the year
Add: Profit for the year
Less: Dividend paid
Closing balance (B)

As at March 31, 2022	As at March 31, 2021
2,756.36	2,660.55
346.56	95.80
-	-
3,102.92	2,756.36
5,469.52	4,446.89

Total (A+B)



5 LONG-TERM BORROWINGS

(amounts in lakhs unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
<u>From Punjab National Bank</u>		
A. Rupee Term Loan against Plant and Machinery (TL-I) Refer Note A below for nature of security and terms of repayment	913.46	992.96
B. Rupee Term Loan against Plant and Machinery (TL-II) Refer Note A below for nature of security and terms of repayment	333.81	349.14
C. Rupee Term Loan against Factory Land & Building, Plant and Machinery and other assets(TL-III) Refer Note A below for nature of security and terms of repayment	360.56	375.19
D. COVID-19 Emergency Credit Facility from PNB Refer Note B below for nature of security and terms of repayment	-	26.52
E. Guaranteed Emergency Credit Line (GECL) Refer Note B below for nature of security and terms of repayment	419.94	575.74
F. PNB GECL A/C NO 039900IL00000529 Refer Note B below for nature of security and terms of repayment	314.99	-
<u>From Bank of India</u>		
G. Rupee Term Loan against Plant and Machinery (TL-I) Refer Note C below for nature of security and terms of repayment	177.43	427.33
H. Rupee Term Loan against Plant and Machinery (TL-II) Refer Note C below for nature of security and terms of repayment	9.97	81.55
I. Rupee Term Loan against Plant and Machinery (TL-III) Refer Note C below for nature of security and terms of repayment	90.93	153.13
J. Rupee Term Loan against Plant and Machinery (TL-IV) Refer Note C below for nature of security and terms of repayment	248.80	388.18
K. Working Capital Demand Loan Refer Note D below for nature of security and terms of repayment	-	13.29
L. Guaranteed Emergency Credit Line (GECL) Refer Note E below for nature of security and terms of repayment	343.75	479.16
M. BOI GECL LOAN 0259 Refer Note E below for nature of security and terms of repayment	252.00	-
N. Rupee Term Loan from HDFC Bank Refer Note F below for nature of security and terms of repayment	2.66	4.70
O. Rupee Term Loan from HDFC Bank Refer Note G below for nature of security and terms of repayment	-	2.27
P. Rupee Term Loan from HDFC Bank Refer Note H below for nature of security and terms of repayment	-	2.37
Q. HDFC BANK LTD. AUTO LOAN-28173 Refer Note I below for nature of security and terms of repayment	9.05	-
R. Rupee Term Loan from AXIS Bank Refer Note J below for nature of security and terms of repayment	-	0.05



S. Rupee Term Loan from AXIS Bank Refer Note K below for nature of security and terms of repayment	10.21	26.21
T. Rupee Term Loan from AXIS Bank Refer Note L below for nature of security and terms of repayment	-	0.45
U. Rupee Term Loan from AXIS Bank Refer Note M below for nature of security and terms of repayment	-	2.36
Unsecured Loan from Others	88.00	566.91
(The above unsecured loan is repayable after a period of one year from the date of balance sheet, the applicable ROI is Nil.)		
Total	3,575.54	4,467.47

NOTES TO ACCOUNTS

Nature of Security

A. Against Loan from Punjab National Bank (TL I, II, III)

The loan is secured by a pari passu charge on the factory land and building at plot no.8, Hathkhoj Industrial Area, Bhilai and plant & Machineries, Electrical Installations and other fixed assets of the unit. The loan is further secured by personal guarantee of promoter directors & Corporate Power & Steel Private Limited.

B. Against Loan from Punjab National Bank (COVID-19 Loan and GECL)

The loans are secured by extension of charge over existing primary and collateral securities.

C. Against Term Loan from Bank of India

The loan is secured by a pari passu charge on EQM of factory land & building situated at no.8, Hathkhoj Industrial Area, Bhilai and plant & Machineries, Installations and other fixed assets of the unit. The loan is further secured by personal guarantee of promoter directors & Corporate Power & Steel Private Limited.

Terms of Repayment & ROI

Term Loan against Building and Plant & Machinery (TL I, II and III)

Term loan bearing ROI of 11.95% from Punjab National Bank is repayable in equated instalments as below:

TL-I

IC-56- 29 installments of Rs. 26.55 Lakhs commencing March'23

IC-65 - 25 installments of Rs. 9.32 Lakhs commencing from March'23

TL-II

61 installments of Rs. 5.68 Lakhs commencing March'23

TL-III

75 installments of Rs. 4.97 Lakhs commencing March'23

COVID-19 Emergency Credit Facility

Repayable in equated installment in 18 months commencing from Jan'21 and carries ROI of 8.25% p.a.

Guaranteed Emergency Credit Line (GECL)

Repayable in equated installment in 36 months commencing from January'22 and carries ROI of 8.25% p.a.

Guaranteed Emergency Credit Line (GECL 2.0)

Repayable in equated installment in 48 months commencing from November'23 and carries ROI of 7.60% p.a.

Term loan from Bank of India

Term loan bearing ROI of 10.40% from Bank of India is repayable in monthly installments as below:

TL-I- Payable in 25 monthly balloning installments commencing Nov'20

TL-II- Payable in 31 monthly balloning installments commencing Nov'20



D. Working Capital Demand Loan

The loan is secured by hypothecation of asset created out of bank loan

E. Against GECL from Bank of India

The loans are secured by extension of charge over existing primary and collateral securities.

F. Against Loan from HDFC Bank

The loan is secured by hypothecation of Tractor and personal guarantee of promoter directors.

G. Against Loan from HDFC Bank

The loan is secured by hypothecation of Vehicle and personal guarantee of promoter directors.

H. Against Loan from HDFC Bank

The loan is secured by hypothecation of Vehicle and personal guarantee of promoter directors.

I. Against Loan from HDFC Bank

The loan is secured by hypothecation of Vehicle and personal guarantee of promoter directors.

J. Against Loan from Axis Bank

The loan is secured by hypothecation of Vehicle and personal guarantee of promoter directors.

K. Against Loan from Axis Bank

The loan is secured by hypothecation of Vehicle and personal guarantee of promoter directors.

L. Against Loan from Axis Bank

The loan is secured by hypothecation of Vehicle and personal guarantee of promoter directors.

M. Against Loan from Axis Bank

The loan is secured by hypothecation of Vehicle and personal guarantee of promoter directors.

TL-III- Payable in 49 equated installments commencing Nov'20

TL-IV- Payable in 72 equated installments commencing Nov'20

Terms of Repayment & ROI

The loan is repayable on balloning instalments commencing from December'20 and carries ROI of 7.70%

Terms of Repayment & ROI-GECL-1

Repayable in equated installment in 36 months commencing from January'22 and carries ROI of 8.35% p.a.

Terms of Repayment & ROI-GECL-2

Repayable in equated installment in 48 months commencing from December'23 and carries ROI of 7.65% p.a.

Terms of Repayment & ROI

Term loan bearing ROI of 11.55% from HDFC Bank repayable in equated monthly installment of Rs.11152/- upto May'2019.

Terms of Repayment & ROI

Term loan bearing ROI of 9.35% from HDFC Bank repayable in equated monthly installment of Rs.121805/- upto November'2021.

Terms of Repayment & ROI

Term loan bearing ROI of 8.51% from HDFC Bank repayable in equated monthly installment of Rs.30556/- upto November'2022.

Term loan bearing ROI of 9.00% from

HDFC Bank repayable in equated monthly installment of Rs.28,173/- upto November'2025.

Terms of Repayment & ROI

Term loan bearing ROI of 9.46% from Axis Bank repayable in equated monthly installment of Rs.25401/- upto November'2021.

Terms of Repayment & ROI

Term loan bearing ROI of 9.46% from Axis Bank repayable in equated monthly installment of Rs.26201/- upto November'2021.

Terms of Repayment & ROI

Term loan bearing ROI of 8.95% from Axis Bank repayable in equated monthly installment of Rs.49286/- upto October'2023.

Terms of Repayment & ROI

Term loan bearing ROI of 8.95% from Axis Bank repayable in equated monthly installment of Rs.24,755/-



N. Against Loan from Axis Bank

The loan is secured by hypothecation of Vehicle and personal guarantee of promoter directors.

Terms of Repayment & ROI

Term loan bearing ROI of 8.95% from Axis Bank repayable in equated monthly installment of Rs.1,31,495/-

6 DEFERRED TAX LIABILITY**Deferred Tax Liabilities**

WDV of Fixed Assets

(amounts in lakhs unless otherwise stated)

As at March 31, 2022	As at March 31, 2021
-------------------------	-------------------------

794.48	883.07
--------	--------

Total

794.48	883.07
--------	--------

7 OTHER LONG TERM LIABILITIES

Security Deposit from Contractors/ Suppliers

Payable Against Capital Assets

Other Long Term Liability

(amounts in lakhs unless otherwise stated)

As at March 31, 2022	As at March 31, 2021
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454.94	894.73
--------	--------

Total

454.94	894.73
--------	--------

8 LONG-TERM PROVISIONS

(a) Provision for employee benefits:

-For gratuity

(amounts in lakhs unless otherwise stated)

As at March 31, 2022	As at March 31, 2021
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68.35	-
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Total

68.35	-
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9 SHORT TERM BORROWINGS**Secured**

Cash Credit Limit with Punjab National Bank*

Cash Credit Limit with Bank of India*

(amounts in lakhs unless otherwise stated)

As at March 31, 2022	As at March 31, 2021
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1,569.14	1,571.76
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970.40	869.40
--------	--------

2,539.54	2,441.16
----------	----------

(b) **Current Maturity of Long Term Borrowings****From Punjab National Bank**

Rupee Term Loan against Plant and Machinery (TL-I)

Rupee Term Loan against Plant and Machinery (TL-II)

Rupee Term Loan against Plant and Machinery (TL-III)

COVID-19 Emergency Credit Facility from PNB

Guaranteed Emergency Credit Line (GECL) from PNB

35.87	-
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6.11	-
------	---

4.98	-
------	---

24.64	106.68
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159.48	71.55
--------	-------

231.08	178.23
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From Bank of India

Rupee Term Loan against Plant and Machinery (TL-I)

Rupee Term Loan against Plant and Machinery (TL-II)

Rupee Term Loan against Plant and Machinery (TL-III)

Rupee Term Loan against Plant and Machinery (TL-IV)

Working Capital Demand Loan from Bank of India

Guaranteed Emergency Credit Line (GECL) from Bank of India

249.90	220.32
--------	--------

71.58	71.40
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55.72	55.80
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70.08	0.70
-------	------

10.60	75.08
-------	-------

125.00	20.84
--------	-------

582.88	444.13
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Notes to Financial Statements for the year ended March 31, 2022

HDFC Bank (Against Tractor)	1.69	1.34
HDFC Bank (Against Vehicle-Mercedes)	-	9.41
HDFC Bank (Against Vehicle-Taigun)	2.35	-
HDFC Bank (Against Vehicle)	2.37	3.31
	<u>6.41</u>	<u>14.06</u>
AXIS Bank (Against vehicle)	16.00	14.84
AXIS Bank (Against vehicle)	-	1.92
AXIS Bank (Against vehicle)	-	1.91
AXIS Bank (Against Forklift)	0.49	2.82
AXIS Bank (Against DG Set)	2.60	14.98
	<u>19.09</u>	<u>36.47</u>
Total	<u>3,378.99</u>	<u>3,114.06</u>

***Terms & Conditions of Secured Loans**

a. The working capital facility is secured hypothecation charge over entire Current Assets of the Company by way of hypothecation of the stocks of raw materials, stock in process, finished goods etc. at the Company's premise/ godown, including goods in transit/ shipment, outstanding moneys, book debts, receivables, other current assets, etc., both present and future.

b. The loan is further secured by personal guarantee of promoter directors & Corporate guarantee of Shivalik Engineering Industries Limited and Shivalik Power & Steel Private Limited.

c. As at balance sheet, the company has not defaulted in repayment of principal and interest

10 TRADE PAYABLES

(amounts in lakh unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
(a) Total outstanding dues of micro enterprises and small enterprises		
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,189.57	1,347.47
Total	<u>1,189.57</u>	<u>1,347.47</u>

Micro, Small and Medium Enterprises Development Act, 2006

On the basis of the information and records available with the Management, the outstanding dues to the Micro and Small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 is Rs. Nil

Trade Payables ageing schedule

(amounts in lakh unless otherwise stated)

Particulars	Outstanding for following periods from due of payments				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) MSME					-
(ii) Others	1,072.96	19.06	96.33	1.22	1,189.57
(iii) Disputed dues - MSME					-
(iv) Disputed dues - Others	-	-	-	-	-

11 OTHER CURRENT LIABILITIES

(amounts in lakh unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
(a) Advance from Customers	201.46	162.82
(b) Statutory Dues	348.32	392.00
(c) Other Payables	2,965.93	2,614.71
(d) Employee Related Liabilities	139.25	132.03
Total	<u>3,654.97</u>	<u>3,301.56</u>

12 SHORT-TERM PROVISIONS

(amounts in lakh unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
(a) Provision for employee benefits -For gratuity	2.31	-
Total	<u>2.31</u>	<u>-</u>



Note 13 PROPERTY, PLANT AND EQUIPMENTS AND INTANGIBLE ASSETS

Particulars	Land	Building	Computer	Electrical Installation	Furniture	Plant & Machineries	Vehicle	(amounts in lakhs unless otherwise stated)			
								Office Equipments	Weightbridge	Generator Set	Total
GROSS BLOCK											
Balance as at 01 April, 2020	104.98	955.32	92.79	732.18	34.42	7,831.50	204.17	26.90	10.50	67.26	10,060.03
Additions	117.14	-	-	-	-	250.94	-	-	-	-	368.08
Disposals	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2021	222.13	955.32	92.79	732.18	34.42	8,082.44	204.17	26.90	10.50	67.26	10,428.11
Balance as at 01 April, 2021	222.13	955.32	92.79	732.18	34.42	8,082.44	204.17	26.90	10.50	67.26	10,428.11
Additions	-	-	1.23	-	0.50	600.71	14.10	2.00	-	-	618.54
Disposals	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	222.13	955.32	94.01	732.18	34.92	8,683.15	218.27	28.90	10.50	67.26	11,046.65
ACCUMULATED DEPRECIATION											
Balance as at 01 April, 2020	3.73	138.46	40.10	261.73	16.90	1,879.21	56.20	14.97	3.12	12.06	2,426.48
Depreciation expense	1.25	30.25	15.64	69.54	4.41	506.08	24.21	4.82	0.67	6.39	663.25
Elimination on disposals of assets	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2021	4.99	168.71	55.74	331.27	21.31	2,385.29	80.41	19.79	3.79	18.45	3,089.73
Balance as at 01 April, 2021	4.99	168.71	55.74	331.27	21.31	2,385.29	80.41	19.79	3.79	18.45	3,089.73
Depreciation expense	1.77	30.25	12.49	69.54	1.99	535.88	24.22	3.50	0.67	6.39	686.69
Elimination on disposals of assets	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	6.75	198.95	68.23	400.80	23.30	2,921.16	104.63	-	-	-	3,776.42
NET BLOCK											
Balance as at March 31, 2021	217.14	786.62	37.05	400.91	13.11	5,697.15	123.76	7.11	6.72	48.81	7,338.38
Balance as at March 31, 2022	215.37	756.37	25.78	331.37	11.62	5,761.99	113.64	28.90	10.50	67.26	7,270.23



Additional Regulatory Information

(a) Immovable Property not held in name of the company or jointly held with other

Relevant line item in the Balance Sheet	Description of the property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter /	Property held since which date	Reason for not being in the name of the company
PPE	Land Building					
Investment Property	Land Building					
PPE retired from active used and held for disposal	Land Building					
Others	Land Building					
				NIL		



14 NON CURRENT INVESTMENTS

Investments in Associate (Unquoted, fully paid up)

Shivalik Auto Engineering (P) Ltd.
 55,56,400 nos. equity shares of Face Value of Rs.10/- each
 The company holds 45.83% (PY 45.83%) of the total equity capital of the company

(amounts in lakhs unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
	802.90	802.90
Total	802.90	802.90

15 OTHER NON CURRENT ASSETS

(a) Security deposit

	As at March 31, 2022	As at March 31, 2021
	339.69	340.24
Total	339.69	340.24

16 INVENTORIES

- (a) Raw Material (including Goods in transit) *
 (b) Finished goods
 (c) Stores and Spares

	As at March 31, 2022	As at March 31, 2021
	776.71	746.73
	3,345.78	1,958.90
	545.21	588.26
Total	4,667.70	3,293.88

* Goods in transit included in closing stock - Rs. Nil

17 TRADE RECEIVABLES

- (a) Unsecured, Considered Good
 (b) Unsecured, Considered Doubtful

	As at March 31, 2022	As at March 31, 2021
	4,332.38	4,970.13
Total	4,332.38	4,970.13

Trade Receivables ageing schedule

(amounts in lakhs unless otherwise stated)

Particulars	Outstanding for following periods from due of payments					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade Receivable - considered good	3,006.54	-	1,245.50	80.34	-	4,332.38
(ii) Undisputed Trade Receivable - considered doubtful						-
(iii) Disputed Trade Receivable - considered good						-
(iv) Disputed Trade Receivable - considered doubtful						-
(v) Unbilled Dues						-



18 CASH AND CASH EQUIVALENT

- (a) Balances with banks
- (b) Cash on hand
- (c) Deposits with Original Maturity of less than three months*

Total

* Bank deposits are pledged against outstanding bank guarantees and buyer's credit

(amounts in lakh unless otherwise stated)

(amounts in lakh unless otherwise stated)

As at March 31, 2022	As at March 31, 2021
29.28	48.42
8.43	8.67
108.00	108.00
145.71	165.09

19 SHORT TERM LOANS AND ADVANCES

(Unsecured, considered good unless otherwise stated)

- (a) Advance Tax and TDS/TCS (Net of Provision)
- (b) Advance to Suppliers
- (c) Advance against Salary
- (d) Other Short Term Loans and Advances

Total

(amounts in lakh unless otherwise stated)

As at March 31, 2022	As at March 31, 2021
12.94	30.04
980.93	1,284.00
6.23	5.05
99.36	192.10
1,099.45	1,511.19

20 OTHER CURRENT ASSETS

- (a) Prepaid Expenses
- (b) Income Tax Refund Due
- (c) MAT Credit Entitlement
- (d) Export incentive Receivable(Duty drawback & MEIS)
- (e) Deposits with Maturity of less than twelve Months
- (f) Accrued Interest on FDR
- (g) Other Asset

Total

(amounts in lakh unless otherwise stated)

As at March 31, 2022	As at March 31, 2021
52.21	39.98
30.04	3.40
474.89	526.66
4.77	22.40
35.20	35.20
36.21	26.05
101.50	130.94
734.82	784.63



21 REVENUE FROM OPERATIONS

(amounts in lakhs unless otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue From Operations	31,330.20	18,864.18
Total	31,330.20	18,864.18

22 OTHER INCOME

(amounts in lakhs unless otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Income	25.79	24.65
Export Incentive (Duty drawback & MEIS)	5.02	10.43
Total	30.81	35.07

23 COST OF MATERIALS CONSUMED

(amounts in lakhs unless otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening stock of Raw Materials	746.73	727.38
Add: Purchase during the year	22,411.95	11,678.85
Less: Sales of Raw Material	-	-
Less: Closing stock of Raw Materials	776.71	746.73
Consumption of Raw Material	22,381.97	11,659.51
Other Direct Expenses		
Freight Inward	389.39	260.11
Other Direct Expenses	138.46	68.55
Total	22,909.82	11,988.17

24 CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE

(amounts in lakhs unless otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventory at the beginning of the year		
Finished goods	1,958.90	1,679.16
Stock-in-trade	-	-
Waste and scrap	-	-
	1,958.90	1,679.16
Inventory at the end of the year		
Finished goods	3,345.78	1,958.90
Stock-in-trade	-	-
Waste and scrap	-	-
	3,345.78	1,958.90
(Increase)/decrease in inventory	-1,386.89	-279.74

25 EMPLOYEE BENEFIT EXPENSES

(amounts in lakhs unless otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Salary and wages	979.23	721.17
Contribution towards provident and others funds	85.91	34.40
Bonus	58.63	39.06
Gratuity	70.66	-
Staff Welfare Expenses	144.61	117.95
Total	1,339.04	912.58



26 FINANCE COSTS

(amounts in lakhs unless otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on Term Loan	416.72	386.75
Interest on OD/CC Account	277.64	283.47
Bank Charges	271.67	187.94
Interest expenses	33.44	19.98
Total	999.47	878.15

27 OTHER EXPENSES

(amounts in lakhs unless otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021
A. Manufacturing Expenses		
Consumption of Stores and Spares	3,925.86	2,667.86
Power and fuel	1,712.11	1,295.84
Repairs to Plant and Machineries	42.37	43.70
Sub Total (A)	5,680.34	4,007.39
B. Administrative Expenses		
Rent	87.69	49.85
Insurance	52.73	58.44
Rent Rate and Taxes	3.66	0.68
Interest on Other Statutory Dues	1.02	34.55
Foreign Exchange Translation	9.91	0.41
Advertisement Expenses	5.26	3.90
CSR Expenses	15.90	21.32
Other Miscellaneous Expenses	584.18	365.75
Sub Total (B)	760.35	534.91
C. Payment to Auditor		
As an Auditor	0.30	0.30
Sub Total (C)	0.30	0.30
Total (A + B + C)	6,441.00	4,542.59

28 EARNINGS PER SHARE

(amounts in lakhs unless otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Net profit attributable to equity shareholders	346.56	95.80
Equity Share outstanding at the end of year (Nos.)	88,37,541.00	75,11,910.00
Weighted average number of equity shares	76,83,166.20	75,11,910.00
Basic and diluted earnings per share (in Rs.)	4.51	1.28
Nominal value per share (in Rs.)	10.00	10.00



29 Contingent liabilities & commitments

(amounts in lakhs unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Outstanding Counter Guarantees to bank against Bank guarantees issued	35	35
Outstanding Corporate Guarantees issued to bank	8,205	6,820
Outstanding Letter of credit	-	-
Disputed Liability, against which appeal is pending, of :		
a. Income Tax		
b. Goods and Service Tax		
c. Service Tax		
d. Central Excise Duty		
e. Sales Tax		
f. Custom Duty		
Total	8,240	6,855

30 Expenditure in foreign currency during the year is Rs. 6.07 Lakhs (Previous Year Rs.3.28 Lakhs)

31 Raw Material and Store and Spare Consumption

(amounts in lakhs unless otherwise stated)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Amount	%	Amount	%
Raw Material				
Imported	-			
Indigenous	22,381.97	100%	11,659.51	100%
Total	22,381.97	100%	11,659.51	100%
Stores & Spares				
Imported				
Indigenous	3,925.86	100%	2,667.86	100%
Total	3,925.86	100%	2,667.86	100%

32 Reporting under AS 15: Employee Benefits

(a) **Defined contribution plans:**

The company makes provident fund and employee state insurance scheme contributions which are defined contribution plans, for qualifying employees. Under the schemes, the company is required to contribute a specified percentage of the payroll costs to fund the benefits. The company recognised Rs. 63.58 Lakhs (March 31, 2021 Rs. 20.97 Lakhs) for provident fund contributions and Rs. 22.32 Lakhs (March 31, 2021 Rs 13.42 Lakhs) for employee state insurance scheme contributions in the statement of profit and loss. The contributions payable to these plans by the company are at rates specified in the rules of the schemes.

(b) **Defined benefit plans:**

The Company has a defined benefit gratuity plan. Every employee who has completed five periods or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed period of service. The scheme of gratuity is non funded.

The following tables summarize 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 plan.



(i) Net employee benefit expense (recognized in Employee benefit expenses)

(amounts in lakhs unless otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Current service cost	16.97	-
Past service cost	53.68	-
Expected return on plan assets	-	-
Interest cost on benefit obligation	-	-
Net actuarial losses / (gains) recognized during the year	-	-
Net expense recognized in statement of profit and loss	70.65	-

(ii) Changes in the present value of defined benefit obligation

	As at March 31, 2022	As at March 31, 2021
Opening present value of defined benefit obligation	-	-
Current service cost	16.97	-
Past service cost	53.68	-
Interest cost	-	-
Benefits paid	-	-
Actuarial losses / (gains) on obligation	-	-
Closing present value of defined benefit obligation	70.65	-

(iii) Changes in the value of plan assets

Fair value of plan asset at the beginning of year	-	-
Expected return on plan assets	-	-
Contributions	-	-
Benefits paid	-	-
Actuarial gain / (loss) on plan assets	-	-
Fair value of plan assets at the end of year	-	-

Funded Status -70.65 -

(iv) Principal assumptions used in determining gratuity obligations for the Company's plans

Discount rate	7.29%
Expected return on plan assets	NA
Salary escalation	10.00%

33 Dividend paid in foreign currency during the year is Rs. NIL (Previous Year Rs. NIL)

34 Earning in foreign currency during the year is Rs. 1314.58 Lakhs (Previous Year Rs. 527.06 Lakhs)

35 The Company is principally engaged in single business segment and geographical segment.

36 **Reporting under AS 18: Related Party**

(a) Name of Related Party and Nature of Relationship

Name of Related Party	Nature of Relationship
Giriraj Singhania	Key Management Personnel (KMP)
Vinay Agrawal (Director)	Key Management Personnel (KMP)
Raghvendra Singhania (CEO)	Key Management Personnel (KMP)
Sharda Shree Agriculture	Enterprise over which Relative of KMP is able to exercise significant influence.
Sharda Shree Agriculture And Developers Pvt Ltd	Enterprise over which Relative of KMP is able to exercise significant influence.
Shilpa Singhania	Relative of KMP
Varsha Singhania	Relative of KMP
Shivalik Auto Engineering Pvt Ltd	Associate Enterprise
Shivalik Power & Steel Pvt Ltd	Enterprise over which KMP is able to exercise significant influence.



Shivalik Engineering Private Limited

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Notes to Financial Statements for the year ended March 31, 2022

(b) Transactions with related parties: (amounts in lakhs unless otherwise stated)

Nature of Relationship	Nature of Transactions	For the year ended March 31, 2022	For the year ended March 31, 2021
Enterprise over which significant control exist			
	Sales	5,982.90	2,946.98
	Purchase	1,645.09	1,210.21
	Commission	165.68	89.29
	Rent	12.90	-
Associate Enterprise			
	Sales	698.66	467.43
	Purchase	10,507.03	3,291.35
Key Management Personnel			
	Salary	154.40	64.00
	Rent	24.00	21.60
	Loan Repaid	137.00	-
Relative of Key Management Personnel			
	Rent	13.20	12.00
	Loan Taken	286.50	-
	Interest	13.50	-
	Loan Repaid	375.00	-

(c) Balances with related parties: (amounts in lakhs unless otherwise stated)

Name of related party	Nature of Balances	As at March 31, 2022	As at March 31, 2021
Giriraj Singhania	Other Payable	6.87	21.08
Giriraj Singhania	Other Payable	3.75	6.31
Vinay Agrawal	Other Receivable	17.66	8.26
Raghvendra Singhania	Other Receivable	61.23	89.18
Raghvendra Singhania	Other Payable	22.06	12.01
Raghvendra Singhania	Unsecured Loan	-	137.00
Shilpa Singhania	Other Payable	0.50	14.65
Varsha Singhania	Unsecured Loan	-	75.00
Sharda Shree Agriculture	Other Receivable	34.61	7.77
Sharda Shree Agriculture And Developers Pvt Ltd	Loans And Advances	-	12.90
Shivalik Auto Engineering Pvt Ltd	Creditor	1,845.65	-
Shivalik Auto Engineering Pvt Ltd	Other Payable	58.62	1,481.47
Shivalik Power & Steel Pvt Ltd	Other Payable	578.45	300.07



Shivalik Engineering Private Limited
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Notes to Financial Statements for the year ended March 31, 2022

37 Financial ratios

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% Variation	Reasons (if variance is more than 25%)
i Current Ratio	Current assets	Current Liabilities	1.34	1.38	-3.37%	
ii Debt-Equity ratio	Long Term Debt	Equity	4.45	5.95	-25.24%	Due to issue of fresh equity shares in current FY
iii Debt Service Coverage Ratio	EBITDA (Excluding Interest on CC)	Debt Service (Principal + Instalment)	0.84	0.00	3948171.93%	Due to fresh loans taken in current FY
iv Return on Equity Ratio	Net Profit after Taxes	Shareholder's fund	0.06	0.02	199.71%	Due to higher sales resulting in higher profits
v Inventory Turnover Ratio	Revenue from operation	Inventory	6.71	5.73	17.20%	
vi Trade Receivables Turnover Ratio	Revenue from operation	Trade Receivables	7.23	3.80	90.53%	Sales in FY 21-22 has increased by almost 65% as compared to preceeding FY
vii Trade Payables Turnover Ratio	Purchases	Trade Payables	18.84	8.67	117.37%	Due to increase in purchase cost
viii Net Capital Turnover Ratio	Revenue from operation	Working Capital	11.38	6.37	78.60%	Sales in FY 21-22 has increased by almost 65% as compared to preceeding FY
ix Net Profit Ratio	Net Profit after Taxes	Revenue from operation	0.01	0.01	117.80%	Due to higher sales resulting in higher profits
x Return On Capital Employed	EBIT	Capital Employed (Shareholder's Fund + Long term Borrowings)	0.14	0.11	25.49%	Due to higher sales resulting in higher profits
xi Return On Investment	Income Generated from Investment	Cost of Investment	-	-	-	



(amounts in lakhs unless otherwise stated)

38 Corporate Social Responsibility

Particulars	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
(a) Amount required to be spent during the year	15.90	21.32
(b) Amount of expenditure incurred	-	
(c) Shortfall at the end of the year	15.90	21.32
(d) Total of previous year shortfall	0.32	0.32
(e) Reasons for shortfall		
(f) Nature of CSR activities	Donation to charitable and educational institutions	Donation to charitable and educational institutions
(g) Details of Related Party Transactions	NA	NA

- 39 Unhedged foreign currency during the year is Rs. 256.30 Lakhs (Previous Year Rs. 119.96 Lakhs)
- 40 No Proceedings have been initiated or pending against the company for holding any benami property under Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- 41 The company has no relationship or transaction with any companies which are struck off pursuant to provision of section 248 of the Companies Act, 2013
- 42 The company has not surrendered or disclosed any unrecorded income in any tax assessments under the Income Tax Act, 1961 during the financial year.
- 43 The Company has not been declared as a wilful defaulter by any bank or financial institution during the financial year
- 44 The company has not made any delay beyond the statutory period in Registration or Satisfaction of charges with the jurisdictional Registrar pursuant to provision of section 77 of Company Act, 2013
- 45 The company is not a subsidiary company as defined under section 2 (87) Companies Act, 2013 or a holding company as defined under section 2 (46) of the Companies Act, 2013
- 46 The company has not traded or invested in crypto currency or virtual currency during the financial year.



47 Deferred Tax

In compliance with the "Accounting for Taxes on Income" (AS-22) issued by The Institute of chartered Accountants of India, the company has credited Rs.88.60 Lakhs (Previous Year Debited Rs.62.73Lakhs) in the Profit & Loss Account for the year ended 31st March' 2022 towards deferred tax for the year, arising on account of timing differences, of which details are as follows:

WDV as per Income Tax Act	3,827.75
WDV as per Companies Act	7,054.86
Timing Difference for (DTA)/DTL	3,227.11
Provision for Gratuity	-70.66
Timing Difference for (DTA)/DTL	-70.66
Net timing difference resulting in liability	3,156.45
Net Deferred Tax Liability @25.17%	794.48
Opening DTL	883.07
(Credited)/Debited to Statement of Profit and Loss for the year	-88.60

48 The company has utilised borrowing from Banks & Financial institutions for the specific purpose for which it was taken

49 The monthly Stock Statement furnished to Bankers against CC/OD limits are in agreement with books of accounts.

50 Previous year figures have been reclassified and regrouped wherever considered necessary to make them comparable with the current year's figures.

As per our report of even date attached

For and on behalf of the Board of Directors

for, RAJENDRA PRASAD

CHARTERED ACCOUNTANTS

Firm Registration No.: 0002030



Mayank Kumar Saraf

Partner

Membership No.: 413035

PANo.:BXNPS4595R

Place : Raipur

Date : 05 SEP 2022

UDIN: 22413035ASPAQP2252

Giriraj Singhania

Managing Director

DIN-00369479

Vishal Sharma

Director

DIN-00369593

Raghvendra Singhania

Chief Financial Officer

PAN-AJPS9051R