

# ANNUAL

## COMPANY REPORT 2022

### SHIGAN QUANTUM TECHNOLOGIES LIMITED



**COMMITTED TO CLEANER TOMORROW THROUGH INNOVATION**

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## *BOARD OF DIRECTORS*

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**Shishir Agrawal**  
Managing Director

**Gagan Agrawal**  
Joint Managing Director



**Ms. Shubhangi Agarwal**  
Independent Director



**Mr. Balraj Bhanot**  
Independent Director



**Mr. Vijay Lal Toshavda**  
Independent Director

### **KEY MANAGERIAL PERSONNEL**



**Mr. Nathu Singh Tawar**  
Chief Financial Officer



**Ms. Gunjan Gupta**  
Company Secretary

**REGISTERED OFFICE**

Shyam Kunj, 183-A, Sainik Farms,  
Western Avenue, New Delhi – 110062

**CORPORATE OFFICE**

Shyam Udyog Parisar, Alier Bhangrola Road,  
IMT Manesar, Gurugram - 122052 HR IN

**STATUTORY AUDITORS**

SARIA GUPTA & CO. (FRN 003168N)  
Chartered Accountants

**LISTING**

SME Platform of NSE (NSE EMERGE)

**REGISTRAR & SHARE TRANSFER AGENT**

KFIN TECHNOLOGIES LIMITED  
(Formerly known as Karvy Fintech Private Limited)

**Corporate Registry**

Selenium, Tower B, Plot No- 31 & 32, Gachi Financial  
District, Nanakramguda, Serilingampally Hyderabad  
Rangareddi, Telangana 500032 IN  
Tel: +91-040-67161524; Website: www.kfintech.com  
Email: einward.ris@kfintech.com  
Toll Free No: 18003094001

**BANKERS**

Punjab National Bank  
ICICI Bank  
HDFC Bank

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## NOTICE OF ANNUAL GENERAL MEETING

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NOTICE IS HEREBY GIVEN THAT 14TH ANNUAL GENERAL MEETING OF THE MEMBERS OF SHIGAN QUANTUM TECHNOLOGIES LIMITED WILL BE HELD ON THURSDAY, 29<sup>TH</sup> DAY OF SEPTEMBER, 2022 AT 10:00 A.M AT THE OCEAN PEARL RETREAT, CHATTARPUR MANDIR RD, ANSAL VILLAS, SAT BARI, NEW DELHI, DELHI -110074.

TO TRANSACT THE FOLLOWING BUSINESS:

**ORDINARY BUSINESS:**

1. *To receive, consider and adopt the Audited Standalone Financial Statement of the Company, for the financial year ended 31<sup>st</sup> March, 2022, along with the report of the Board of Director's and Auditor's thereon.*
2. *To appoint Mr. Shishir Agrawal (DIN-00054871) who retires by rotation at this Annual General Meeting and, being eligible, offers himself for re-appointment as Director and in this regard, pass the following resolution as an Ordinary Resolution:*

“RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Shishir Agrawal (DIN-00054871), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

**SPECIAL BUSINESS:**

3. *Ratification of remuneration of Cost auditor for financial year 2022-23.*  
To consider, and if thought fit, to pass, with or without modification(s) the following Resolutions as Ordinary Resolution:  
  
“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Mukesh Kumar, Cost Accountant (Membership No. 51275) appointed as the Cost Auditor by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the Financial Year 2022-23 on a remuneration of Rs. 1,10,000/- (Rupees One Lakh and Ten Thousand only) per annum, be and is hereby ratified.”
4. *To Approve Increase in Remuneration of Mr. Shishir Agrawal, Managing Director of the Company*  
To consider, and if thought fit, to pass, with or without modification(s) the following Resolutions as Special Resolutions:

“RESOLVED that pursuant to the recommendation of Nomination, Remuneration and Audit Committee and pursuant to the provisions contained in Sections 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Rules framed thereunder, including any statutory modifications or re-enactment thereof, and the Articles of Association of the Company and in furtherance of the ordinary resolution passed in the Extra-Ordinary General Meeting held on 06<sup>th</sup> October, 2021 and subject to such other approvals as may be necessary, approval of the Members be and is hereby accorded for revision in the remuneration to Mr. Shishir Agrawal (DIN 00054871), Managing Director, on the following terms & Conditions as set out in the Explanatory Statement.

RESOLVED FURTHER THAT the terms and remuneration as set out in the Explanatory Statement of this Resolution shall be deemed to form part hereof and in the event of inadequacy or absence of profits during his tenure in any financial year, the remuneration comprising salary, perquisites and benefits approved by the Board of Directors be paid as minimum remuneration to the Managing Director.

RESOLVED FURTHER THAT save and except as aforesaid, all other existing terms and conditions of appointment and remuneration of Mr. Shishir Agrawal passed at the Extra- Ordinary General Meeting held on 06<sup>th</sup> October, 2021 shall continue to remain in full force and effect.

RESOLVED FURTHER THAT the Board (which will include its committee thereof) be and is hereby authorised to vary and /or revise the remuneration of Mr. Shishir Agrawal within limits permissible under the Act and do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid Resolution.”

**5. To Approve Increase in Remuneration of Mr. Gagan Agrawal, Joint Managing Director of the Company**

To consider, and if thought fit, to pass, with or without modification(s) the following Resolutions as Special Resolutions:

“RESOLVED that pursuant to the recommendation of Nomination, Remuneration and Audit Committee and pursuant to provisions contained in Sections 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Rules framed thereunder, including any statutory modifications or re-enactment thereof, and the Articles of Association of the Company and in furtherance of the ordinary resolution passed in the Extra- Ordinary General Meeting held on 06<sup>th</sup> October, 2021 and subject to such other approvals as may be necessary, approval of the Members be and is hereby accorded for revision in remuneration to Mr. Gagan Agrawal (DIN 00054879), Joint Managing Director, on the following terms & conditions as set out in the Explanatory Statement.

RESOLVED FURTHER THAT the terms and remuneration as set out in the Explanatory Statement of this Resolution shall be deemed to form part hereof and in the event of inadequacy or absence of profits during his tenure in any financial year, the remuneration comprising salary, perquisites and benefits approved by the Board of Directors be paid as minimum remuneration to the Joint Managing Director.

RESOLVED FURTHER THAT save and except as aforesaid, all other existing terms and conditions of appointment and remuneration of Mr. Gagan Agrawal passed at the Extra- Ordinary General Meeting held on 06<sup>th</sup> October, 2021 shall continue to remain in full force and effect.

RESOLVED FURTHER THAT the Board (which will include its committee thereof) be and is hereby authorised to vary and /or revise the remuneration of Mr. Gagan Agrawal within limits permissible under the Act and do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid Resolution.”

**By Order of the Board  
For Shigan Quantum Technologies Limited**

**Gunjan Gupta**  
**Company Secretary**  
**Membership No. 51426**  
**Place: Gurugram**  
**Date: 6<sup>th</sup> September, 2022**  
**Registered Office: Shyam Kunj, 183-A, Sainik Farms, Western Avenue, New Delhi - 110062**

**CIN: U72200DL2008PLC184341**  
**Email: [investors@shigan.net](mailto:investors@shigan.net)**  
**Website: <https://shigan-quantum.com>**

**NOTES:**

1. The relevant Explanatory Statement, pursuant to Section 102(1) of the Act, setting out the material facts concerning Special Business in respect of Item no. 3 to 5 is annexed hereto. The Board of Directors have considered to include Item no. 3 to 5 as Special Business in the AGM, as they are unavoidable in nature and placed for Member's approval at this AGM.
2. Pursuant to Section 152 of the Act, the Company has determined Mr. Shishir Agrawal (DIN: 00054871), Managing Director, as retiring by rotation, and being eligible, Mr. Shishir Agrawal offers himself for re-appointment. The relevant details, pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings, issued by the Institute of Company Secretaries of India (ICSI), are annexed to this Notice.
3. A member entitled to attend and vote at the AGM is entitled to appoint a Proxy to attend and vote in the Meeting instead of himself/herself, and the proxy need not be a member of the Company. A person can act as a proxy on behalf of not exceeding fifty (50) members in aggregate not more than ten (10) percent of the total share capital of the Company.
4. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.
5. The instrument appointing the proxy, duly completed, must be deposited at the Company's corporate office not less than 48 hours before the commencement of the meeting. A proxy form for the AGM is enclosed.
6. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
7. Members / proxies / authorized representatives should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
8. All the statutory registers and documents referred in the Notice and Explanatory Statement will be available for inspection without any fee by the Members, at the AGM.
9. Pursuant to Reg. 42 of the SEBI (LODR) Regulations, 2015 read with section 91 of the Companies Act, 2013 the Register of Members and Share Transfer Books will remain closed from 23<sup>rd</sup> September, 2022 to 29<sup>th</sup> September, 2022 (both days inclusive) for the purpose of AGM.
10. Members are requested to notify any correction/change in their name/address including pin code number immediately to the Registrar/Depository Participant. In the event of non-availability of Member's latest address either in the Companies records or in Depository Participant's records, members are likely to miss notice and other valuable correspondence sent by the Company.
11. Members are requested to kindly mention their Folio Number/ Client ID Number (in case of Demat shares) in all their correspondence with the Company's Registrar to enable prompt reply to their queries.
12. With a view to using natural resources responsibly, we request shareholders to update their e-mail address with their Depository Participants to enable the Company to send communications electronically. The Annual Report 2021-22 is being sent through electronic mode only to the members whose email addresses are registered with the Company / Depository Participant(s).

13. As per Section 108 of the Companies Act, 2013, Rule 20(2) of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and Administration) Amendment, Rules 2015, and Chapter XB or Chapter XC of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, the Company has not provided a facility to the members to exercise their votes electronically through the electronic voting, service facility arranged by Depository due to its non-applicability. Voting through ballot/polling paper will only be made available at the AGM.
14. Mr. Manish Manwani, Manwani & Associates, Practising Company Secretary (Membership No: 29163; COP No.: 23510) has been appointed as the Scrutinizer to scrutinize the entire e-voting process, in accordance with the law and in a fair and transparent manner. The Scrutinizer shall, immediately after the conclusion of AGM count the votes cast during the AGM in the presence of at least two witnesses, not in the employment of the Company and prepare for its submission, not later than 48 hours of conclusion of the AGM, a Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairperson or a person authorised by him in writing, who shall countersign the same.
15. The results declared along with the Scrutinizer's Report shall be placed on the Company's notice board and its website at [www.shigan-quantum.com](http://www.shigan-quantum.com) within two (2) days of passing of the resolutions at the AGM of the Company. The Company shall simultaneously forward the results to the National Stock Exchange of India Limited, where the shares of the Company are listed.
16. All documents referred to in the Notice will be available for inspection at the Company's corporate office during 11:00 am to 1:00 pm during normal business working days up to the date of the AGM.
17. The shareholder needs to furnish the printed 'attendance slip' along with a valid identity proof such as the PAN card, passport, AADHAR card or driving license, to enter the AGM hall.
18. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of 22<sup>nd</sup> September, 2022.
19. The Company has designated an exclusive e-mail at [investors@shigan.net](mailto:investors@shigan.net) to redress shareholders' complaints/grievances. In case you have any queries/ complaints / grievances, then please write, alternatively request can be submitted to the RTA of the Company at [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com)
  - a. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice through electronic means and holding shares as on the cut-off date i.e. 22<sup>nd</sup> September, 2022 may send a request at [investors@shigan.net](mailto:investors@shigan.net) for Annual Report for F.Y. 2021-22.
  - b. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of voting at the AGM through ballot paper.
  - c. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM.

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

The following explanatory statement sets out in detail all material facts relating to item of Business as mentioned in accompanying Notice convening the AGM of the Company:

**Item 3:**

Pursuant to section 148 of Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014 the Company is required to appoint a Cost Auditor to audit the cost records for the applicable products of the Company. The Board of Directors of the Company at their meeting held on 6<sup>th</sup> September, 2022, on the recommendation of Audit Committee, has appointed Mr. Mukesh Kumar, Cost Accountant (Membership No. 51275) as the Cost Auditor by the Board to conduct the audit of the cost records of the Company for the financial year ended on 31 March 2023 at remuneration of Rs. 1,10,000/- (Rupees One Lakh Ten Thousand only) plus taxes and out-of-pocket expenses. In terms of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration as approved by the Board of Directors is required to be ratified by the shareholders subsequently.

Accordingly, consent of the Members is sought for ratification of the remuneration payable to the Cost Auditors for the financial year 2022-23.

None of the Directors or Key Managerial Personnel of the Company is concerned or interested, financially or otherwise, in the proposed resolution. The Board commends the resolution set out at item no. 3 of the approval members in general meeting as ordinary resolution.

**Item 4:**

The Members of the Company at the Extra- Ordinary General Meeting held on 06<sup>th</sup> October, 2021 (“EGM”) had appointed Mr. Shishir Agrawal as the Managing Director of the Company effective from 06 October, 2021 for a period of five years.

Further, considering the contribution of Mr. Shishir Agrawal and progress made by the company under his leadership and guidance and as per the recommendation of the Nomination and Remuneration Committee, the Board at its Meeting held on 06<sup>th</sup> September 2022\_ approved the revision in remuneration of Mr. Shishir Agrawal effective from the 01<sup>st</sup> day of April, 2022 for the balance of his tenure.

The details of remuneration payable to Mr. Shishir Agrawal, Managing Director effective from 01<sup>st</sup> day of April, 2022 is as under:

1. Remuneration - A gross remuneration of Rs. 63,00,000/- per annum payable @ Rs. 5,25,000/- per month with such increases as may be determined by the Board of Directors of the Company from time to time as per the Rules of the Company
2. Cost of Medical Insurance and Personal Accident Insurance as are applicable to senior executive staff of the Company, as per applicable Rules of the Company, shall also apply to Mr. Shishir Agrawal.
3. Bonus for the financial year, at the discretion of the board.
4. Gratuity: as per the Rules of the company, subject to completion of service of 5 years at the rate of half a month’s salary for each year of completed service.



5. Provident Fund: Company's contribution to provident fund to the extent the same is not taxable under the Income Tax Act, 1961;
6. Benefits, Perquisites and Allowances:
  - i. Provision of a Car with driver for official purposes and such driver's remuneration/expenses as fixed/approved by the Board shall be reimbursed to him, if he is not provided with Company's driver.
  - ii. Free use of Company's mobile phone and telephone at his residence.
  - iii. Reimbursement of medical expenses incurred for himself and family subject to ceiling of one month's salary in a year or three month's salary over a period of 3 years.
  - iv. Actual leave travel expenses, as per the rules of the company, once in a year to any place to himself and his family.

In the event of inadequacy of profits calculated as per Section 198 of the Companies Act, 2013 in any financial year, Mr. Shishir Agrawal shall be entitled to a minimum remuneration comprising salary, perquisites and benefits as detailed above subject to such revisions as may be approved by the Board from time to time during his tenure.

Other than Mr. Shishir Agrawal, none of the Directors, Key Managerial Personnel of the Company and their relatives, are concerned or interested in the above Resolution. Pursuant to the recommendations of Nomination and Remuneration Committee, the Board recommends the resolution set out at item no. 4 of the approval members in general meeting as Special Resolution.

Statement containing additional information as required in Schedule V of the Companies Act, 2013 – Mr. Shishir Agrawal (Item No. 4 of Notice)

<b>I. General Information</b>	
Nature of Industry	Manufacturing of Automobile parts
Date or expected date of Commencement of Commercial production	October 2008
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
Financial performance based on given indicators	In the financial year 2021-2022, the turnover of the Company is INR 24,238.55 lakhs and Profit of 986.86 Lakhs after tax

<b>II. INFORMATION ABOUT THE APPOINTEE:</b>	
Background details	He was appointed on the Board of our Company upon incorporation i.e., October 20, 2008. He is a professionally qualified Chartered Accountant. He is the brain behind the financial strength of our Company and guides the Board of Directors of our Company in all decisions related to the financial affairs of our Company. He has an experience and exposure of around 34 years in the automobile industry.
Past Remuneration (per month)	Rs. 3,50,000
Job profile and his suitability	Mr. Shishir Agrawal is entrusted with substantial powers of the management and is responsible for the general conduct and management of the business and affairs of the Company, subject to the superintendence, control and supervision of the Board of Directors of the Company. He has extensive experience in strategy and initiatives that have cross business impact which includes sustainability, business policies, sales and customer development, marketing and talent development.
Remuneration proposed (per month)	Rs. 5,25,000
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The remuneration of Mr. Shishir Agrawal is comparable to that drawn by the peers in the similar capacity in the industry and is commensurate with the size of the Company and diverse nature of its business.
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any	He is the Managing Director and Promoter of the Company. Mr. Shishir Agrawal and Mr. Gagan Agrawal (Joint Managing Director) are brothers.
<b>III. OTHER INFORMATION:</b>	
Reasons of loss or inadequate profits	During the financial year ended March 31, 2022, the profits of the Company may not be adequate due to market conditions and therefore the remuneration payable to the Managing Director would exceed the limits prescribed. Hence this proposal under applicable provisions of Schedule V.
Steps taken or proposed to be taken for improvement	The Company embarked on series of strategic and operational measures that is expected to result in the improvement in the present situation. The Company has also strategically placed to address the issues and increase profits and has put in place measures to reduce cost and improve the bottom line.
Expected increase in productivity and profits in measurable terms	The Company has taken various measures to maintain its leadership, improve market share and financial performance.
<b>IV. DISCLOSURES:</b>	
The details of remuneration disclosed in the explanatory statement above.	

**Item 5 :**

The Members of the Company at the Extra- Ordinary General Meeting held on 06<sup>th</sup> October, 2021 (“EGM”) had appointed Mr. Gagan Agrawal as the Joint Managing Director of the Company effective from 06<sup>th</sup> October, 2021 for a period of five years.

Further, considering the contribution of Mr. Gagan Agrawal and progress made by the company under his leadership and guidance and as per the recommendation of the Nomination and Remuneration Committee, the Board at its Meeting held on 06<sup>th</sup> September 2022 approved the revision in remuneration of Mr. Gagan Agrawal effective from the 1<sup>st</sup> Day of April, 2022 for the balance of his tenure.

The details of remuneration payable to Mr. Gagan Agrawal, Joint Managing Director effective from 01<sup>st</sup> Day of April, 2022 is as under:

1. Remuneration - A gross remuneration of Rs. 63,00,000/- per annum payable @ Rs. 5,25,000/- per month with such increases as may be determined by the Board of Directors of the Company from time to time as per the Rules of the Company.
2. Cost of Medical Insurance and Personal Accident Insurance as are applicable to senior executive staff of the Company, as per applicable Rules of the Company, shall also apply to Mr. Gagan Agrawal.
3. Bonus for the financial year, at the discretion of the board.
4. Gratuity: as per the Rules of the company, subject to completion of service of 5 years at the rate of half a month’s salary for each year of completed service.
5. Provident Fund: Company’s contribution to provident fund to the extent the same is not taxable under the Income Tax Act, 1961.
6. Benefits, Perquisites and Allowances:
  - i. Provision of a Car with driver for official purposes and such driver’s remuneration/expenses as fixed/approved by the Board shall be reimbursed to him, if he is not provided with Company’s driver.
  - ii. Free use of Company’s mobile phone and telephone at his residence.
  - iii. Reimbursement of medical expenses incurred for himself and family subject to ceiling of one month’s salary in a year or three month’s salary over a period of 3 years.
  - iv. Actual leave travel expenses, as per the rules of the company, once in a year to any place to himself and his family.

In the event of inadequacy of profits calculated as per Section 198 of the Companies Act, 2013 in any financial year Mr. Gagan Agrawal shall be entitled to a minimum remuneration comprising salary, perquisites and benefits as detailed above subject to such revisions as may be approved by the Board from time to time during his tenure

Other than Mr. Gagan Agrawal, none of the Directors, Key Managerial Personnel of the Company and their relatives, are concerned or interested in the above Resolution. Pursuant to the recommendations of Nomination and Remuneration Committee, The Board recommends the resolution set out at item no. 5 of the approval members in general meeting as Special Resolution.

**Statement containing additional information as required in Schedule V of the Companies Act, 2013 – Mr. Gagan Agrawal (Item No. 5 of Notice)**

<b>I. General Information</b>	
Nature of Industry	Manufacturing of Automobile parts
Date or expected date of Commencement of Commercial production	October 2008
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
Financial performance based on given indicators	In the financial year 2021-2022, the turnover of the Company is INR 24,238.55 lakhs and Profit of 986.86 Lakhs after tax

<b>II. INFORMATION ABOUT THE APPOINTEE:</b>	
Background details	Mr. Gagan Agrawal was appointed on the Board of our Company upon incorporation i.e., October 20, 2008. He has a degree in Mechanical Engineering from Bangalore University in the year 1995 and carries rich experience in designing and integrating alternate fuel systems.
Past Remuneration (per month)	Rs. 3,50,000
Job profile and his suitability	Mr. Gagan Agrawal is entrusted with the responsibility of looking after the overall management and operations of our Company. He looks after the overall administration of our Company with the support of professional executives. He has extensive experience in strategy and initiatives that have cross business impact which includes sustainability, customer development, marketing and talent development.
Remuneration proposed (per month)	Rs. 5,25,000
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The remuneration of Mr. Gagan Agrawal is comparable to that drawn by the peers in the similar capacity in the industry and is commensurate with the size of the Company and diverse nature of its business.
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any	He is the Joint Managing Director and Promoter of the Company. Mr. Gagan Agrawal and Mr. Shishir Agrawal (Managing Director) are brothers.

<b>III. OTHER INFORMATION:</b>		
	Reasons of loss or inadequate profits	During the financial year ended March 31, 2022, the profits of the Company may not be adequate due to market conditions and therefore the remuneration payable to the Joint Managing Director would exceed the limits prescribed. Hence this proposal under applicable provisions of Schedule V.
	Steps taken or proposed to be taken for improvement	The Company embarked on series of strategic and operational measures that is expected to result in the improvement in the present situation. The Company has also strategically placed to address the issues and increase profits and has put in place measures to reduce cost and improve the bottom line.
	Expected increase in productivity and profits in measurable terms	The Company has taken various measures to maintain its leadership, improve market share and financial performance.
<b>IV. DISCLOSURES:</b>		
The details of remuneration disclosed in the explanatory statement above.		

**By Order of the Board**  
**For Shigan Quantum Technologies Limited**

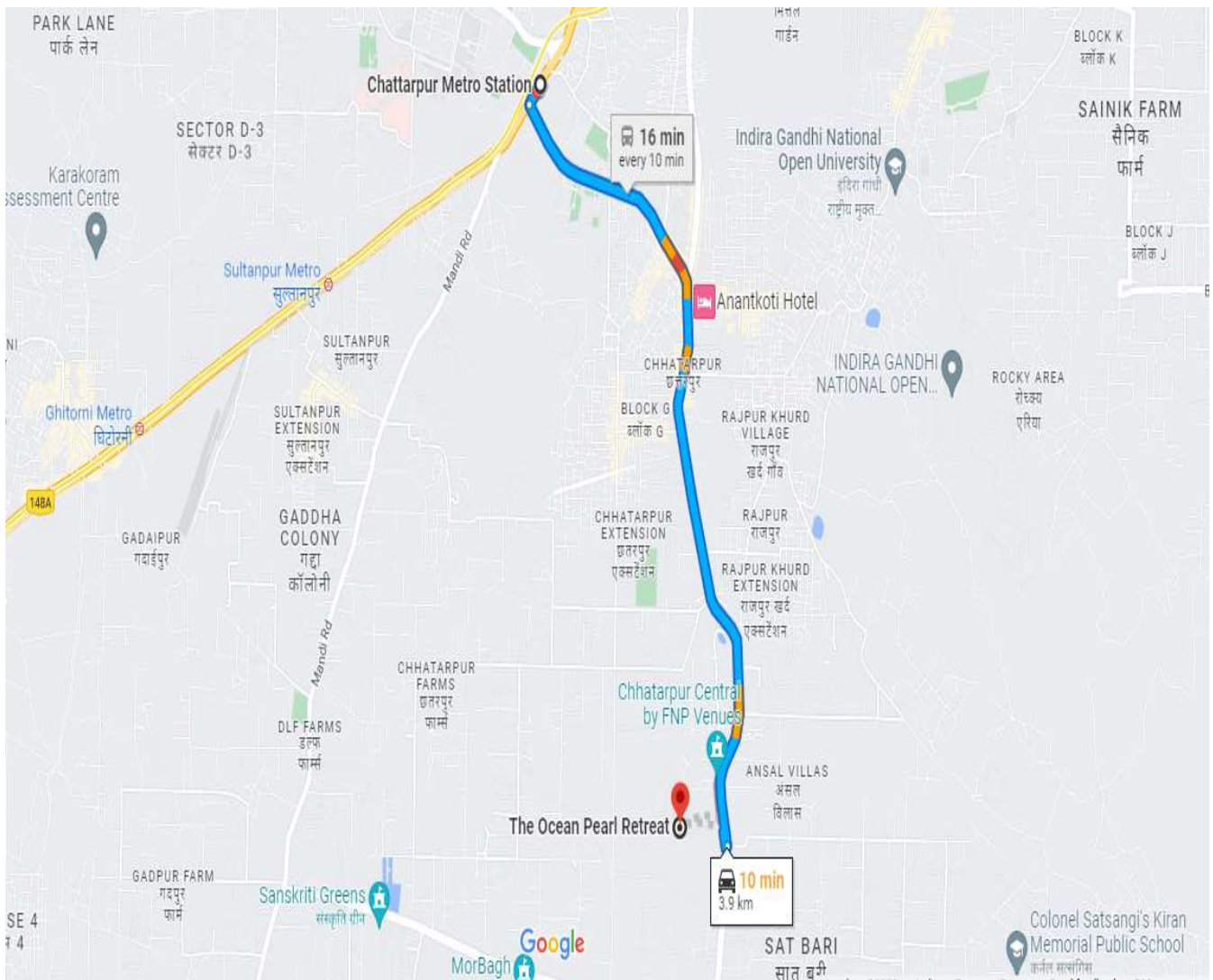
**Gunjan Gupta**  
**Company Secretary**  
**Membership No. 51426**  
**Place: Gurugram**  
**Date: 6<sup>th</sup> September, 2022**

### Details of Directors as required in Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in Secretarial Standards on General Meetings.

Particulars	Mr. Shishir Agrawal	Mr. Gagan Agrawal
Educational qualification	Chartered Accountant from the Institute of Chartered Accountants of India.	Mechanical Engineer
Experience	34 years	28 years
Expertise in specific functional area	He guides the Board of Directors of our Company in all decisions related to the financial affairs of our Company.	He carries rich experience in Designing and integrating alternate fuel systems.
Director Identification No.	00054871	00054879
Date of appointment	Appointed as Director with effect from October 20, 2008. Re-designated as Managing Director with effect from October 6, 2021	Appointed as Director with effect from October 20, 2008. Re-designated as Joint Managing Director with effect from October 6, 2021
Date of birth / age	31.05.1966	19.04.1973
Directorships held in other listed Companies in India	None	None
Membership in committees	1. Audit Committee 2. Stakeholders' Relationship Committee 3. Nomination and Remuneration Committee 4. Corporate Social Responsibility Committee	1. Audit Committee 2. Stakeholders' Relationship Committee 3. Corporate Social Responsibility Committee
Shareholding in Shigan Quantum Technologies Limited	174,975	74,975
Number of Board Meeting attended during the year	26	26
Sitting fees/Commission	Nil	Nil
Relationship with other directors, manager and other Key Managerial Personnel of the Company	Mr. Gagan Agrawal and Mr. Shishir Agrawal are brothers.	Mr. Gagan Agrawal and Mr. Shishir Agrawal are brothers.
Terms and Conditions of appointment/re-appointment along with details of remuneration sought to be paid and remuneration last drawn by such person	Given in the explanatory statement annexed to this Notice	Given in the explanatory statement annexed to this Notice

**ROUTE MAP TO AGM VENUE:**

**The Ocean Pearl Retreat**  
**Chattarpur Mandir Rd, Ansal Villas, Sat Bari, New Delhi,**  
**Delhi -110074**





**Shigan Quantum Technologies Limited**  
*Annual Report 2021-22*

**SHIGAN QUANTUM TECHNOLOGIES LIMITED**

Regd. Office :Shyam Kunj, 183-A, Sainik Farms, Western Avenue, New Delhi – 110062  
 CIN : U72200DL2008PLC184341 ; Website : www.shigan-quantum.com  
 E-mail Id :contact@shigan.net; Ph.no. +91 9818162569

**PROXY FORM**

Form No. MGT-11

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

Annual General Meeting – 29<sup>th</sup> September, 2022

Name of the Member (s):
Registered Address:
E-Mail Id:
Folio/DP ID – Client ID No. :

I/We, being the member (s) of..... shares of the above-named Company, hereby appoint :

- 1) Name..... Address.....  
 Email Id : .....Signature :....., or failing him;
- 2) Name..... Address.....  
 Email Id : .....Signature :....., or failing him;
- 3) Name..... Address.....  
 Email Id : .....Signature :....., or failing him;

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 14<sup>th</sup>Annual General Meeting of the Company, to be held on Thursday, 29<sup>th</sup>September 2022 at 10:00 A.M. at Ocean Pearl Retreat, Chattarpur Mandir Rd, Ansal Villas, Sat Bari, New Delhi, Delhi -110074 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. Adoption of Audited Financial Statements of the year ended 31<sup>st</sup> March 2022.
2. Appointment of Mr. Shishir Agrawal (DIN-00054871) who retires by rotation at this Annual General Meeting.
3. Ratification of remuneration of Cost Auditor for financial year 2022-23.
4. Increase in remuneration of Mr. Shishir Agrawal, Managing Director.
5. Increase in remuneration of Mr. Gagan Agrawal, Joint Managing Director.



Signed this.....day of .....2022  
 Signature of shareholder .....Signature of Proxy holder(s).....

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





**Shigan Quantum Technologies Limited**  
*Annual Report 2021-22*

**SHIGAN QUANTUM TECHNOLOGIES LIMITED**

Regd. Office : Shyam Kunj, 183-A, Sainik Farms, Western Avenue, New Delhi – 110062

CIN : U72200DL2008PLC184341 ; Website : www.shigan-quantum.com

E-mail Id :contact@shigan.net ; Ph.no. +91 9818162569

**ATTENDANCE SLIP**

Annual General Meeting – 29<sup>th</sup>September, 2022

I certify that I am a Registered Shareholder/Proxy for the Registered Shareholder of the Company.

I hereby record my presence at the Annual General Meeting of the Company at Ocean Pearl Retreat, Chattarpur Mandir Rd, Ansal Villas, Sat Bari, New Delhi, Delhi -110074 on Thursday, 29<sup>th</sup>September, 2022 at 10:00 AM.

---

Member's /Proxy name in Block Letters

---

Member's/ Proxy's Signature

Please fill in this attendance slip and hand it over at the Entrance of the Meeting Hall.

Kindly also note that no gifts, conveyance etc. will be given at the Meeting.

Note : As per Section 108 of the Companies Act, 2013, Rule 20(2) of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and Administration) Amendment, Rules 2015, and Chapter XB or Chapter XC of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, the Company has not provided facility to the members to exercise their votes electronically through the electronic voting, service facility arranged by Depository due to its non-applicability. Voting through ballot/polling paper will only be made available at the AGM.

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## *Report of the Board of Directors*

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To,

The Members,

The Board of Directors ('Board') are pleased to present the 14<sup>th</sup> Annual Report of Shigan Quantum Technologies Limited ('Shigan' or 'the Company' or 'your Company') formerly known as Shigan Quantum Technologies Private Limited along with the Audited Financial Statements for the financial year ended March 31, 2022 ('year under review' or 'year' or 'FY 2021-22').

We would like to start by thanking all of our investors and stakeholders for their continued support and faith in us; you are the reason for our successful IPO. In the years ahead, we aspire to build on our legacy and reach major milestones together.

In compliance with the applicable provisions of the Companies Act, 2013, ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), this report covers the Financial Results, Statutory Reports and other key initiatives /developments made during the financial year 2021-22.

### **FINANCIAL HIGHLIGHTS AND PERFORMANCE**

The financial statements of the Company for the FY 2021-22, have been prepared in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended and other accounting principles generally accepted in India and relevant provisions of the Act. The financial highlights of the Company for the financial year ended March 31, 2022 are as follows:

Particulars	(Amount in Rs. Lakhs)	
	FY 2021-22	FY 2020-21
Total Income	24238.55	9593.50
<b>Profit/(Loss) before Interest, Depreciation, Taxation &amp; Exceptional Item</b>	<b>931.57</b>	<b>693.76</b>
Less: Interest (Net)	237.54	132.52
Less: Depreciation (Net)	148.08	68.41
<b>Profit/(Loss) before Tax &amp; Exceptional Item</b>	<b>1317.19</b>	<b>492.83</b>
Less: Exceptional Item	-	-
<b>Profit/ (Loss) before Tax (PBT)</b>	<b>1317.19</b>	<b>492.83</b>
Less: Tax Expenses	330.33	125.70
<b>Profit/(Loss) after Tax (PAT)</b>	<b>986.86</b>	<b>367.13</b>

### **STATE OF COMPANY'S AFFAIRS**

We are engaged in designing, optimizing, manufacturing, assembling, testing and kit integration of alternate fuel systems/kits including CNG, LNG, Hydrogen Fuel Kit systems to OEM's and others for heavy/light duty commercial vehicles and buses, power generation equipment and industrial equipment viz. forklifts etc. We aim to localize the components of Euro-VI CNG kits in India, which will help to reduce the cost of the total system.



# Shigan Quantum Technologies Limited

## *Annual Report 2021-22*

Our Company was incorporated in the year 2008 with an object to manufacture alternate fuel systems in India. Subsequently, we have gained expertise in various products in the alternate fuel systems, especially in CNG and LNG fuel kits within automotive industry through our in-house expertise and technical assistance. Since April 2020, our Company has also ventured into manufacturing of Fire Detection & Alarm System and Fire Detection & Suppression System (FDAS & FDSS).

We source our critical technologies from MNC companies with whom we have long term technology user agreement or manufacturing license. We have entered into technology agreements with companies for developing exclusive products customised to our requirements. We have got exclusive manufacturing rights in India for these products after their development.

With change in technologies, we have plan to acquire the Foreign Suppliers' expertise through Joint Venture or by outright purchase of their technologies and localise production of Gaseous Fuel Injection Technology systems. Such Gaseous Fuel Injection Technology systems will enable the Company to manufacture products that will meet the upcoming emission norms thereby enhancing the performance of the vehicle.

During the year, there is no change in the business activities.

Please also refer to the Management Discussion and Analysis section of the Annual Report for further clarification regarding Company's operations and policies.

### **IMPACT OF COVID-19 PANDEMIC**

The Coronavirus (Covid-19) Pandemic was announced by the World Health Organization (WHO) in March 2020 given the outbreak of the virus in countries across the world. The sales have been greatly impacted since then.

The spread of Covid-19 has created uncertainty to the near-term global economic prospects and impacted various major business sectors. The company is taking precautionary measures to deal with the present Covid-19 outbreak and future pandemics by implementing all ICMR and Government advisory on Covid-19 related safety protocols.

This on-going Covid-19 will continue to impact the Company's sales and operations in line with the impact of pandemic on the automotive industry, the extent of which will also depend on the success of regional inoculations. As at the date of financial statements are authorised for issuance, the current situation is still evolving and unpredictable. As a result, it is not practicable for the Company to estimate the financial effect of Covid-19 at this juncture. The company is actively monitoring and managing its operations to minimise any potential impacts that may arise from the on-going pandemic.

### **LISTING ON NSE EMERGE**

The Directors are pleased to inform that the Company's Initial Public Offer (IPO) of 45,39,000 Equity Shares of face value of ₹ 10/- (Rupees Ten only) at an issue price of ₹ 50/- per equity share (including a share premium of ₹ 40/- per equity share) aggregating to ₹ 2269.50 lakhs by way of Fixed Price Issue received an overwhelming response from the investors. The Equity Shares of the Company are listed on SME Platform of National Stock Exchange of India Limited ("NSE EMERGE"). The Issue was opened on 28th February, 2022 and closed on 3rd March, 2022 and the trading of Equity Shares commenced on National Stock Exchange of India Limited from 11th March, 2022.

The success of IPO reflects the trust and confidence of stakeholders in the Board and Management of the Company.



# Shigan Quantum Technologies Limited

## Annual Report 2021-22

### ANNUAL REPORT

In compliance of various relaxations provided by the Securities and Exchange Board of India (SEBI) and Ministry of Corporate Affairs (MCA) in the year 2021-22, Annual Report including the Notice of 14th Annual General Meeting (AGM) is being sent in electronic mode to members whose e-mail address were available with its Registrar and Transfer Agent (RTA) or Depositories Participants (DP's).

The members are again requested to register their e-mail address with Company or RTA for receiving e-copies of Annual Report, Notice to the AGM and other shareholder's communication.

### SHARE CAPITAL

#### Authorised Share Capital:

During the financial year, the authorized share capital of the Company increased from ₹ 50,000,000 consisting of 5,000,000 Equity Shares of ₹10 to ₹ 150,000,000 consisting of 15,000,000 Equity Shares of ₹10 each and from ₹ 150,000,000 consisting of 15,000,000 Equity Shares of ₹10 each to ₹ 180,000,000 consisting of 18,000,000 Equity Shares of ₹10 each.

Hence, the Authorised Share Capital of the Company is Rs. 180,000,000/- divided into 18,000,000 equity shares of Rs. 10/- each.

#### Issue of Bonus Shares

During the year under review, the Company has made an allotment of 10,140,720 Equity Shares of Rs.10/- each, as fully paid-up equity shares, in the ratio of 4:1 (i.e. 4 equity shares for every 1 equity share held) on 10 September, 2021.

#### Issued and Paid-Up Share Capital

During the Financial year, the Company made Fresh issue of Equity Shares through Initial Public Offer of 4,539,000 equity shares of face value of Rs. 10/- each for Rs.50/- each including premium of Rs. 40/- per equity share.

With this allotment, the total issued and paid-up capital of the Company has increased to Rs. 172,149,000/- comprising of 17,214,900 equity shares of face value of Rs. 10/- each.

### UTILIZATION OF IPO FUND

The proceeds of fresh issue shall be utilized for the purpose for which it is raised as mentioned in the Prospectus.

### DIVIDEND AND APPROPRIATION

The Board of Directors of your Company with a view of ploughing back of profit do not recommend any Dividend for the year ended on March 31, 2022.

### AMOUNT TO BE CARRIED TO RESERVES

The Board has recommended transfer of Rs. 986.86 Lakhs to General Reserves from the profits during the year under review.

### EXTRACT OF ANNUAL RETURN

In accordance with the Companies Act, 2013, a copy of the Annual Return is placed on the website of the Company at [www.shigan-quantum.com](http://www.shigan-quantum.com).

### TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

There was no amount lying with regard to unpaid and unclaimed dividend of earlier years which was required to be transferred or is due to be transferred to the IEPF during the financial year 2021-22, in terms of the applicable provisions of the Act read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), as amended time to time.

Further, no shares on which dividend has not been paid or claimed for seven (7) consecutive years or more has been transferred up to March 31, 2021 or is due to be transferred to the IEPF during the financial year 2021-22.

### EMPLOYEES STOCK OPTION PLAN

The Company has not provided any Stock Option Scheme to the Employees.

### SUBSIDIARY, HOLDING, JOINT VENTURE AND ASSOCIATE COMPANIES

As on March 31, 2022, the Company does not have any subsidiary or holding or joint venture.

Please refer Financial Statements for details of Associate Companies as defined under the Act.

### BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### Board of Directors

The Company has eminent individuals from diverse fields as Directors on its Board, representing a judicious mix of skills, integrity, professionalism, knowledge, competence and experience.

- Ms. Shubhangi Agarwal (DIN: 08135535) is appointed as a Woman Non-Executive Independent Director of the Company with effect from 10 September 2021 for a term of 5 years.
- Mr. Balraj Bhanot (DIN: 00993431) is appointed as a Non-Executive Independent Director of the Company with effect from 06 October 2021 for a term of 5 years.
- Mr. Vijay Lal Toshavda (DIN: 09307539) is appointed as a Non-Executive Independent Director of the Company with effect from 06 October 2021 for a term of 5 years.

As on March 31, 2022, the Board constitutes of the following Directors:

S. No.	Name of the Director	DIN	Designation
1	Shishir Agrawal	00054871	Managing Director
2	Gagan Agrawal	00054879	Joint Managing Director
3	Balraj Bhanot	00993431	Independent Director
4	Shubhangi Agarwal	08135535	Independent Director
5	Vijay Lal Toshavda	09307539	Independent Director

### **Retirement by Rotation**

Pursuant to the Section 152(6) of the Act, Mr. Shishir Agrawal (DIN 00054871), will retire by rotation at the ensuing AGM and being eligible, offers himself for re-appointment. The Board recommends the re-appointment of Mr. Shishir Agrawal.

The brief profile accompanying terms and conditions including remuneration and information as required to be disclosed under Regulation 36(3) of the Listing Regulations and Secretarial Standard are provided in the Notice convening the AGM.

### **Declaration of Independence by Directors and statement on compliance of Code of Conduct**

The Independent Directors of the Company have submitted a declaration meeting the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 25(8) of SEBI (LODR) Regulations, 2015. The above Declaration has been taken on record. Further, All the Independent Directors of the Company have also complied with the Code for Independent Directors prescribed in Schedule IV of the Companies Act.

### **Relationship between Directors**

Mr. Shishir Agrawal and Mr. Gagan Agrawal are related to each other. None of the Directors other than above are inter-se related to each other as defined under the Act and Listing Regulations.

### **Registration in Independent Directors Databank and Online Proficiency Self-Assessment Test**

In accordance with the Section 150 of the Act and Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors have been registered and are members of Independent Directors Databank maintained by Indian Institute of Corporate Affairs.

### **Key Managerial Personnel (KMP)**

Mr. Nathu Singh Tawar, Chief Financial Officer (KMP) was appointed on 06 October 2021.

Ms. Gunjan Gupta continued as Company Secretary and Compliance Officer during the financial year under review.

### **SEPARATE MEETINGS OF THE INDEPENDENT DIRECTORS**

In compliance with the provisions of the Act and the Listing Regulations, a separate meeting of Independent Directors of the Company was held on February 22, 2022, inter alia, to discuss the following:

- a) To review the performance of Non-Independent Directors, the various Committees of the Board and the Board as a whole;
- b) To review the performance of the Chairperson of the Company;
- c) To assess the quality, quantity and timeliness of flow of information between the Company's Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Performance Evaluation is based on their contribution to Company's objectives and plans, efficient discharge of their responsibilities, participation in Board / Committee meetings and other relevant parameters. The performance evaluation of all the Independent Directors was conducted by the entire Board, excluding the Director being evaluated.

The Independent Directors expressed their overall satisfaction towards the performance of other Directors and also expressed their satisfaction over the quality, quantity and timeliness of flow of information between the Company's Management and the Board, which includes its Committees and performance of Chairperson

of the Company. The performance evaluation of Independent Directors was carried out by the entire Board, excluding the Director being evaluated.

### **Familiarization programme for Independent Directors**

The Company familiarizes its Independent Directors with their roles, rights, responsibilities, liabilities, nature of the industry in which the Company operates, business model of the Company, risks and opportunities, through various presentations and programmes. The Board members including Independent Directors are also updated, from time to time with any significant changes in the ongoing events and development relating to the Company. The Company's Policy of conducting the Familiarisation Programme have been disclosed on the website of the Company

### **MEETINGS OF BOARD AND SHAREHOLDER'S**

The Board meets at regular intervals to review strategic, operational and financial performance of the Company, apart from other agenda items. In case of business exigencies or urgent matters, resolutions are passed by circulations, as permitted by law, which are confirmed in the next Board / Committee meeting. There were 26 (twenty – six) Board Meetings held during the Financial Year 2021-22 viz.

S. No.	Date of Meeting	Total Number of directors associated as on the date of meeting	Attendance	
			Number of Directors Attended	% of attendance
1	19/04/2021	2	2	100
2	08/06/2021	2	2	100
3	29/06/2021	2	2	100
4	06/07/2021	2	2	100
5	25/08/2021	2	2	100
6	30/08/2021	2	2	100
7	02/09/2021	2	2	100
8	10/09/2021	2	2	100
9	17/09/2021	3	2	66.67
10	29/09/2021	3	2	66.67
11	06/10/2021	3	2	66.67
12	12/10/2021	5	2	40
13	13/10/2021	5	2	40
14	16/10/2021	5	2	40
15	20/10/2021	5	2	40
16	22/11/2021	5	2	40
17	30/11/2021	5	2	40
18	15/12/2021	5	2	40
19	24/12/2021	5	2	40
20	21/01/2022	5	2	40
21	27/01/2022	5	2	40
22	31/01/2022	5	2	40
23	08/02/2022	5	2	40
24	22/02/2022	5	5	100
25	07/03/2022	5	2	40
26	28/03/2022	5	2	40

The intervening period between any two consecutive Board meetings was within the maximum time gap prescribed under the Act, Listing Regulations and the Secretarial Standard.

### COMMITTEES OF THE BOARD

The Company has constituted various Committees for smooth functioning of the Board. The composition of all the Committees is in accordance with provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

#### (a) Audit Committee

The Audit Committee comprises of six members, out of which three are Non-Executive and Independent Directors, including the Chairman. The composition of the Committee is as follows:

Name	Status in Committee	Designation
Vijay Lal Toshavda	Chairman	Independent Director
Balraj Bhanot	Member	Independent Director
Shubhangi Agarwal	Member	Independent Director
Shishir Agrawal	Member	Managing Director
Gagan Agrawal	Member	Joint Managing Director
Nathu Singh Tawar	Member	Chief Financial Officer

The Company Secretary & Compliance Officer of our Company acts as the Secretary to the Audit Committee.

#### Brief description of terms of reference:

- Review of the financial reporting process and the Company's financial statements.
- Recommendation for appointment, remuneration and terms of appointment of Auditors.
- Review of the adequacy of internal control systems.
- The detailed terms of reference of Audit Committee covers the areas mentioned under Section 177 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

#### (b) Nomination and Remuneration Committee

The Nomination and Remuneration Committee assists the Board in identifying persons who are qualified to become Directors of our Company and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The detailed terms of reference of the Committee cover the areas mentioned under SEBI (LODR) Regulations, 2015 as well as Section 178 of the Companies Act, 2013. The composition of the Committee is as follows :

Name of Director	Status in Committee	Nature of Directorship
Balraj Bhanot	Chairperson	Independent Director
Vijay Lal Toshavda	Member	Independent Director
Shubhangi Agarwal	Member	Independent Director
Shishir Agrawal	Member	Managing Director

The Company Secretary & Compliance Officer of our Company acts as the Secretary to the Nomination and Remuneration Committee.



### Performance Evaluation

The Board carries out an Annual Performance Evaluation of its own performance, of its Directors individually and that of its Committees in compliance with the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. The evaluation was carried out on the basis of questionnaire prepared in alignment to the Act, Listing Regulations and the SEBI Circular dated January 05, 2017, which provides further clarity on the process of Board Evaluation ('SEBI Guidance Note'). Separate evaluation questionnaire for each category of evaluation viz. the Board, Committees of the Board and have been prepared with separate sets of questions (questionnaire) for each of the evaluation(s).

The results of above performance evaluation was presented to the Nomination and Remuneration Committee and the Board of Directors. The Nomination and Remuneration Committee and Board of Directors expressed their satisfaction towards the process followed by the Company for evaluating the performance of the Directors, Board as a whole including Chairperson and its Committees.

### Nomination and Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee, approved a Policy for Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other related matters. The terms of reference of the Committee are in conformity with the said requirements. The Nomination and Remuneration Policy as approved by the Board may be accessed on Company's website at [www.shigan-quantum.com](http://www.shigan-quantum.com).

### (c) Stakeholder Relationship Committee

The terms of reference of this Committee are wide enough covering the matters specified under the SEBI (LODR) Regulations, 2015 and the Companies Act, 2013. The Stakeholder Relationship Committee comprises of three members and Chairman of the Committee is an Independent Director. The composition of the Committee is as follows :

S. No.	Name of the Director	Status in Committee	Nature of Directorship
1.	Balraj Bhanot	Chairman	Independent Director
2.	Shishir Agrawal	Member	Managing Director
3.	Gagan Agrawal	Member	Joint Managing Director

The Company Secretary & Compliance Officer of our Company acts as the Secretary to the Stakeholder Relationship Committee.

### Following are the details of Complaints pending at the end of the year:

Particulars	As on 31 March 2022
No. of shareholders' complaints received	Nil
No. of complaints not solved to the satisfaction of Shareholders	Nil
No. of pending complaints	Nil

In compliance with the SEBI (LODR) Regulations, 2015, the Company has designated an e-mail Id of the Compliance Officer to look after investor grievances and resolve them in a speedy manner,

### **Compliance Officer**

Name : Ms. Gunjan Gupta

Designation : Company Secretary & Compliance Officer

E-mail Id : investors@shigan.net

### **(d) Corporate Social Responsibility Committee**

In accordance with Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted a Corporate Social Responsibility (CSR) Committee. The composition of the Committee is as follows :

S. No.	Name of the Director	Status in Committee	Nature of Directorship
1	Shishir Agrawal	Chairman	Managing Director
2	Gagan Agrawal	Member	Joint Managing Director
3	Vijay Lal Toshavda	Member	Independent Director

The Company Secretary & Compliance Officer of our Company acts as the Secretary to the Corporate Social Responsibility Committee.

### **Corporate Social Responsibility**

Shigan is committed to build a sustainable business with strong social relevance and a commitment to inclusive growth and contribute to the society by supporting causes on various concerns including road safety, healthcare, environmental sustainability, promoting education, promoting sports and other rural development activities.

In pursuance of our vision that Shigan desires to be a ‘Company which society wants to exist’, we are dedicated towards fulfilling the social objectives through various CSR activities. The Company shall make its endeavour to positively impact and influence the Society for its sustainable development.

The provisions of Corporate Social Responsibility are not applicable to the Company as it does not fall within the purview of Section 135(1) of the Companies Act, 2013.

The policy on Corporate Social Responsibility is available at website of the Company at [www.shigan-quantum.com](http://www.shigan-quantum.com).

### **COMPLIANCE WITH SECRETARIAL STANDARDS**

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

### **DIRECTOR’S RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 134 (5) of the Companies Act, 2013 with respect to Directors’ Responsibility Statement, it is hereby confirmed that:

1. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
2. 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 March 31, 2022 and of the profit and loss of the company for financial year ended on that date.

3. 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, if any;
4. the Directors had prepared the annual accounts on a going concern basis; and
5. Proper internal financial controls are in place and that the financial controls are adequate and are operating effectively;
6. Proper system has devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### **WHISTLE BLOWER POLICY**

The Company has adopted Whistler Blower Policy in compliance with the provisions of Section 177(10) of the Act and Listing Regulations. The Company through its whistle blower mechanism provides a formal mechanism for the directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Policy. This Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee. The policy can be viewed on the Company's website at [www.shigan-quantum.com](http://www.shigan-quantum.com).

### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has always believed that an appropriate standard of conduct should be maintained by the employees and that work environment should be free from discrimination and harassment thereby providing a friendly workplace environment.

Shigan's 'Policy on Prevention of Sexual Harassment of Women at Workplace' is in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder which provide for protection against sexual harassment at workplace and for prevention and redressal of such complaints received by the Company. Internal Complaints Committee has been set up to redress complaints, if any, received regarding sexual harassment.

We affirm that adequate access would be provided to any complainant who wishes to register a complaint under the Policy. During the year under review, the Company did not receive any complaint under the Policy.

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

In terms of the provisions of Regulation 34(2)(e) of the Listing Regulations, Management Discussion and Analysis Report for the year under review, is presented in a separate section, forming part of the Annual Report and provides a detailed analysis on the performance of the business and outlook.

#### **Web link of Annual Return**

A copy of the Annual Return is placed on the website of the Company at [www.shigan-quantum.com](http://www.shigan-quantum.com).

### **CORPORATE GOVERNANCE REPORT**

Shigan is compliant with the principles of the good Corporate Governance and is committed to the highest standard of Compliance. Pursuant to Regulations 15(2) of SEBI (LODR) Regulations 2015, the compliance with Corporate Governance provisions as specified in regulations 17 to 27 and clause (b) to (i) of regulations



# Shigan Quantum Technologies Limited

## *Annual Report 2021-22*

and Para C, D and E of Schedule V shall not apply to the listed entity which has listed its specified securities on SME Exchange. Therefore, the Corporate Governance Report is not applicable on the Company. Hence, the Company is not filing the Corporate Governance Report with the Stock Exchange and Corporate Governance Report do not form part of this Report.

### **AUDITORS**

#### **Statutory Auditors and their Report**

M/s Saria Gupta & Co., Chartered Accountants (FRN: 003168N), Statutory Auditors of the Company, were appointed in the 12<sup>th</sup> AGM to hold office until the conclusion of 17<sup>th</sup> AGM. The Statutory Auditors have confirmed their eligibility and submitted their certificate of disqualification to hold office of Statutory Auditors of the Company.

The Auditors have issued their report on the financial statements for the financial year ended March 31, 2022, with an unmodified opinion and do not contain any qualification, observation or adverse remarks or disclaimer that may call for any explanation from the Board of Directors.

The Auditors' Report is enclosed with the financial statements in this Annual Report. The Auditors have not reported any matter under Section 143(12) of the Act and therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Act.

#### **Secretarial Auditors and their Report**

Pursuant to the provisions of Section 204(1) of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the Listing Regulations, the Board has appointed Mr. Manish Manwani, Manwani & Associates, Company Secretaries to conduct the Secretarial Audit of the Company for the financial year 2021-22. The Secretarial Auditors have submitted their report as provided under **Annexure-A** to this Board's Report, confirming compliance by the Company of all the provisions of applicable laws.

The Secretarial Audit Report does not contain any qualification, observation or adverse remarks or disclaimer that may call for any explanation from the Board of Directors.

#### **Internal Auditor**

M/s ASC Consulting Pvt. Ltd. were appointed as the Internal Auditors of the Company for the financial year 2021-22 in compliance with the provisions of Section 138 of the Act read with Rule 13 of the Companies (Accounts) Rules, 2014. The Internal Audit Report was placed before the Audit Committee and Board. Further, summary of significant audit observations along with recommendations and its implementations are also being reviewed by the Audit Committee.

There were no adverse remarks or qualifications on accounts of the Company from the Internal Auditor.

### **INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Shigan ensures adherence to adequate Internal financial controls systems with respect to the policies and procedures adopted by the Company and this system is periodically reviewed by the Management and audited by the Internal Auditor. The internal control system is implemented for the orderly and efficient conduct of its business, including adherence to Company's policies involving safeguarding of its assets, prevention and detection of frauds and errors, and ensuring the accuracy and completeness of the accounting records, together with the timely preparation of reliable financial information.

The internal control system is supplemented by internal audits. The Audit Committee, Senior Management and Internal Auditor monitors and evaluates the efficacy and adequacy of internal control systems in the Company with reference to the financial statement, its compliance with standard operating procedures,

accounting procedures and policies. The Company focuses on the implementation of the necessary systems and controls to strengthen the system and prevent such recurrence. The Internal Auditors periodically present to the Audit Committee, an internal audit report along with audit observations thereon.

During the year under review, no reportable material weakness in the operation was observed. Further, Statutory Auditors verified the systems and processes and confirmed that the internal financial controls system over financial reporting are adequate and such controls are operating effectively. Based on the framework of internal financial controls, the Board is of the opinion that the Company's internal financial controls were adequate and effective during financial year 2021-22.

### **RISK MANAGEMENT**

The Company has an established comprehensive risk management system to identify and evaluate the key risks existed with the operations of the Company.

Shigan has an established comprehensive risk management system in place to identify and evaluate the key risks existed with the operations of the Company. The Board periodically reviews its comprehensive risk assessment and minimization procedures.

The compliances related to Risk Management Committee as per Regulation 21 of SEBI (LODR) Regulations, 2015 are not applicable on our Company, hence the Company need not to comply with the provisions relating to formation of Risk Management Committee.

The risk management framework followed by the Company is detailed in the Management Discussion and Analysis section, forming an integral part of this Annual Report.

### **COST RECORD**

The provisions of cost audit as specified by the Central Government under Section 148 of the Act, are not applicable to the Company but accounts and records, as required are maintained by the Company.

The Board of Directors have in accordance with the terms of Section 148 of the Companies Act, 2013 and on the recommendation of Audit Committee, approved the appointment of Mr. Mukesh Kumar, Cost Accountant (Membership No. 51275) as the Cost Auditor of the Company for the Financial Year 2022-23 at a remuneration of Rs. 1,10,000/- per annum to conduct the audit of its cost accounting records. The proposed remuneration of the Cost Auditor shall be ratified by the members in the ensuing AGM.

### **PUBLIC DEPOSITS**

The Company has not accepted any public deposits within the meaning of Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014, accordingly no amount of principal or interest on public deposits was outstanding as on the date of financial statements.

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The Company has not given any loan, security or provided any guarantee or any investment falling under Section 186 of the Act.

### **CONTRACTS AND ARRANGEMENT WITH RELATED PARTIES**

All the Related Party Transactions are entered on arm's length basis in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. The disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is annexed as Annexure - B. The Company's policy on Related Party Transactions is available at our website at [www.shigan-quantum.com](http://www.shigan-quantum.com).



# Shigan Quantum Technologies Limited

*Annual Report 2021-22*

The compliances related to Regulation 23(9) of SEBI (LODR) Regulations, 2015 are not applicable on our Company, hence the Company need not comply with the provisions relating to filing of half yearly reports on Related Party Transactions with the Stock Exchanges.

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

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are forms part of this Report as Annexure – C.

## **SIGNIFICANT OR MATERIAL ORDERS PASSED BY THE REGULATORS**

There are no significant and material orders passed against the Company by the Regulators or Courts or Tribunals during the year ended March 31, 2022, which would impact the going concern status of the Company and its future operations. However, please refer the statement on contingent liabilities and commitments in the Notes forming part of the Financial Statements.

## **PARTICULARS OF EMPLOYEES**

The disclosures required under Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company are provided in Annexure –D.

## **GENERAL**

Your Directors state that there were no transactions in respect of the following items during the year under review requiring disclosure or reporting:

1. Issue of Equity Shares with Differential Rights as to Dividend, Voting or otherwise.
2. Application made or proceeding pending under Insolvency and Bankruptcy Code, 2016.
3. One Time Settlement with Banks and / or Financial Institutions

## **APPRECIATION**

The Directors take this opportunity to express their gratitude to all our customers, vendors and business associate, stock exchanges, depositories, investors, statutory bodies, financial institutions and banks, who have motivated the Company to excel in all its pursuits and constantly contributed towards making the Company more valuable.

The Directors also place on record the enthusiasm and unstinting efforts of all the employees at all levels for their hard work, dedication and commitment without which the Company would not have been able to undertake the challenging targets in all areas of operations. Shigan believes in empowering its employees through greater knowledge, team spirit and developing greater sense of responsibility. They are the key reason behind the success of the Company and contribute to scale new heights, year after year. We are fortunate to have such a team whose endeavors have laid a strong foundation for the success of our organization as a whole. Their commitment and contribution is deeply acknowledged. We look forward to their continuing support and involvement.

**For and on behalf of the Board**  
**Shigan Quantum Technologies Limited**

**Place: Gurugram**  
**Date: September 6, 2022**

**Shishir Agrawal**  
**Managing Director**  
**(DIN: 00054871)**

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**SECRETARIAL AUDIT REPORT**

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**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022**

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014)

To

The Members

Shigan Quantum Technologies Limited

I have conducted the Secretarial Audit of the Compliance of applicable Statutory Provisions and the adherence to good corporate practices by M/s Shigan Quantum Technologies Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the Corporate Conducts / Statutory Compliances and expressing our opinion thereon.

Based on my verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed and other records maintained by the Company and also information provided by the Company, its Officers, Agents and Authorised Representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the Audit Period covering the Financial Year ended on March 31, 2022 complied with the Statutory Provisions listed hereunder and also that the Company has proper Board processes and Compliance mechanism in place to the extent, in the manner and subject to the reporting made herein after:

I have examined the Books, Papers, Minutes Books, Forms and Returns filed and other Records maintained by M/s Shigan Quantum Technologies Limited for the Financial Year ended March 31, 2022 and made available to me, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas as Direct Investment and External Commercial Borrowings; [Not applicable to the Company during the Audit Period]
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.
  - (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
  - (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
  - (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 [Not applicable during the Audit Period]
  - (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 [Not applicable during the Audit Period]
  - (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 [Not applicable during the Audit Period]
  - (g) Securities and Exchange Board of India (Issue and Listing of Non – Convertible and Redeemable Preference Shares) Regulations, 2013 [Not applicable during the Audit Period]
  - (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2014
  - (i) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [Not applicable during the Audit Period] and
  - (j) Depositories Act, 1996
  - (k) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 and
- (vi) The other laws, as informed and certified by the Management of the Company which are specifically applicable to the Company are:
1. Factories Act, 1948 and Rules made thereunder
  2. Bureau of Indian Standards Act, 2016 and Rules made thereunder
  3. The Delhi Shop and Establishment Act, 1954 and Rules made thereunder
  4. Payment of Wages Act, 1936, and Rules made thereunder
  5. The Minimum Wages Act, 1948, and Rules made thereunder
  6. Employees' State Insurance Act, 1948 and Rules made thereunder
  7. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and Rules made thereunder
  8. The Water (Prevention and Control of pollution) Act, 1974 and Rules made thereunder
  9. Environment Protection Act, 1986 and Rules made thereunder
  10. Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979
  11. The Air (Prevention and Control of Pollution) Act, 1981

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (ii) The Listing Regulations as applicable to the Company

The compliance of the above laws is based on the Compliance Certificate issued by the Manager and the Company Secretary of the Company and submitted to the Board of Directors of the Company.



During the Audit Period under review and as per the explanation and clarifications given to me and the representations made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc.,

**I further report that:**

- a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non - Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review, were carried out in compliance with the provisions of the Companies Act, 2013.
- b. Adequate Notice is given to all Directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the Meeting and for meaningful participation of the Meeting.
- c. As per the Minutes of the Meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous, and no dissenting views have been recorded.

I further report that, based on the review of the Compliance Reports and the Certificates of Company Secretary / Director taken on record by the Board of Directors of the Company, in my opinion there are adequate systems and processes in the Company with the size and operations of the Company to monitor and ensure Compliance with applicable Laws, Rules, Regulations and Guidelines.

This Report is to be read with our letter of even date, which is annexed as "Annexure - A" and forms an integral part of this Report.

**For Manwani & Associates  
Company Secretaries**

**Place: Gurugram  
Date: 06/09/2022  
UDIN NO.:- A029163D000928710**

**Manish Manwani (Proprietor)  
C. P. No. : 23510**



# Shigan Quantum Technologies Limited

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## Annexure – A to the Secretarial Audit Report

To  
The Members  
M/s Shigan Quantum Technologies Limited  
My Report of even date is to be read along with this Letter.

### MANAGEMENT'S RESPONSIBILITY

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these Secretarial Records, Standards and Procedures followed by the Company with respect to Secretarial Compliances based on my Audit.

### AUDITOR'S RESPONSIBILITY

2. I have followed the Audit Practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial Records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.
3. Wherever required, I have obtained the Management Representation about the Compliance of Laws, Rules and Regulations and happening of events, etc.
4. The Compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.

### DISCLAIMER

5. I have relied on the Management Representations and assurances for certain verifications and cross checks, wherever required, for forming opinion and eventual reporting. While I have taken all possible steps to verify the records as made available to me by the Company through physical as well as electronic medium and taken confirmation from the Company wherever required, but the audit was done subject to and with a limitation of inspection of documents.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.
7. I have not verified the correctness and appropriateness of the Financial Records and Books of Accounts of the Company.

**For Manwani & Associates  
Company Secretaries**

**Place: Gurugram  
Date: 06/09/2022  
UDIN NO.:- A029163D000928710**

**Manish Manwani (Proprietor)  
C. P. No. : 23510**

### ANNEXURE-B

#### FORM NO. AOC-2

(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: **NIL**

Name of Related Party and nature of relationship	Nature of Contract	Duration of Contract	Date of Approval by Board	Salient Terms	Amount In INR	Amount paid as advance
			NIL			

2. Details of materials contracts or arrangement or transaction's at arm's length basis:

Name of Related Party and nature of relationship	Nature of Contract	Duration of Contract	Date of Approval by Board	Salient Terms	Amount In INR Lakhs	Amount paid as advance
Shishir Agrawal	Director	Financial Year	28/03/2022	Consultancy Charges	42.00	0
				Salary	29.70	
Gagan Agrawal	Director	Financial Year	28/03/2022	Consultancy Charges	42.00	0
				Salary	29.70	
Nathu Singh Tawar	Chief Financial Officer	Financial Year	28/03/2022	Salary	24.00	0
Gunjan Gupta	Company Secretary	Financial Year	28/03/2022	Salary	7.00	0
M/s Shigan Evoltz Limited	Associates	Financial Year	28/03/2022	Development Cost	165.00	0
				Sale	98.84	
SA Family Trust	Associates	Financial Year	28/03/2022	Royalty Paid	72.02	
GA Family Trust	Associates	Financial Year	28/03/2022	Royalty Paid	72.02	
M/s Orient Transport Agency	Associates	Financial Year	28/03/2022	Freight paid	45.24	0
M/s CLH Gaseous Fuel Applications Pvt Ltd.	Associates	Financial Year	28/03/2022	Sales	463.30	0
				Purchase	6,201.63	
				Rent Paid	105.00	

### ANNEXURE-C

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

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

##### A) Conservation of energy:

Sr. No.	Particulars	Brief Description
1.	the steps taken or impact on conservation of energy	The Company requires energy for its operations and is making all efforts to conserve energy by monitoring energy costs and periodically reviewing the consumption of the energy.  We also take appropriate steps to reduce the consumption through efficiency in usage and timely maintenance / installation / upgradation of energy saving devices.  The Capital investment is made for replacement of old compressor with the new compressor. Energy efficient motors, LED lights, five star rated ACs are installed in the Company premises.
2.	the steps taken by the company for utilising alternate sources of energy	
3.	the capital investment on energy conservation equipment's	

##### B) Technology absorption:

Sr. No.	Particulars	Brief Description
1.	The efforts made towards technology absorption	Your Company uses latest technology and equipment into its business.
2.	The benefits derived like product improvement, manufacturing activities, cost reduction, product development or import substitution;	
3.	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) <ul style="list-style-type: none"> <li>◆ the details of technology imported;</li> <li>◆ the year of import;</li> <li>◆ whether the technology been fully absorbed;</li> <li>◆ if not fully absorbed, areas where absorption has not taken place, and the reasons thereof</li> </ul>	
4.	The expenditure incurred on Research and Development.	Your Company has spent Rs. 341.38 lakhs during the financial year on Research and Development activities and has been active in harnessing and tapping the latest and the best technology in the industry.



# Shigan Quantum Technologies Limited

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### C) Foreign Exchange Earning and Outgo

The details of foreign exchange earnings and outgo as required under section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are as under:

Particulars	<i>(Rs. In Lakhs)</i>	
	2021-22	2020-21
Foreign Exchange Outgo	8703.00	2150.90
Foreign Exchange Earnings	204.44	5.00

**ANNEXURE-D**  
**PARTICULARS OF EMPLOYEES**

*[Pursuant to Section 197(12) of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

**1 Remuneration disclosures of the Directors and Key Managerial Personnel employees as per Section 197(12) of the Act read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

Name of the Director/KMP	Designation	Remuneration for the FY2021-22 (in Lakhs)	% increase in remuneration over last year	Ratio of remuneration of Directors with median remuneration of employees
Mr. Shishir Agrawal	Executive Director	71.70	15.64%	16:1
Mr. Gagan Agrawal	Executive Director	71.70	15.64%	16:1
Mr. Balraj Bhanot	Independent Director	0.10	NA	NA
Mr. Vijay Lal Toshavda	Independent Director	0.10	NA	NA
Mrs. Shubhangi Agarwal	Independent Director	0.10	NA	NA
Mr. Nathu Singh Tawar	Chief Financial Officer	24.00	33.33%	NA
Ms. Gunjan Gupta	Company Secretary	7.00	NA	NA

a) Sitting fees paid to Independent Directors during the financial year is not considered as remuneration for ratio calculation purpose, hence commission paid to them is reported above.

- (i) The percentage increase in the median remuneration of employees during the financial year 2021-22: **22.69 %**
- (ii) The number of permanent employees on the rolls of Company as on March 31, 2022: **86**
- (iii) The average percentile increase made in the salaries of employees other than the managerial personnel in the financial year 21-22 14.50% and whereas increase in remuneration of Managerial employee is 19.57% .its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.
- (iv) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for the Directors, KMP's/SMP's and other employees.

**2 Particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

- (i) In terms of proviso to Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, particulars of top ten (10) employees in terms of remuneration drawn shall be made available to any shareholder on a specific request made by him/her in writing before the date of AGM wherein financial statements for the financial year 2021- 22 are proposed to be adopted by shareholders and such particulars shall be made available by the Company within three (3) days from the date of receipt of such request from shareholders.
- (ii) Details of employees employed throughout the financial year who were in receipt of the remuneration for that year which, in aggregate, was not less than Rs. 1.02 Crore: **None**
- (iii) Details of employees employed for a part of the financial year and who were in receipt of the remuneration during for that financial year at a rate not less than Rs. 8,50,000 per month: **None**



# Shigan Quantum Technologies Limited

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- (iv) Particulars of employees employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate is in excess of that drawn by the Managing Director or Whole-time Director or Manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company: None

For and on behalf of the Board  
**Shigan Quantum Technologies Limited**

**Place: Gurugram**  
**Date: 06.09.2022**

**Shishir Agrawal**  
**Managing Director**  
**(DIN: 00054871)**

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**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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The Management Discussion and Analysis present the Industry overview, opportunities and threats, the Company's initiatives and overall strategy of becoming a market-driven service provider with various offerings. The Company is optimistic about capturing a substantial share of the global and domestic market amid the threats faced due to the liberalization and increased competition from well-established companies from India and abroad.

**GLOBAL ECONOMIC OUTLOOK**

2021 has been another challenging year owing to the continuing and pervasive impact of COVID-19, especially with the advent of new variants causing increased fatalities. Supply side constraints disrupted financial markets and businesses. Central Banks proposed various measures to ensure credit was available to companies and individuals. Large-scale vaccination drives worldwide, and accommodative policy measures boosted economic recovery. However, many low-income, emerging economies continue to struggle with the uncertainties unleashed by the pandemic. Rising supply chain disruptions, semiconductor shortages and the continued energy crisis have worsened the situation. According to the International Monetary Fund (IMF) outlook, as of January 2022, global growth is predicted to be 4.4% in 2022, down from 5.9% in 2021, and drop to 3.8% in 2023. But the forecast hinges upon improved health conditions induced by aggressive vaccination drives and the availability of advanced and effective therapies. By the second quarter of 2022, the negative impact is expected to lessen, provided there are no fresh outbreaks.

The US Economy bounced back on the growth trajectory in the fourth quarter by restocking to meet strong demands from consumers, recording its best performance in nearly four decades. US Commerce Department's GDP increased at a 6.9% annualized rate in the October-December quarter. 2020 saw the US economy contract to 3.4%, the lowest performance in 74 years. Massive fiscal stimulus coupled with meagre interest rates helped the nation post its most robust growth since 1984 in 2021. However, December saw the Omicron variant rise, damaging the growth rate. At its March meeting, the US Federal Reserve announced an increase in its target for the federal funds rate to 0.25%-0.5% and anticipated further ongoing increases, as appropriate. Growth is moderating in the Euro area, but the economy is expected to recover strongly during the year, boosted by ample policy support. Robust domestic demand and improved labour markets are expected to be the primary growth drivers. To mitigate the effects of the ongoing pandemic, some Euro area countries have reintroduced tighter containment measures, delaying recovery, especially in travel, tourism, hospitality and entertainment. In addition, rising energy costs, supply chain bottlenecks and shortages of equipment, materials and labour in some sectors hamper production and slow recovery.

The ongoing Russia-Ukraine crisis also acts as a headwind for speedy economic recovery. In the UK, a series of issues, including Supply Chain disruptions, Labour shortages, Brexit Trade Restrictions and panic buying, moderated growth in the second half of 2021. Private consumption, rather than investment, remained a fundamental driver of activity. In the UK, most of the population has already received a booster dose. Still, lower-income households continue to struggle to manage the inflationary pressures as they attempt to re-enter the workforce post furlough. Manufacturing activity has increased substantially within emerging markets and developing countries (EMDEs). Lockdowns scrambled the supply delivery time for production materials and final goods to other parts of the world. Along with continued supply chain disruptions and tight labour markets, inflation continues to rise in many EMs owing to higher fuel and food prices. There are initial signs of a diverging growth trend between developing and developed economies in the post-pandemic era. According to the IMF, the recent Russia-Ukraine conflict will continue to substantially impact the global economy and financial markets, with significant spillovers to other countries. Despite the impact of the pandemic, the unprecedented collective policy efforts by governments and central banks, paired with the resilience and innovations of private enterprises, have



helped minimize lasting economic and physical damage worldwide. The pandemic has accelerated the pace of digitalization, with businesses ramping up their technology use and digital presence. This trend will likely continue into the 'next normal' and will aid in chasing newer avenues of growth led by innovation while enhancing efficiency. While the direction of the Russia-Ukraine crisis remains uncertain, its impact on the global economy will remain. In the near term, many governments will need to cushion the blow of higher energy prices, diversify energy sources and increase efficiency wherever possible. Full economic revival seems to be further away. Still, when businesses and governments work in tandem, across borders and disciplines, we will be able to weather this storm and come out stronger and more resilient by the end of it.

### **INDIAN ECONOMY**

While forecasting real GDP growth of 9.2% for FY22, the Reserve Bank of India has projected the growth for FY23 at 7.8% in its February 2022 update, expecting some loss of momentum due to adverse global events. As per the National Statistical Office, the country's real GDP expanded by 5.4% on a year-on-year basis in the third quarter of FY22. Record-breaking Kharif crop productions have kept the growth of the farm sector steady, while Industrial and services activity experienced a staggering recovery. The Union Budget 2022-23 aims to bolster a sharp economic recovery from the pandemic lows against a strong capital market. The budget's focus has been on growth revival, and the government has focused on driving capital expenditure and supporting the manufacturing sector. These measures will deliver inclusive growth, job creation and welfare for its citizens while slowly guiding the economy towards modern and renewable energy.

### **AUTO - ANCILLARY SECTOR OUTLOOK**

In terms of market size, the India passenger car market was valued at US\$ 32.70 Billion in 2021, and it is expected to reach a value of US\$ 54.84 billion by 2027, while registering a CAGR of over 9% between 2022-27. The Electric Vehicle (EV) market is estimated to reach Rs.50,000 Crores (US\$ 7.09 billion) in India by 2025.

India has a strong market in terms of domestic demand and exports. In FY22, Total Passenger Vehicle Sales reached 3.07 million, while Automobile Exports from India stood at 5,617,246. This is because India has significant cost advantages, as Automobile firms save 10-25% on operations vis-a-vis Europe and Latin America. The Indian Automotive Industry is targeting to increase export of vehicles by five times during 2016-26.

Foreign companies such as Kia Motors and Volkswagen have adapted themselves to cater to the large Indian middle-class population by dropping their traditional structure and designs. This has allowed them to compete directly with domestic firms, making the sector highly competitive.

India is currently shifting focus to electric cars to reduce emissions. In terms of electric vehicles (EVs), in Q3 FY22, sales reached a new high of 5,592 units. Overall, in 2021, 329,190 EVs were sold in India, indicating a 168% YoY growth over last year's sales of 122,607 units. A report by India Energy Storage Alliance estimated that the EV market in India is likely to increase at a CAGR of 36% until 2026. In addition, projection for the EV battery market is forecast to expand at a CAGR of 30% during the same period.

There have been plenty of investments in the Automobile Sector recently, as the Government of India expects the Automobile Sector to attract US\$ 8-10 Billion in local and Foreign Investments by 2023. The industry attracted Foreign Direct Investment Equity Inflow (FDI) worth US\$ 32.84 Billion between April 2000 and March 2022, accounting for 6% of the Total Equity FDI during the period.

Investment flow into EV start-ups in 2021 touched an all-time high, increasing nearly 255% to reach Rs. 3,307 Crores (US\$ 444 million). There is a need to set up proper charging infrastructure for EVs in India. To install Electric Vehicle Supply Equipment (EVSE) Infrastructure for EVs, various Public Sector Firms, Ministries and Railways have come together to create infrastructure, and to manufacture components.

The Indian government has planned US\$ 3.5 billion in incentives over a five-year period until 2026 under

arevamped scheme to encourage production and export of clean technology vehicles. Initiatives like Make in India, the Automotive Mission Plan 2026, and NEMMP 2020 will be a net positive for the sector.

Mr. Nitin Gadkari, Minister of Road Transport and Highways, has revealed plans to roll out Bharat NCAP, India's own vehicle safety assessment program. In 2021, Prime Minister Mr. Narendra Modi launched the Vehicle Scrappage Policy, which aims to phase out old polluting vehicles in an environmentally - safe manner.

The Government aims to develop India as a global manufacturing and research and development (R&D) hub. It has set up National Automotive Testing and R&D Infrastructure Project (NATRiP) centres as well as the National Automotive Board to act as facilitator between the Government and the industry. Under (NATRiP), five testing and research centres have been established in the country since 2015.

Following on from the COVID-19 pandemic, the Indian automobiles sector is expected to bounce back and show strong growth in FY23. If it continues on its upward trajectory, India could be a leader in shared mobility by 2030, providing opportunities for electric and autonomous vehicle.

### **Safety**

As part of its policy of giving utmost importance to safety, the Company is continuously evaluating every process at its factory premises and taking necessary steps for the safety of personnel as well as of equipments. The Company conducts safety review on regular basis and takes appropriate steps based on the findings.

## **OPPORTUNITIES AND THREATS**

### **Opportunities**

The Company has been broadening and deepening customer relationships by continually looking for new opportunities and newer areas in their businesses to add value, proactively investing in building newer capabilities, re-skilling its workforce and launching newer services towards long-term sustainability goals.

The budget announced by the Government for Fiscal Year 2022-23 is said to benefit the Automotive Industry with higher infrastructure spending. These measures are a positive sign towards growth in core industries and provide the Company with the possibility of new business opportunities. It also helps the Company to tap the business opportunity during expansion as well as during regular operations.

The Company has managed to considerably grow its exports despite the pandemic and the resultant impact on logistics posing challenge to international trade. With the domestic growth expected to be average over the medium/long term, the Company considers exports as the area of opportunity over the medium/long term. The Company is taking various measures to establish its products in the overseas markets. The Company believes that there will be good growth and returns from exports in the medium to long term.

### **Threats**

The economic impact of COVID-19 has been a major threat and almost all countries faced a slowdown in economic growth amidst rising trade tensions and policy uncertainties. This had a bearing on various industries and sectors. Russia's war on Ukraine has sent aluminium and other commodity prices soaring to very high levels. But spiraling commodity prices and input costs has its impact on the manufacturers, especially small and medium enterprises. Global supply chain disruptions are likely to continue. Rising inflation trend in the global market can have an adverse impact on the price of raw materials, inventory and labour.

### **FUTURE OUTLOOK**

In 2022-23, construction and manufacturing activities in India are likely to be supported by spending on infrastructure and a gradual revival in automotive production, with an expected improvement in semiconductor supply. Raw material supply constraints in the international market is expected to result in higher domestic mining output and support the capital goods sector. Boosted by higher spends on infrastructure and gradual revival of the automotive sector, India's automotive vehicle demand growth is expected to be high in 2022. In this backdrop, the future-outlook is positive combined with high degree of uncertainty and unpredictability. In these circumstances, the Company and the Management are prepared to take swift decisions based on emerging situation, keeping the interest of all Stakeholders in mind.

### **RISKS AND CONCERNS**

Risk is a potential event or non-event, the occurrence or non-occurrence of which, can adversely affect the objectives or strategy of the Company or result in opportunities being missed. A risk could be categorized into financial, operational, strategic, regulatory / statutory, reputational, political, catastrophic / pandemic, etc.

Your Company constantly reviews its policies and procedures to adhere to ensure conformity to the various regulatory approvals for its manufacturing facilities.

### **COMPANY OVERVIEW**

Our focus is on expanding more revenue generation opportunities. Your Company continues to work towards optimizing the resources and aim at the business opportunities available in line with its strategy. Your Company will try to ensure that it remains competitive in market, in costs and will manage the business more dynamically.

### **Performance and Operations Review Operating Results**

The Company recorded Revenue from Operations of Rs. 24205.01 Lakhs for the Year ended March 31, 2022, as against Rs. 9602.26 Lakhs recorded during the previous year. It achieved PAT of Rs. 986.86 Lakhs as against the corresponding previous year, PAT was Rs. 367.13 Lakhs. The Company also focussed closely on Cost Control and Working Capital Management. This enabled the Company to increase the Turnover and Profitability.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has reasonable Internal Control Systems, with defined guidelines on Compliance, which enables it to run its operations with a fair degree of comfort.

Internal Controls are implemented to safeguard its Assets, to keep constant check on Cost Structure, to provide adequate Financial and Accounting Controls and implement Accounting Standards. The system incorporates continuous Monitoring, Routine Reporting, Checks and Balances, Purchase Policies, Authorization and Delegation procedures and Audit etc. Internal Controls are adequately supported by Internal Audit Team and periodic review by the Management.

The Audit Committee meets periodically to review with the Management, Statutory Auditors and with the Internal Auditors, Adequacy / Scope of the Internal Audit Function, Significant Findings and follow up there on and findings of any abnormal nature. The system is improved and modified continuously to meet with changes in business condition, statutory and accounting requirements.



# Shigan Quantum Technologies Limited

## *Annual Report 2021-22*

### **MATERIAL DEVELOPMENT IN INDUSTRIAL RELATIONS FRONT**

The growth attained by the Company is largely a function of the competence and quality of its human resources. The work environment is very challenging and performance-oriented, recognizing employee potentials by providing them with adequate opportunities. We have made efforts to discipline our hiring process. Acquisition and retention of talent which is in line with your Company's goals continues to be a major thrust area.

The Company continues to look at, identify, create and execute initiatives that enhance productivity and efficiency. The Company will invest as hitherto in people through various initiatives which enable the workforce to meet the production and service expectations and challenges related thereto and to infuse positive enthusiasm towards the organization.



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## **INDEPENDENT AUDITOR'S REPORT**

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**To The Members of Shigan Quantum Technologies Limited  
(Formerly known as Shigan Quantum Technologies Private Limited)**

### **Report on the Audit of the Financial statements**

#### **Opinion**

We have audited the accompanying financial statements of Shigan Quantum Technologies Limited (Formerly known as Shigan Quantum Technologies Private Limited) (“the Company”), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and 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 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, 2006, as amended (“Accounting Standards”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit and its cash flows for the year ended on that date.

#### **Basis for Opinion**

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

#### **Information Other than the Financial Statements and Auditor’s Report Thereon**

- The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis and Directors Report (the “Reports”), but does not include the financial statements and our auditor’s report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows in accordance with the Accounting Standards and other 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 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on 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 the management.

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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**

1. As required by Section 143(3) of the Act, based on our audit, 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 Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
  - D. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - E. On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - F. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure

A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.

G. With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion 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.

H. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- 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, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
    - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company.
    - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
  - b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall:
    - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or
    - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
  - c) Based on such audit procedures as 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. No Dividend have been declared or paid during the year by the Company.





# Shigan Quantum Technologies Limited

## *Annual Report 2021-22*

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Saria Gupta & Co.**  
Chartered Accountants  
(Firm's Registration No. – 003168N)

Sachin Singhal  
(Partner)  
(M. No. 550213)  
(UDIN -22550213AJMZDG5786)

Place : New Delhi  
Date : May 24, 2022

## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

*(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)*

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Shigan Quantum Technologies Limited (Formerly known as Shigan Quantum Technologies Private Limited) (“the Company”) as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the 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 criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note.

For **Saria Gupta & Co.**  
Chartered Accountants  
(Firm's Registration No. – 003168N)

Sachin Singhal  
(Partner)  
(M. No. 550213)  
(UDIN -22550213AJMZDG5786)

Place : New Delhi  
Date : May 24, 2022

**ANNEXURE – B: Report under the Companies (Auditor’s Report) Order, 2020**

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date on the accounts of **Shigan Quantum Technologies Limited (Formerly known as Shigan Quantum Technologies Private Limited)** (the “Company”) for the year ended March 31, 2022).

- i. According to the information & explanation given to us and on the basis of our examination of the records of the Company, in respect of property, plant & equipment and intangible assets:
  - a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of its property, plant & equipment.  
(B) The Company has maintained proper records showing full particulars of Intangible assets.
  - b) The Property, Plant & Equipment were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information & explanation given to us, no material discrepancies were noticed on such verification.
  - c) There are no immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) in the Company and hence, reporting under clause 3(i)(c) of the order is not applicable.
  - d) The Company has not revalued its property, plant & equipment (including right to use assets) or intangible assets or both during the year and hence, reporting under clause 3(i)(d) of the order is not applicable.
  - e) There are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made there under and hence, reporting under clause 3(i)(e) of the order is not applicable.
- ii.
  - a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.
  - b) The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets during any point of time of the year. The quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.
- iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Hence, reporting under clause 3(iii) of the order is not applicable.

- iv. In our opinion and according to information and explanation given to us, the company has complied the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- v. According to the information and explanation given to us, the Company has not accepted any deposits or amounts deemed to be deposits during the year and hence the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under are not applicable to the Company.
- vi. To the best of our knowledge and according to the information and explanations given to us, the Central Government of India has prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for the activities of the company. Further, the company has maintained adequate records as per Companies (Cost Records and Audit) Rules, 2014.
- vii. According to the information & explanation given to us, in respect of statutory dues:
  - a) The Company has generally been regular in depositing undisputed statutory dues including Goods & Service Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Service Tax, Customs Duty, Value Added Tax, Goods and Services Tax, Cess and other material statutory dues applicable to it with the appropriate authorities during the year. There were no undisputed amounts payable in respect of Goods & Service Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Service Tax, Customs Duty, Value Added Tax, Goods & Services Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.
  - b) There are no statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of any dispute.
- viii. There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- ix. Based on information and explanation provided by the management of Company and on the basis of our examination of the records of the Company,
  - a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender. Hence, reporting under paragraph 3(ix)(a) is not applicable to that extent.
  - b) The Company has not been declared willful defaulter by any bank or financial institution or other lender.
  - c) In our opinion and according to the information and explanations given by the management, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.
  - d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

- e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x. (a) During the year, the company has raised moneys by way of initial public offer by issuing 45,39,000 equity shares of ₹ 10 each at a premium of ₹ 40 per share. The moneys as raised have been partially applied till March 31, 2022 and remaining amount is held as short-term deposits and bank balances as follows:

(Rs. In Lakhs)

S. No.	Object of the Issue	Amount allocated for the object	Amount utilized till March 31, 2022	Amount unutilized till March 31, 2022
1	To meet Working Capital requirements	1,681.00	-	1,681.00
2	To finance the purchase of Machinery	395.00	-	395.00
3	General Corporate Purpose	100.00	-	100.00
4	To Meet offer related Expenses	93.50	39.83	53.67
<b>Total</b>		<b>2,269.50</b>	<b>39.83</b>	<b>2,229.67</b>

*Note: The Company has utilised its internal accruals to the tune of ₹ 25.30 Lakhs for payment of issue related expenses before launch of IPO.*

*Further, the Company has kept the unutilized portion in short-term fixed deposits with Banks to the tune of ₹ 2000 Lakhs and remaining amount of ₹ 204.37 lakhs is lying in the current accounts held with the banks.*

Further, and hence, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- xi. (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) According to the information and explanations given to us by the management, no whistle-blower complaints had been received by the company.

- xii. The company is not a Nidhi Company. Accordingly, paragraph 3(xii) of Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the record of the Company, transactions with related parties are in compliance with the provisions of section 177 and 188 of the Companies Act where applicable and the details have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports issued to the Company during the year and covering the period up to March 31, 2022 for the period under audit.
- xv. According to the information and explanations given to us and based on our examination of the record of the Company, the company has not entered into any non-cash transactions with directors or persons connected with him hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence, reporting under clause 3(xvi)(a) of the order is not applicable.
- (b) The company has not conducted any non-banking financial or housing finance activities during the year and hence, the company is not required to obtain certificate of registration from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi)(c) of the order is not applicable.
- (c) The company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India and hence, reporting under clause 3(xvi)(c) of the order is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Group does not have more than one CIC as part of the group.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- 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.



# Shigan Quantum Technologies Limited

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- xx. According to the information and explanations given to us and based on our examination of the record of the Company, the Company is not liable to spend any amount towards Corporate Social Responsibility (CSR) as per Companies Act and hence, reporting under clause (xx) of the Order is not applicable for the year.
- xxi. The company is not required to prepare Consolidate financial statement hence this clause is not applicable.

For **Saria Gupta & Co.**  
Chartered Accountants  
(Firm's Registration No. – 003168N)

Sachin Singhal  
(Partner)  
(M. No. 550213)  
(UDIN -22550213AJMZDG5786)

Place : New Delhi  
Date : May 24, 2022



### BALANCE SHEET AS AT 31st MARCH 2022

(Rs. in Lakhs)

Particulars	Note No.	As at 31.03.2022	As at 31.03.2021
		Rs.	Rs.
<b>A EQUITY AND LIABILITIES:</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	2	1,721.49	253.52
(b) Reserves and surplus	3	3,247.56	1,459.18
<b>2 Share application money pending allotment</b>		-	-
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	4	83.49	114.87
(b) Deferred tax liabilities (net)		-	-
(c) Other long-term liabilities	5	-	-
(d) Long-term provisions	6	105.76	49.34
<b>4 Current liabilities</b>			
(a) Short-term borrowings	7	2,140.33	762.39
(b) Trade payables	8		
-Due to Micro, Small and Medium Enterprises		153.59	163.65
-Due to Others		4,137.90	1,334.10
(c) Other current liabilities	9	2,146.61	313.77
(d) Short-term provisions	10	108.84	109.23
Total		<b>13,845.57</b>	<b>4,560.04</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, Plant & Equipment and Intangible Assets			
- Property, Plant & Equipment	11	461.27	308.35
- Intangible assets		217.54	4.92
- Capital Work-in-Progress		-	275.31
(b) Deferred Tax Assets (net)	12	43.94	24.48
(c) Long-term loans and advances	13	6.55	6.55
(c) Other non-current assets	14	69.02	4.43
<b>2 Current assets</b>			
(a) Current Investment		-	-
(b) Inventories	15	5,450.72	1,209.75
(c) Trade receivables	16	3,480.27	1,118.93
(d) Cash and cash equivalents	17	2,588.46	217.21
(e) Short-term loans and advances	18	1,527.80	1,390.12
Total		<b>13,845.57</b>	<b>4,560.04</b>

SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS.

" SUBJECT TO OUR REPORT OF EVEN DATE"

For **SARIA GUPTA & CO.**  
Chartered Accountants

**SACHIN SINGHAL**  
PARTNER  
M. NO. 550213  
FRN 003168N  
UDIN:- 22550213AJMZDG5786  
Place: Gurgaon  
Date: May 24, 2022

FOR AND ON BEHALF OF THE BOARD  
**SHIGAN QUANTUM TECHNOLOGIES LTD**

SHISHIR AGRAWAL  
Director  
DIN - 00054871

GAGAN AGRAWAL  
Director  
DIN - 00054879

NATHU SINGH TAWAR  
(CFO)  
Place: Gurgaon  
Date: May 24, 2022

GUNJAN GUPTA  
(COMPANY SECRETARY)

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022**

(Rs. in Lakhs)

Particulars		Note No.	For the Year ended 31.03.2022	For the Year ended 31.03.2021
			Rs.	Rs.
<b>1</b>	<b>Revenue from operations (gross)</b>			
	Revenue from operations (net)	19	24,205.01	9,565.96
<b>2</b>	Other income	20	33.54	27.54
<b>3</b>	<b>Total revenue (1+2)</b>		<b>24,238.55</b>	<b>9,593.50</b>
<b>4</b>	<b>Expenses</b>			
	(a) Cost of materials consumed	21	18,842.64	6,404.92
	(b) Manufacturing and Other Direct Expenses	23	2,872.52	1,540.24
	(c) Change in Inventories in Finished goods and work in progress	22	(764.65)	9.99
	(d) Employee benefits expense	24	688.61	305.12
	(e) Finance costs	25	237.54	132.52
	(f) Depreciation and amortisation expense	11	148.08	68.41
	(g) Other expenses	26	896.62	639.47
	<b>Total expenses</b>		<b>22,921.36</b>	<b>9,100.67</b>
<b>5</b>	<b>Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)</b>		<b>1,317.19</b>	<b>492.83</b>
<b>6</b>	Exceptional items		-	-
<b>7</b>	<b>Profit / (Loss) before extraordinary items and tax (5 ± 6)</b>		<b>1,317.19</b>	<b>492.83</b>
<b>8</b>	Extraordinary items		-	-
<b>9</b>	<b>Profit / (Loss) before tax (7 ± 8)</b>		<b>1,317.19</b>	<b>492.83</b>
<b>10</b>	<b>Tax expense:</b>			
	(a) Tax expense for current year		349.79	124.25
	(b) Deferred tax		(19.46)	1.45
	<b>Total Tax Expense</b>		<b>330.33</b>	<b>125.70</b>
<b>11</b>	<b>Profit / (Loss) from continuing operations (9 - 10)</b>		<b>986.86</b>	<b>367.13</b>
<b>12</b>	<b>Earnings per Equity Share :-</b>			
	<b>Face Value of ₹ 10/- each</b>			
	Basic		<b>7.60</b>	<b>2.90</b>
	Diluted		<b>7.60</b>	<b>2.90</b>

SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS.  
" SUBJECT TO OUR REPORT OF EVEN DATE"

**For SARIA GUPTA & CO.**  
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD  
**SHIGAN QUANTUM TECHNOLOGIES LTD**

**SACHIN SINGHAL**  
PARTNER  
M. NO. 550213  
FRN 003168N  
UDIN:- 22550213AJMZDG5786  
Place: Gurgaon  
Date: May 24, 2022

**SHISHIR AGRAWAL**  
Director  
DIN - 00054871

**GAGAN AGRAWAL**  
Director  
DIN - 00054879

**NATHU SINGH TAWAR**  
(CFO)  
Place: Gurgaon  
Date: May 24, 2022

**GUNJAN GUPTA**  
(COMPANY SECRETARY)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2022**

(Rs. in Lakhs)

Particulars	For the Year ended 31st March 2022		For the Year ended 31st March 2021	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit / (loss) before taxation	1,317.19		492.83	
<b>Adjustments for :-</b>				
Depreciation and amortisation expense	148.08		68.41	
Interest expense	237.54		132.52	
Profit on sale of assets	-		-	
Gratuity	60.07		4.31	
Leave Encashment				
Interest income	(8.15)		(2.16)	
<b>Operating profit before working capital changes</b>	<b>1,754.73</b>		<b>695.91</b>	
<b>Movement in working capital :-</b>				
Decrease/(increase) in trade receivables	(2,361.34)		(687.74)	
Decrease/(increase) in loans and advances - LT	(0.00)		-	
Decrease/(increase) in loans and advances - ST	(137.68)		(1,192.84)	
Decrease/(increase) in Stocks	(4,240.97)		101.91	
Decrease/(Increase) in other non-current assets	(64.59)		-	
(Decrease)/increase in trade payables	2,793.74		1,230.66	
(Decrease)/increase in Provisions	18.80		(1.64)	
(Decrease)/increase in other current liabilities	1,832.84		198.95	
<b>Cash from/(used in) operating activities</b>	<b>(404.47)</b>		<b>345.20</b>	
Less: taxes paid	(372.63)	<b>(777.10)</b>	(124.24)	<b>220.96</b>
<b>Net Cash from/(used in) operating activities</b>		<b>(777.10)</b>		<b>220.96</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
(purchase) of fixed assets	(238.32)		(95.11)	
Sale of fixed assets	-		-	
Sale/ (purchase) of investments	-		-	
Interest received	8.15	<b>(230.17)</b>	2.16	<b>(92.95)</b>
<b>Net cash from/(used in) investing activities</b>		<b>(230.17)</b>		<b>(92.95)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Issue of Equity Shares	2,269.50		-	
Proceeds/(Repayment) of Borrowings	1,346.56		199.50	
Interest paid	(237.54)	<b>3,378.52</b>	(132.52)	<b>66.98</b>
<b>Net cash from/(used in) financing activities</b>		<b>3,378.52</b>		<b>66.98</b>
<b>(A+B+C)</b>		<b>2,371.25</b>		<b>194.99</b>
<b>Cash and cash equivalents as at the beginning of the year</b>		217.21		22.23
<b>Cash and cash equivalents as at the end of the year</b>		2,588.46		217.21
		<b>2,371.25</b>		<b>194.99</b>
<b>Note:</b>				
Cash and cash equivalents include:				
Cash		6.17		5.63
Balance with scheduled banks :				
in Current accounts (net)		441.54		29.52
in Form FDR		2,140.75		182.07
<b>Cash and Cash equivalents</b>		<b>2,588.46</b>		<b>217.21</b>

 For **SARIA GUPTA & CO.**  
Chartered Accountants

 FOR AND ON BEHALF OF THE BOARD  
**SHIGAN QUANTUM TECHNOLOGIES LTD**

 SHISHIR AGRAWAL  
Director  
DIN - 00054871

 GAGAN AGRAWAL  
Director  
DIN - 00054879

**SACHIN SINGHAL**  
PARTNER  
M. NO. 550213  
FRN 003168N  
UDIN:- 22550213AJMZDG5786  
Place: Gurgaon  
Date: May 24, 2022

 NATHU SINGH TAWAR  
(CFO)  
Place: Gurgaon  
Date: May 24, 2022

 GUNJAN GUPTA  
(COMPANY SECRETARY)

**Notes forming part of Balance Sheet and Statement of Profit & Loss for  
the year ended 31<sup>st</sup> March 2022**

**NOTE NO: 1 - SIGNIFICANT ACCOUNTING POLICIES:**

1.1 Basis of preparation of financial statement:-

**Accounting Convention and Policy:** The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards issued by Institute of Chartered Accountants of India.

1.2 **Accounting System:** The Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis except where there are significant uncertainties.

1.3 Contingent Liabilities:-

All known liabilities are provided for in the accounts except liabilities that are of a contingent nature, in respect of which suitable disclosures are made in the accounts.

1.4 **Fixed Assets:-**

Fixed assets are stated as cost less depreciation cost and any attributable cost of bringing the asset to its working condition for its intended use.

1.5 **Method of Depreciation:-**

Depreciation on fixed assets has been provided on written down value method at the rates and in the manner specified in Schedule II to the Companies Act, 2013.

1.6 **Valuation of Inventories:-**

Raw Material and Finished stock is valued at cost or net realizable value whichever is lower.

1.7 **Capitalization of Expenses:-**

All the capital expenses allocated to the concerned capital assets.

1.8 **Treatment of Research & Development expenditure:-**

Research and Development expenditure of capital nature are capitalized and those of revenue nature are charged to profit & Loss account in the year in which these are incurred.

**1.9 Treatment of Retirement benefit:-**

In respect of retirement benefits payable (i.e. Gratuity, Leave Encashment etc.) to the employees at the time of retirement, liability is provided on the basis of actuarial valuation report.

**1.10 Disclosure of events subsequent to the Balance Sheet:-**

All the major events subsequent to Balance Sheet which have material effect on the working of the assessee, has been disclosed wherever necessary

**1.11 Treatment of prior period items:-**

The net of items relating to prior period if debit, is debited to statement of Profit and Loss and if credit is credited to statement of Profit & Loss and treated as Income of the year.

**1.12 Treatment of preliminary expenses and deferred revenue expenditure:-**

All preliminary, pre-incorporation and deferred revenue expenditure being intangible is being written off completely in the year in which it is expended as required by AS-26 for Intangible Assets issued by the Institute of Chartered Accountants of India

**1.13 Recognition of income and expenditure:-**

Items of Income and Expenditure are recognized on accrual basis.

**1.14 Going concern:-**

The company has been preparing the accounts on going concern basis and all accounting policies are consistently followed.

**1.15 Foreign Exchange Transaction:-**

Foreign Currency transactions are booked at the rate prevailing at the time of transaction and any Gain/loss arising out of fluctuations in exchange rate is accounted for at the year end as per AS-11 issued by the Institute of Chartered Accountants of India.

### NOTES FORMING PART OF FINANCIAL STATEMENT AS AT 31ST MARCH 2022

Particulars	As at 31.03.2022	As at 31.03.2021
	Rs.	Rs. (Rs. in Lakhs)
<b>Note 2 : A. Share Capital</b>		
Authorised		
180,00,000 Equity Shares of Rs. 10/- each with Voting Rights (Previous Year 50,00,000 Equity Shares of Rs. 10/- each with voting rights)	1,800.00	500.00
	<b>1,800.00</b>	<b>500.00</b>
Issued, Subscribed & Paid-up		
1,72,14,900 Equity Shares of Rs. 10/- each with voting rights (Previous Year 25,35,180 Equity Shares of Rs. 10/- each with voting rights)	1,721.49	253.52
<b>Total</b>	<b>1,721.49</b>	<b>253.52</b>

**b. Rights , preferences and restrictions attaching to each class of shares**  
**Equity shares**

*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.*

*In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.*

**B. Details of shares held by shareholders more than 5%**

Class of Shares / Name of shareholder	No. of shares held	%	No. of shares held	%
<b>Equity Shares with voting rights:</b>				
Shishir Agrawal	1,74,975		1,40,000	
Gagan Agrawal	74,975		1,40,000	
Shigan Autotronics Private Limited	24,50,000	14%	4,90,000	19.33%
ASC(S) Consulting Pte. Ltd.	-	-	2,50,000	9.86%
Autotronics Worldwide (Pte. Ltd.)	12,50,000	7.26%	-	-
Giridhari Sales Private Limited	49,00,000	28.46%	9,80,000	38.66%
Rudramala Impex Private Limited	26,75,900	15.54%	5,35,180	21.11%

As per 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.

<b>C. Details of shares held by promoters &amp; Promoters Group</b>				
Class of Shares / Name of shareholder	No. of shares held	%	No. of shares held	%
<b>Equity Shares with voting rights:</b>				
Shigan Autotronics Private Limited	2,450.00	14.23%	490.00	19.33%
Shishir Agrawal	174.98	1.02%	140.00	5.52%
Gagan Agrawal	74.98	0.44%	140.00	5.52%
Giridhari Sales Private Limited	4,900.00	28.46%	980.00	38.66%
Rudramala Impex Private Limited	2,675.90	15.54%	535.18	21.11%
Santosh Agrawal	0.05	0.00%	-	-
SA Shigan Trust	525.00	3.05%	-	-
GA Shigan Trust	625.00	3.63%	-	-
Autotronics Worldwide (Pte. Ltd.)	1,250.00	7.26%	-	-
<b>Note 3 : Reserve &amp; Surplus</b>			<b>(Rs. in Lakhs)</b>	
Surplus /(Deficit) in the Statement of profit and loss:				
Opening Balance	1,290.59		923.46	
Add: Profit/(Loss) for the year	986.86		367.13	
Add: Earlier year taxes	-		-	
Less: Bonus shares issue	(1,014.07)		-	
<u>Securities Premium</u>			-	
Opening Balance	168.58		168.58	
Add: Received during the year	1,815.60			
Less: Utilised during the year				
Closing Balance	<b>3,247.56</b>		<b>1,459.18</b>	
<b>Note 4 : Long Term Borrowings</b>			<b>(Rs. in Lakhs)</b>	
<b>Secured</b>				
Term Loan				
-From Banks	75.31		100.41	
Vehicle Loan				
-From Banks	8.18		14.46	
<b>Total</b>	<b>83.49</b>		<b>114.87</b>	

Secured Loan of ₹ 5.09 Lakhs from ICICI Bank is secured by hypothecation of Maruti EECO Car	Loan is repayable in 60 Equated Monthly Instalments		
Secured Loan of ₹ 15.05 Lakhs from ICICI Bank is secured by hypothecation of Mahindra Car	Loan is repayable in 62 Equated Monthly Instalments		
Secured Loan of ₹ 10.20 Lakhs from PNB Bank is secured by hypothecation of Honda City	Loan is repayable in 36 Equated Monthly Instalments		
Secured ECLGS Loan of ₹ 100.41 Lakhs from ICICI Bank is secured by hypothecation of current and moveable assets including inventories and receivables of the Company	Loan is repayable in 48 Equated Monthly Instalments		
<b>Note 5 : Other Long Term Liabilities</b>			<b>(Rs. in Lakhs)</b>
<b>Total</b>	-		-
<b>Note 6 : Long Term Provisions</b>			<b>(Rs. in Lakhs)</b>
<b>a. Provision for employees benefits:</b>			
(i) Provision for Gratuity	75.76		35.25
(ii) Provision for Leave Encashment	22.89		12.68
(iii) Provision For LTA	7.10		1.41
	<b>105.76</b>		<b>49.34</b>

Particulars	As at 31.03.2022	As at 31.03.2021
	Rs.	Rs.
<b>Note No. 7 : Short Terms Borrowings</b>		<b>(Rs. in Lakhs)</b>
<b><u>Secured</u></b>		
<b>a. Cash Credit from Banks</b> (Secured primarily against inventories and debtors. Also secured by both the directors' personal guarantee.)	1,054.54	527.07
<b>b. Current Maturities of Long- Term Borrowings</b>	440.91	5.32
<b><u>Unsecured</u></b>		
<b>a. Working Capital Finance</b> -From Others	644.88	
<b>b. Term Loan</b> -From Others	-	230.00
	<b>2,140.33</b>	<b>762.39</b>
		<b>(Rs. in Lakhs)</b>
<b>Note No. 8 : Trade Payables</b>		
<b>Due to Micro, Small and Medium Enterprises</b>	<b>153.59</b>	<b>163.65</b>
<b>Due to Others</b>	<b>4,137.90</b>	<b>1,334.10</b>
<b>(certified by management)</b>		
	<b>4,291.49</b>	<b>1,497.75</b>



### Trade Payables Ageing Schedule

For the Period ended 31.03.2022 (Rs. in Lakhs)

Particular	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME	153.59	NIL	NIL	NIL	153.59
Others	4,137.90	NIL	NIL	NIL	4,137.90
Disputed Dues - MSME	NIL	NIL	NIL	NIL	NIL
Disputed Dues – Others	NIL	NIL	NIL	NIL	NIL

### For the Period ended 31.03.2021 (Fig's in Lakhs)

Particular	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME	163.65	NIL	NIL	NIL	163.65
Others	1,334.10	NIL	NIL	NIL	1,334.10
Disputed Dues - MSME	NIL	NIL	NIL	NIL	NIL
Disputed Dues – Others	NIL	NIL	NIL	NIL	NIL
<b>Note No. 9 : Other Current Liabilities</b>				<b>(Rs. in Lakhs)</b>	
Audit Fee Payable			2.30		1.83
GST Payable			-		86.25
Salary Expenses Payable			41.82		50.99
Advance From Customers			161.67		79.87
Volvo Eicher Commercial Vehicle (Localization Advances)			1,746.36		-
Statutory Dues Payable			194.46		94.82
			<b>2,146.61</b>		<b>313.77</b>
<b>Note No. 10 : Short Term Provision</b>				<b>(Rs. in Lakhs)</b>	
Provision for Gratuity			19.36		1.33
Provision for Leave Encashment			5.06		0.64
Provision for Income Tax			84.41		107.25
			<b>108.84</b>		<b>109.23</b>
<b>Note No. 12 : Deferred Tax</b>				<b>(Rs. in Lakhs)</b>	
<b>Opening</b>			<b>24.48</b>		<b>25.93</b>
<b>Add: Made During the year</b>			<b>19.46</b>		<b>(1.45)</b>
			<b>43.94</b>		<b>24.48</b>



# Shigan Quantum Technologies Limited

Annual Report 2021-22

## Note No. 11

Tangible Assets	Gross Block				Accumulated Depreciation and Impairment				Adjusted with Retained Earning	Net Block	
	As at 31.03.2021	Additions	Disposals	As at 31.03.2022	Upto 31.03.2021	Other Adjustment	Dep. for the year	Upto 31.03.2022		As at 31.03.2022	As at 31.03.2021
	A	B	C	D=A+B-C	E	F	G	H=E-F+G	X	I=D-H-X	I+A-E
Plant & Machinery	299.80	156.20	-	456.00	146.72	-	35.22	181.94	-	274.07	153.09
Tools & Dies	144.54	44.23	-	188.78	49.07	-	19.85	68.91	-	119.86	95.48
Furnitures and Fixtures	11.58	-	-	11.58	3.90	-	1.98	5.88	-	5.70	7.68
Vehicles	114.47	-	-	114.47	77.71	-	11.34	89.05	-	25.42	36.76
Office Equipment	11.52	0.45	-	11.96	9.52	-	1.01	10.53	-	1.43	2.00
Computer Software	5.72	-	-	5.72	5.08	-	-	5.08	-	0.64	0.64
Computers	50.23	37.44	-	87.67	37.52	-	15.99	53.51	-	34.15	12.71
<b>Total</b>	<b>637.87</b>	<b>238.32</b>	<b>-</b>	<b>876.18</b>	<b>329.51</b>	<b>-</b>	<b>85.40</b>	<b>414.91</b>	<b>-</b>	<b>461.27</b>	<b>308.35</b>

Intangible Assets	Gross Block				Accumulated Depreciation and Impairment				Adjusted with Retained Earning	Net Block	
	As at 31.03.2021	Additions	Disposals	As at 31.03.2022	Upto 31.03.2021	Other Adjustment	Dep. for the year	Upto 31.03.2022		As at 31.03.2022	As at 31.03.2021
Technical Know How	391.79	-	-	391.79	111.57	-	62.68	174.25	-	217.54	4.92
	-	-	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>	<b>1,029.66</b>	<b>238.32</b>	<b>-</b>	<b>1,267.98</b>	<b>441.08</b>	<b>-</b>	<b>148.08</b>	<b>589.16</b>	<b>-</b>	<b>678.81</b>	<b>313.27</b>

<b>Note No. 13 : Long-term Loans &amp; Advances</b>		<b>(Rs. in Lakhs)</b>
Income Tax refund A.Y. 2017-18	6.55	6.55
	6.55	6.55
<b>Note No. 14 : Other Non-Current Assets</b>		<b>(Rs. in Lakhs)</b>
Security Deposit	69.02	4.43
	69.02	4.43
<b>Note No. 15 : Inventories</b>		<b>(Rs. in Lakhs)</b>
<b>Closing Stock</b>		
Raw Material	4,524.62	1,048.30
Finished Goods (As Certified by Management)	926.10	161.45
	<b>5,450.72</b>	<b>1,209.75</b>
<b>Note No. 16 : Trade Receivables</b>		<b>(Rs. in Lakhs)</b>
Unsecured, considered good Outstanding for a period exceeding six month from the date they were due for payment	-	-
Other Trade Receivables	3,480.27	1,118.93
	<b>3,480.27</b>	<b>1,118.93</b>

**Trade Receivables Ageing Schedule**

For the Period ended 31.03.2022 (Rs. in Lakhs)

Particular	Outstanding for following periods from due date of payment					
	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed Trade Receivables- Considered Good	3,480.27	NIL	NIL	NIL	NIL	3,480.27
Undisputed Trade Receivables- Considered Doubtful	NIL	NIL	NIL	NIL	NIL	NIL
Disputed Trade Receivables- Considered Good	NIL	NIL	NIL	NIL	NIL	NIL
Disputed Trade Receivables- Considered Doubtful	NIL	NIL	NIL	NIL	NIL	NIL

For the Period ended 31.03.2021 (Rs. in Lakhs)

Particular	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade Receivables-Considered Good	1,118.93	NIL	NIL	NIL	NIL	1,118.93
Undisputed Trade Receivables-Considered Doubtful	NIL	NIL	NIL	NIL	NIL	NIL
Disputed Trade Receivables-Considered Good	NIL	NIL	NIL	NIL	NIL	NIL
Disputed Trade Receivables-Considered Doubtful	NIL	NIL	NIL	NIL	NIL	NIL

<b>Note No. 17 : Cash and Cash Equivalents</b>	<b>(Rs. in Lakhs)</b>	
Cash-on-hand	6.17	5.63
Balance with Bank:		
In Current Account	441.54	29.40
In EEFC Current Account	-	0.11
In FDR held as margin money against LC/BG	2,140.75	182.07
	<b>2,588.46</b>	<b>217.21</b>
<b>Note No. 18 : Short Term Loans and Advances</b>	<b>(Rs. in Lakhs)</b>	
<u>(i) To employees</u>		
Unsecured, considered good	0.49	12.48
(ii) Prepaid Expenses	3.12	3.74
<u>(iii) Balance With Govt. Authorities</u>		
Unsecured, considered good		
(i) PLA	0.28	0.28
(ii) Duty Scripts	25.57	-
(iii) GST Refundable	1.22	1.22
(iv) Custom Duty Authorities	64.51	42.77
Interest Accrued but not due	-	0.02
GST Receivable	530.01	-
Advance to Vendors	902.60	1,267.20
Security Given to Girdhari Sales Private Limited	-	61.00
againgt Corporate Gurantee given to ICICI Bank Ltd.		
HDFC Audi Loan Amount Recoverable	-	1.42
	<b>1,527.80</b>	<b>1,390.12</b>

Particulars	For the Year ended 31.03.2022	For the Year ended 31.03.2021
	Rs.	Rs.
<b>Note No: 19 : Revenue from operations</b>		<b>(Rs. in Lakhs)</b>
(a) Sale of Products	24,141.71	9,377.75
(b) Development Fees Received	-	-
(c) Service Charges Received	63.30	188.21
	<b>24,205.01</b>	<b>9,565.96</b>
<b>Note No. 20 : Other Income</b>		<b>(Rs. in Lakhs)</b>
Interest Income	-	-
Interest Received On FDR	8.15	2.16
Scrap Sale	23.86	11.60
Exchange Gain	-	13.78
Income on Duty Scripts	1.53	
	<b>33.54</b>	<b>27.54</b>
<b>Note No. 21: Cost of Materials Consumed</b>		<b>(Rs. in Lakhs)</b>
Opening Stock	1,048.30	1,140.22
<u>Add:</u>	-	-
Purchases	22,318.97	6,313.00
Less: Closing Stock	4,524.62	1,048.30
	<b>18,842.64</b>	<b>6,404.92</b>
<b>Note No. 22: Changes in Inventories in Finished Goods and Work in Progress</b>		<b>(Rs. in Lakhs)</b>
Inventories at the beginning of the year	161.45	171.44
Inventories at the end of the year	926.10	161.45
	<b>(764.65)</b>	<b>9.99</b>
<b>Note No. 23: Manufacturing Expenses</b>		<b>(Rs. in Lakhs)</b>
Freight Cartage Inward	314.80	119.68
Job Work Expenses	207.74	74.62
Wages Salary	362.98	160.37
Royalty and Technical fees paid	1,645.60	564.27
Development Cost	316.79	580.09
Testing Expenses	24.60	41.20
	<b>2,872.52</b>	<b>1,540.24</b>

<b>Note No. 24 : Employees benefits expenses</b>		<b>(Rs. in Lakhs)</b>
Salary Expenses	539.47	284.92
Gratuity Expense	60.07	4.31
Directors Remuneration	54.92	-
Employer Cont ESI	0.70	0.73
Employer Cont EPF	23.26	12.02
Staff Welfare	10.20	3.14
	<b>688.61</b>	<b>305.12</b>
<b>Note No. 25 : Finance Costs</b>		<b>(Rs. in Lakhs)</b>
Interest Expenses on:		
Cash Credit limit	56.44	58.07
Term Loan	9.14	1.54
Others	33.87	15.65
Other Borrowing Costs:- Bank Charges	138.10	57.25
	<b>237.54</b>	<b>132.52</b>
<b>Note No. 26 : Other Expenses</b>		<b>(Rs. in Lakhs)</b>
Auditor's Remunerations:	1.50	1.00
	-	-
Consultancy Fees	153.77	155.96
Conveyance expenses	29.60	9.03
Computer and Online Application Running Exp.	44.02	6.51
Commission Expense	49.87	27.95
Entertainment Expenses	19.04	16.43
Filing Fees & Subscription	23.86	1.22
Foreign Exchange Loss	29.02	-
Freight and Cartage Outward	80.04	47.69
Insurance Expenses	45.70	49.54
Hiring Charges	6.00	-
Legal & Professional Charges	67.89	5.46
Other Expenses	1.62	2.87
Office maintenance Expense	2.11	2.98
Postage & Telegram Charges	6.58	3.53
Printing & stationery	0.56	0.17
Rent, Rates & Taxes	114.15	60.49
Repairs & Maintenance	51.74	11.50
Security Charges	6.49	4.75
Rate differences	51.04	77.03
Sales Promotion	29.85	4.92
Amount Written off	-	100.20
Service Charges	6.60	5.63
Travelling Expenses	75.58	34.45
Travelling Expenses - Foreign	-	10.16
	<b>896.62</b>	<b>639.47</b>

Note no.: 27 – OTHER DISCLOSURES

26.1 The number of employees who were employed throughout the financial year and were in receipt of remuneration which in aggregate were not less than ₹ 60,00,000/- per annum as employed for a part of the year and were in receipt of remuneration at a rate which in aggregate was not less than ₹ 5,00,000/- per month, is NIL.

**27.2 Director's have forgone their claims of meeting fees for the board meeting attended by them.**

27.3 Contingent Liabilities:

Claim against the company not acknowledged as debts is nil as confirmed by the director

**27.4 In the opinion of the management current assets, loans and advances have the value of realization in the ordinary course of business at least equal to the amount at which they are stated and all known liabilities have been adequately provided for.**

27.5 All the known liabilities have been provided for and there is no disputed liabilities.

27.6 Expenditure in foreign currency

Purchase :- ₹ 7057 Lakhs

Royalty and development:- ₹ 1646 Lakhs

Total Foreign Travelling Expenses as per Profit and Loss :- NIL

**27.7 Micro Small & Medium Enterprises**

The company has not received information from vendors regarding their status under the MICRO, SMALL, MEDIUM ENTERPRISES DEVELOPMENT ACT 2006 and hence disclosure relating to amounts unpaid at year end together with interest paid /payable under this act have not been given.

**27.8 Related Parties Disclosure**

a) Key management personnel

Shishir Agrawal

Gagan Agrawal

Nathu Singh Tawar

Gunjan Gupta

b) Associate/Subsidiary Concern

CLH Gaseous Fuel Applications Private Limited

Shigan Autotronics Private Limited

Shigan Fuel Systems Solutions Private Limited

Shigan Telematics Private Limited

Shigan Export Private Limited

Orient Transport Agency

Giridhari Sales Private Limited

Arieon Technology Private Limited  
 Shigan Evoltz Limited  
 Autotronics Worldwide Pte. Limited  
 E Mobility Exim Pte Limited  
 Rudramala Impex Private Limited  
 Shigan Financial Services Private Limited  
 Shigan Nexgen Technologies LLP  
 Intent Vincom Private Limited  
 Moonview Sales Private Limited  
 Orient Ecomev Logistics Solutions Private Limited

c) Relative of Key management Personnel

Smt. Santosh Agrawal  
 Smt. Ankita Agrawal  
 Smt. Ruchi Agrawal  
 Ms. Pallavi Agrawal

**Transactions with Related parties**

**(Fig's in Lakhs)**

Sr. No.	Name of Person	Relationship	Nature of Transaction	Amount as on 31st March 2022	Closing Balances as on 31.03.2022
1	Shishir Agrawal	Director	Consultancy Charges Paid	42.00	NIL
			Salary	29.70	NIL
2	Gagan Agrawal	Director	Consultancy Charges Paid	42.00	NIL
			Salary	29.70	NIL
3	Gunjan Gupta	CS	Salary	7.00	NIL
4	Nathu Singh Tawar	CFO	Salary	24.00	NIL
3	Shigan Evoltz Limited	Associates	Development Cost Paid	165.00	31.70 Debit
			Sale	98.84	
4	SA Family Trust	Associates	Royalty Paid	72.02	77.78 Credit
5	GA Family Trust	Associates	Royalty Paid	72.02	77.78 Credit
6	Orient Transport Agency	Associates	Freight Paid	45.24	41.73 Credit
7	CLH Gaseous Fuel Applications Private Limited	Associates	Sales	463.30	2884.59 Debit
			Purchase	6201.63	
			Rent paid	105.00	



**27.9 Disclosure under AS-15**

**A. GRATUITY (UNFUNDED) :** Provision is made for gratuity (unfunded) based upon actuarial valuation done at the end of every financial year. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Commitments are actuarially determined using the ‘Projected Unit Credit’ method. Gains and losses on changes in actuarial assumptions are accounted for in the Statement of Profit and Loss.

(₹ in Lakhs)

<b>I. ASSUMPTIONS:</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Discount Rate	6.80%	6.80%
Salary Escalation	7%	7%
Attrition rate	5% TO 1%	5% TO 1%
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.
Retirement Age	58 years	58 years

<b>II. CHANGE IN THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATION:</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Present Value of Benefit Obligation as at the beginning of the year	36.58	33.54
Current Service Cost	12.78	6.27
Interest Cost	2.49	2.28
(Benefit paid)	(1.52)	(1.27)
Actuarial (Gains)/Losses on Obligations - Due to Experience	44.80	(4.24)
<b>Present value of benefit obligation as at the end of the year</b>	<b>95.13</b>	<b>36.58</b>

<b>III. ACTUARIAL GAINS/LOSSES:</b>	As at March 31, 2022	As at March 31, 2021
	₹	₹
Actuarial (gains)/losses on obligation for the year	44.80	(4.24)
Actuarial (gains)/losses on asset for the year	-	-
<b>Actuarial (gains)/losses recognized in income &amp; expenses Statement</b>	<b>44.80</b>	<b>(4.24)</b>

<b>IV. AMOUNT RECOGNIZED IN THE BALANCE SHEET:</b>	As at March 31, 2022	As at March 31, 2021
	₹	₹
Fair value of plan assets at the end of the year	-	-
(Present value of benefit obligation as at the end of the year)	(95.13)	(36.58)
Funded status (Unfunded)	<b>(95.13)</b>	<b>(36.58)</b>
<b>Net (liability)/asset recognized in the balance sheet</b>	<b>(95.13)</b>	<b>(36.58)</b>

<b>V. EXPENSES RECOGNIZED IN THE INCOME STATEMENT:</b>	As at March 31, 2022	As at March 31, 2021
	₹	₹
Current service cost	12.78	6.27
Interest cost	2.49	2.28
Actuarial (gains)/losses	44.80	(4.24)
<b>Expense recognized in Statement of Profit &amp; Loss</b>	<b>60.07</b>	<b>4.31</b>

<b>VI. BALANCE SHEET RECONCILIATION:</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
	<b>₹</b>	<b>₹</b>
Opening net liability	36.58	33.54
Expense as above	60.07	4.31
(Benefit paid)	(1.52)	(1.27)
<b>Net liability/(asset) recognized in the balance sheet</b>	<b>95.13</b>	<b>36.58</b>
<b>VII. EXPERIENCE ADJUSTMENTS</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
	<b>₹</b>	<b>₹</b>
On Plan Liability (Gains)/Losses	44.80	(4.24)

VIII. The estimates of rate of salary increase considered in the actuarial valuation takes into account inflation, seniority, promotion and all other relevant factors including supply and demand in the employment market.

IX. The company operates an unfunded gratuity plan wherein employees are entitled to the benefit as per scheme of the company for each completed year of service. The same is payable on retirement or termination whichever is earlier. The benefit vests only after five years of continuous service.

**B. LEAVE ENCASHMENT (UNFUNDED):** Provision is made for leave encashment (unfunded) based upon actuarial valuation done at the end of every financial year. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Commitments are actuarially determined using the 'Projected Unit Credit' method. Gains and losses on changes in actuarial assumptions are accounted for in the Statement of Profit and Loss.

(₹ in Lakhs)

<b>I. ASSUMPTIONS:</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Discount Rate	6.80%	6.80%
Salary Escalation	7%	7%
Attrition rate	5% TO 1%	5% TO 1%
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.
Retirement Age	58 years	58 years

<b>II. CHANGE IN THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATION:</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Present Value of Benefit Obligation as at the beginning of the year	13.32	27.65
Current Service Cost	10.39	5.00
Interest Cost	0.91	1.88
(Benefit paid)	(7.81)	(5.57)
Actuarial (Gains)/Losses on Obligations - Due to Experience	11.14	(15.64)
<b>Present value of benefit obligation as at the end of the year</b>	<b>27.95</b>	<b>13.32</b>

<b>III. ACTUARIAL GAINS/LOSSES:</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
	<b>₹</b>	<b>₹</b>
Actuarial (gains)/losses on obligation for the year	11.14	(15.64)
Actuarial (gains)/losses on asset for the year	-	-
<b>Actuarial (gains)/losses recognized in income &amp; expenses Statement</b>	<b>11.14</b>	<b>(15.64)</b>

<b>IV. AMOUNT RECOGNIZED IN THE BALANCE SHEET:</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
	<b>₹</b>	<b>₹</b>
Fair value of plan assets at the end of the year	-	-
(Present value of benefit obligation as at the end of the year)	(27.95)	(13.32)
Funded status (Unfunded)	<b>(27.95)</b>	<b>(13.32)</b>
<b>Net (liability)/asset recognized in the balance sheet</b>	<b>(27.95)</b>	<b>(13.32)</b>

<b>V. EXPENSES RECOGNIZED IN THE INCOME STATEMENT:</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
	<b>₹</b>	<b>₹</b>
Current service cost	10.39	5.00
Interest cost	0.91	1.88
Actuarial (gains)/losses	11.14	(15.64)
<b>Expense recognized in Statement of Profit &amp; Loss</b>	<b>22.44</b>	<b>(8.76)</b>

<b>VI. BALANCE SHEET RECONCILIATION:</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
	<b>₹</b>	<b>₹</b>
Opening net liability	13.32	27.65
Expense as above	22.44	(8.76)
(Benefit paid)	(7.81)	(5.57)
<b>Net liability/(asset) recognized in the balance sheet</b>	<b>27.95</b>	<b>13.32</b>

VIII. The estimates of rate of salary increase considered in the actuarial valuation takes into account inflation, seniority, promotion and all other relevant factors including supply and demand in the employment market.

IX. The company operates an unfunded leave encashment plan wherein employees are entitled to the benefit as per scheme of the company. The same is payable on utilization of leave or termination whichever is earlier.

- 27.10 The Company is exclusively engaged in the business of manufacturing and providing services of Alternate Fuel System Components for CNG and LPG mainly used by the OEM suppliers to auto industries. This in the context of Accounting Standard (AS 17) “Segment Reporting”, notified under the Companies (Accounting Standards) Rules, 2006, constitutes one single primary segment. The Company does not have a secondary segment. Accordingly, disclosures required under AS 17 are not applicable.
- 27.11 Based on the information available with the Company, there are no dues to Small and Micro enterprises as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 except as disclosed in Note 8 of the financial statements. The information regarding Micro and Small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

**27.12 Disclosure under MSMED Act, 2006**

S. No.	Particulars	As on	
		March 31, 2022	March 31, 2021
1	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	153.59	163.65
2	Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.23	-
3	Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
4	Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
5	Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
6	Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
7	Further interest remaining due and payable for earlier years	-	-

**27.13 Significant Accounting Ratios**

Ratios	For the Year ended 31.03.2022	For the Year ended 31.03.2021	Variation (%)
(a) Current Ratio	1.50	1.47	2.38%
(b) Debt-Equity Ratio	0.02	0.07	(74.95%)
(c) Debt Service Coverage Ratio	0.70	0.73	(3.02%)
(d) Return on Equity Ratio	19.86%	21.44%	(7.35%)
(e) Inventory turnover ratio	7.27	7.59	(4.20%)

(f) Trade Receivables turnover ratio	10.53	12.34	(14.67%)
(g) Trade payables turnover ratio	7.54	9.63	(21.70%)
(h) Net capital turnover ratio	4.87	5.59	(12.79%)
(i) Net profit ratio	4.08%	3.84%	6.23%
(j) Return on Capital employed	21.86%	25.83%	(15.37%)
(k) Return on investment.	57.33%	144.81%	(60.41%)

### Reasons for variation of more than 25%:

- a. **Debt- Equity Ratio:** During the year, the company has raised funds via initial public offer to the tune of ₹ 2,269.50 Lakhs. However, the company has borrowed funds to the tune of ₹1,346.56 Lakhs. Hence, total net proceed from equity is increased during the year as compared to net proceeds from borrowings resulting into improvement of debt-equity ratio from 0.07 to 0.02.
- b. **Return on Investment:** During the year, the company has issued bonus shares and raised funds via initial public offer resulting into net increase in paid-up share capital by ₹1,467.97 Lakhs (increased by 579.04%) whereas profit after tax has been increased by ₹619.73 Lakhs (increased by 168.80%). Hence, increase in PAT in absolute terms is lower than the increase in paid-up share capital resulting into decrease in Return on Investment by 60.41%.

27.14 Previous year's figures have been regrouped and rearranged wherever found necessary to make them comparable with the current year figures.

### 27.15 **Note on Covid-19**

In view of the pandemic relating to COVID -19, the Company has considered internal and external information and has carried out an analysis based on current estimates while assessing the recoverability of Property, plant and equipment, trade receivables, other current assets for any possible impact on the Financial Statements, The company is a manufacturer and service provider of Alternate Fuel System Components for CNG and LNG mainly used by the OEMs and others and the Company has also assessed the impact of this situation on its capital and financial resources, profitability, liquidity position, internal financial reporting controls etc. and is of the view that based on its present assessment of the demand /order received from the OEMs, this situation does not materially impact the financial statements of the company.

### STATEMENT OF FUNDS UTILISED

Name of Listed Entity	Shigan Quantum Technologies Limited
Mode of Fund Raising Public Issue	Public Issue
Date of Raising Funds	11 March 2022
Amount Raised	Rs. 2269.50 lakhs
Report filed for Half-year ended	31 March 2022
Monitoring Agency	NA
Monitoring Agency Name	NA
Is there a Deviation / Variation in use of Funds raised?	No
Whether any approval is required to vary the Objects of the issue stated in the Prospectus / Offer Document?	No
If yes, details of the approval so required?	NA
Date of Approval	NA
Explanation for the Deviation / Variation	NA
Comments of the Audit Committee after review	NIL
Comments of the Auditors, if any	NIL
Objects for which funds have been raised and where there has been a deviation, in the following table	No Deviation

Original Objects stated in the Prospectus	Amount allocated for the object	Amount Utilized till March 31, 2022	Unutilized Amount of Funds	Amount of Deviation / Variation (if any)
To meet working capital requirements	1681.00		1681.00	Nil
To finance the purchase of Machinery	395.00		395.00	Nil
General Corporate Purpose	100.00		100.00	Nil
To meet Offer related expenses	93.50	39.83	53.67	Nil
<b>Total</b>	<b>2269.50</b>	<b>39.83</b>	<b>2229.67</b>	<b>Nil</b>

*Deviation could mean:*

- (a) Deviation in the Objects or purposes for which the Funds have been raised
- (b) Deviation in the amount of funds actually utilized as against what was originally disclosed.
- (c) Change in terms of Contract referred to the Fund raising document i.e., Prospectus / Letter of Offer, etc.





*~END OF REPORT~*

