



# SHIVA TEXYARN LIMITED

Regd. Office: 52, East Bashyakaralu Road, R.S.Puram, Coimbatore - 641 002, Tamilnadu INDIA  
Telephone : 0422 - 2544955 E-mail: shares@shivatex.co.in  
Website : www.shivatex.co.in CIN : L65921TZ1980PLC000945 GSTRN : 33AABCA6617M1ZO

STYL/SEC/SE/91/2021-22

23<sup>rd</sup> August 2021 ✓

To

BSE LIMITED Phiroze Jeejeebhoy Towers 25 <sup>th</sup> Floor, Dalal Street, Fort Mumbai – 400 001  Scrip Code : 511108	National Stock Exchange India Limited Exchange Plaza, C-1, Block-G Bandra Kurla Complex, Bandra – (East) Mumbai – 400 051  Scrip Code : SHIVATEX
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Dear Sir,

**SUB:- FILING OF ANNUAL REPORT FOR THE YEAR 2020-21 – REG.** ✓

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, we are herewith submitting the Annual Report of the Company for the financial year 2020- 2021. ✓

The said Annual Report has also been uploaded on the website of the Company at [www.shivatex.in](http://www.shivatex.in). ✓

Thanking you

Yours faithfully

**For Shiva Texyarn Limited**

  
**R. SRINIVASAN**  
Company Secretary  
M.No. 21254



# SHIVA TEXYARN LIMITED

A TECHNICAL TEXTILE COMPANY



## 40<sup>th</sup> ANNUAL REPORT 2021

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**BOARD OF DIRECTORS**

Sri S V Alagappan	Chairman
Dr S V Kandasami	Director
Sri S K Sundararaman	Managing Director
Smt S Sujana Abirami	Director
Sri K N V Ramani	Director
Sri S Marusamy	Director
Sri A Dhananjayan	Director
Sri D Satish Krishnan	Director

**AUDITORS**

M/s. Deloitte Haskins & Sells LLP  
Chartered Accountants  
Coimbatore.

**INTERNAL AUDITORS**

M/s B M & Associates  
Chartered Accountants  
Coimbatore.

**COST AUDITOR**

Sri M Nagarajan  
Coimbatore.

**REGISTERED OFFICE**

**(new address w.e.f. 01.04.2021)**  
52, East Bashyakaralu Road, R S Puram  
Coimbatore - 641 002 Tamilnadu  
Phone : 91-422-2544955  
Fax : 91-422-2544755  
E-mail : secretary@shivatex.co.in  
Website : www.shivatex.in  
CIN : L65921TZ1980PLC000945

**CHIEF FINANCIAL OFFICER**

Sri C Krishnakumar

**COMPANY SECRETARY**

Sri R Srinivasan

**BANKERS**

Canara Bank  
Indian Overseas Bank  
R B L Bank Ltd  
Bank of Baroda  
Karur Vysya Bank  
Axis Bank Limited

**SHARE TRANSFER AGENT**

**(new address w.e.f. 16.07.2021)**  
M/s. SKDC Consultants Ltd  
"Surya", 35, May Flower Avenue,  
Behind Senthil Nagar,  
Sowripalayam Road,  
Coimbatore – 641 028.

## NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 40th Annual General Meeting of the Shareholders of the Company will be held on Monday the 20th September 2021 at 11.30 AM through Video Conferencing (VC) / Other Audio Visual Means (OAVM) with their virtual presence to transact the business set out in the agenda given below:

You are requested to make it convenient to attend the meeting.

## AGENDA

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2021, the reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in the place of Sri S V Alagappan (DIN: 00002450) who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

4. **To consider and approve the partial modification on the remuneration payable to Sri S K Sundararaman, Managing Director (DIN:00002691) of the Company w.e.f 01.04.2021**

**To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution:**

**RESOLVED that** pursuant to the provisions of Section 197, 198, 199 and other applicable provisions, if any, of the Companies Act, 2013 and Schedule V thereto and the Rules made thereunder and other applicable provision(s) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, if any, including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force and in furtherance of the Special Resolution No. 5 passed in the 36th Annual General Meeting of the Company held on 25.12.2017 and pursuant to the recommendations of Nomination and Remuneration Committee and the Board of Directors of the Company, consent of the Members of the Company be and is hereby accorded to pay the Minimum Remuneration to Sri S K Sundararaman, Managing Director (DIN:00002691) for the period from 01.04.2021 to 30.8.2022 shall be as follows:

#### 1. REMUNERATION:

- BASIC SALARY** : Rs.3,00,000/- (Rupees Three Lakhs only) per month;
- ALLOWANCES** : An amount not exceeding annual Basic Salary



**COMMISSION** : 5% on the Net Profits of the Company as calculated under Section 198 of the Companies Act, 2013 (over and above the aforesaid salary and allowances).

**2. PERQUISITES (not included in the above remuneration):**

- Contribution to Provident Fund @ 12% on basic salary and to the extent the same is not taxable under the relevant provisions of Income Tax Act, 1961.
- Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

**RESOLVED FURTHER THAT** there are no changes in the terms and conditions of appointment of the Managing Director except the provision for Minimum Remuneration being made only for the period from to 01.04.2021 to 30.8.2022.

**5. Ratification of remuneration payable to Sri. M. Nagarajan, Cost Auditors of the Company.**

**To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:**

**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 and pursuant to the recommendation of Audit Committee the remuneration of Rs. 1,00,000 (Rupees One Lakh only) (besides reimbursement of out of pocket expenses incurred by him for the purpose of Audit) payable to Sri M Nagarajan, Cost Auditor (Firm Registration No. 102133), as approved by the Board of Directors for conducting the Audit of the Cost Records of the Company for the Financial Year ending 31st March 2022, be and is hereby ratified and confirmed.

Coimbatore  
25th June, 2021

By Order of the Board  
**S V ALAGAPPAN**  
**CHAIRMAN**  
**(DIN 00002450)**



**Notes:**

1. In view of continuing Covid-19 pandemic, Ministry of Corporate Affairs (MCA) Circular Ref. Nos: 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020, 02/2021 dated January 13, 2021 and SEBI Notification No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 (permitted to conduct the holding of Annual General Meeting (AGM) through Video Conferencing / Other Audio Visual Means (VC/OAVM) without the physical presence of the members at the common Venue. In compliance with these MCA Circulars, the relevant provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 the Annual General Meeting of the members of the Company is being held through VC/OAVM.
2. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since, this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorisation etc., authorising its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered email address to sharpcs1@gmail.com with copies marked to the Company at shares@shivatex.co.in and to its Registrar and Share Transfer Agent at info@skdc-consultants.com.
4. Members are requested to submit the queries in advance on the e-mail address shares@shivatex.co.in.
5. As per relevant MCA / SEBI Circulars dispatching of physical copies of the financial statements (including Board's Report, Auditor's Report or other documents required to be attached therewith), such statements shall be sent only by e-mail to the members and hence sending of Annual Report by physical mode has been dispensed with.
6. The members attending the meeting through VC / OAVM shall be reckoned for the purpose of quorum as stipulated under Section 103 of the Companies Act, 2013.
7. All the resolutions will be passed through the facility of e-voting system only.
8. Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts relating to Special Business in respect of items starting from 4 and 5 of the Agenda are annexed hereto.
9. Previous year figures are given in brackets for the purpose of comparison.



10. The Register of Members and the Share Transfer Books of the Company will remain closed from 14th September 2021 to 20th September 2021 (both the days are inclusive) as per Section 91 of the Companies Act, 2013 and Regulation 42 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.
11. Electronic copies of the Register of Directors' and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the Members during the AGM.
12. The dividend, if declared at the Annual General Meeting will be paid to those members within 30 days from the date of declaration, whose names appear on the Register of Members of the Company as on 13th September 2021. In respect of the dematerialized shares dividend will be paid on the basis of the beneficial ownership furnished by the National Securities Depository Limited and Central Depository Services (India) Limited at the end of the business hours on 13th September 2021. Dividend is subject to deduction of applicable taxes as per the relevant provisions of Income Tax, Act 1961 and rules made thereunder.
13. The dividend remaining unclaimed for a period of 7 years pertaining to the period 2013-2014 and the respective shares will be transferred to the Investor Education and Protection Fund (IEPF) account and the investors may claim the same from the Central Government as per the applicable provisions. The list of shares transferred will be made available in the website of the Company [www.shivatex.in](http://www.shivatex.in).
14. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is pleased to offer the facility of voting through electronic means (remote e-voting) from a place other than the venue of AGM /e-voting at the meeting to all the members to enable them to cast their votes.
15. The voting through electronic means will commence on 17th September 2021 at 10.00 A.M and will end on 19th September 2021 at 5.00 P.M. The Members will not be able to cast their vote electronically beyond the date and time mentioned above and the remote e-voting system shall be disabled for voting thereafter. The persons those who are holding shares as on the cut-off date of 13th September 2021 are only eligible to cast their e-voting.
16. **Registration of email ID and Bank Account details:**

In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent "RTA"/Depositories, log in details for e-voting are being sent on the registered email address.

In case the shareholder has not registered his/her/their email address with the Company/its RTA/Depositories and or not updated the Bank Account mandate for receipt of dividend, the following instructions to be followed:





- i) Members holding shares in physical mode are requested to communicate their change of postal address (enclose copy of Aadhar Card), e-mail address if any, self-attested copy of PAN Card and bank account details (enclose cancelled cheque leaf) quoting their folio nos. to the Registrar and Share Transfer Agents M/s. SKDC Consultants Limited, "Surya", 35, May Flower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641 028 (Please take note that the said office change is w.e.f. 16.07.2021 ).

**ii) In the case of Shares held in Demat mode:**

The shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.

17. The Notice of the Annual General Meeting along with the Annual Report for the financial year 2020-21 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories in accordance with the aforesaid MCA Circulars and circular issued by SEBI dated May 12, 2020. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2020-21 will also be available on the Company's website [www.shivatex.in](http://www.shivatex.in); websites of the Stock Exchanges i.e. National Stock Exchange of India Ltd and BSE Limited at [nseindia.com](http://nseindia.com) and [bseindia.com](http://bseindia.com) respectively. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.
18. The Company has appointed Mr. R Dhanasekaran, Practicing Company Secretary, to act as the Scrutinizer for conducting the voting process in a fair and transparent manner.
19. Instructions for e-voting and joining the Annual General Meeting are as follows:
20. Instructions for shareholders to vote electronically:

**Remote e-Voting Instructions for shareholders post change in the Login mechanism for Individual shareholders holding securities in demat mode, pursuant to SEBI circular dated December 9, 2020:**

Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants.

Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode/ physical mode is given below :

<p><b>Individual Shareholders holding securities in demat mode with NSDL</b></p>	<ul style="list-style-type: none"> <li>• If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password.</li> <li>• After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>• If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS” Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>• Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ul>
<p><b>Individual Shareholders holding securities in demat mode with CDSL</b></p>	<ul style="list-style-type: none"> <li>• Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>• After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider</li> </ul>



<p><b>Individual Shareholders (holding securities in demat mode) &amp; login through their depository participants</b></p>	<p>i.e. NSDL, KARVY, LINK NTIME, CDSL. Click on e-Voting service provider name to cast your vote.</p> <ul style="list-style-type: none"> <li>• If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi./Registration/EasiRegistration">https://web.cdslindia.com/myeasi./Registration/EasiRegistration</a></li> <li>• Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.</li> <li>• You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</li> <li>• Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ul>
<p><b>Individual Shareholders holding securities in Physical mode &amp; evoting service Provider is LINKINTIME.</b></p>	<ol style="list-style-type: none"> <li>1. Open the internet browser and launch the URL: <a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a></li> </ol> <ul style="list-style-type: none"> <li>• Click on “Sign Up” under ‘SHARE HOLDER’ tab and register with your following details: -             <ol style="list-style-type: none"> <li>A. User ID: Shareholders/ members holding shares in physical form shall provide Event No + Folio Number registered with the Company.</li> <li>B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the DepositoryParticipant(DP)/Companyshallusethesequencenumber provided to you, if applicable.</li> </ol> </li> </ul>



- C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)
  - D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.
- Shareholders/ members holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above
    - Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter).
    - Click "confirm" (Your password is now generated).
2. Click on 'Login' under 'SHARE HOLDER' tab.
  3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.
  4. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.
  5. E-voting page will appear.
  6. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
  7. After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.



### **Institutional shareholders:**

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.

### **Individual Shareholders holding securities in Physical mode & e-voting service Provider is LINKINTIME, have forgotten the password:**

- Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- Enter User ID, select Mode and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.
- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.
- Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:
- Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.
  - It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
  - During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

### **Helpdesk for Individual Shareholders holding securities in demat mode:**

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:



Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 22-23058542-43.

**Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & evoting service Provider is LINKINTIME.**

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at <https://instavote.linkintime.co.in>, under Help section or send an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 -4918 6000.

**InstaVote Support Desk**

**Link Intime India Private Limited**

**Instructions for Shareholders/Members to Attend the Annual General Meeting through InstaMeet:**

Instructions for Shareholders/Members to attend the Annual General Meeting through InstaMeet (VC/OAVM) are as under:

- 1) Shareholders/Members are entitled to attend the Annual General Meeting through VC/OAVM provided by Link Intime by following the below mentioned process. Facility for joining the Annual General Meeting through VC/OAVM shall open 30 minutes before the time scheduled for the Annual General Meeting and will be available to the Members on first come first serve basis.

Shareholders/Members are requested to participate on first come first serve basis as participation through VC/OAVM is limited and will be closed on expiry of 15 (fifteen) minutes from the scheduled time of the Annual General Meeting. Shareholders/Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chair Persons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the meeting without restrictions of first-come-first serve basis. Members can log in and join 15 (fifteen) minutes prior to the schedule time of the meeting and window for joining shall be kept open till the expiry of 30 (Thirty) minutes after the schedule time. Participation is restricted upto 1000 members only.



Shareholders/ Members will be provided with InstaMeet facility wherein Shareholders/ Member shall register their details and attend the Annual General Meeting as under:

1. Open the internet browser and launch the URL for InstaMeet <<<https://instameet.linkintime.co.in>>> and register with your following details:
  - a. DP ID / Client ID or Beneficiary ID or Folio No.: Enter your 16 digit DP ID / Client ID or Beneficiary ID or Folio Number registered with the Company
  - b. PAN: Enter your 10 digit Permanent Account Number (PAN). (Members who have not updated their PAN with the Depository Participant (DP)/Company shall use the sequence number provided to you).
  - c. Mobile No. Enter your Mobile No.
  - d. Email ID
2. Click "Go to Meeting"

**Note:**

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case the shareholders/members have any queries or issues regarding InstaMeet, you can send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or Call us: - Tel : ( 022-49186175 )

**InstaMeet Support Desk**

**Link Intime India Private Limited**

**Instructions for Shareholders/Members to register themselves as Speakers during Annual General Meeting:**

Shareholders/ Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/ folio number, email id, mobile number at ([shares@shivatex.co.in](mailto:shares@shivatex.co.in)) from 17th September 2021 at 10.00 A.M to



19th September 2021 at 5.00 P.M (preferably one day or 24 hrs. prior to the date of AGM).

The first 10 Speakers on first come basis will only be allowed to express their views/ask questions during the meeting.

Shareholders/ Members, who would like to ask questions, may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (shares@shivatex.co.in). The same will be replied by the company suitably.

**Note:**

Those shareholders/members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the Annual General Meeting.

Shareholders/ Members should allow to use camera and are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Instructions for Shareholders/Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote".
2. Enter Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMeet and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.

5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.





**Note:**

Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.

Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or Call us: - Tel : ( 022-49186175 )

Since, the AGM is held through VC/OAVM, the Route Map of the Venue is not annexed with this notice.

Coimbatore  
25th June, 2021

By Order of the Board

**S V ALAGAPPAN**  
**CHAIRMAN**  
**(DIN 00002450)**



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

### ITEM NO. 4

The Members may take note that, Sri S.K. Sundararaman (DIN:00002691) has been appointed as the Managing Director for the period of five years from 31.8.2017 as per Special Resolution passed at the 36th Annual General Meeting of the Company held on 25.12.2017 and that the said Special Resolution has also provided for Minimum Remuneration as per the limits prescribed in Section 197 read with Section II of Part II of Schedule V of the Companies Act 2013, for the first three years of appointment, to conform to Proviso three of Section II of Part II of Schedule V. Considering remarkable contribution towards the growth of the Company made by the Managing Director and his increased workload and responsibilities, the Nomination and Remuneration Committee in their meeting held on 05.02.2021 has recommended to make a partial modification in the remuneration payable to Sri S.K. Sundararaman (DIN:00002691) as set out in the resolution for the period from 01.04.2021 to 30.8.2022.

The proposed remuneration is permissible under Section 197 read with Schedule V of the Companies Act 2013.

Considering the performance exhibited by Sri S.K. Sundararaman (DIN:00002691) in the challenging market environment and during COVID-19 pandemic period and in order to adequately compensate him, the Board recommends the Special Resolution for approval of the Members of the Company as required under Regulation 17(11) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and other applicable provisions.

The Statement under Section 102 of the Companies Act, 2013 being referred in the resolution shall be construed to be memorandum setting out the variation of terms of remuneration as specified under Section 190 of the Companies Act, 2013 and which is available for inspection of members during business hours i.e, 09.30 a.m. to 05.30 p.m. at the ensuing Annual General Meeting in electronic form only considering the COVID-19 pandemic. The request for inspection may be sent to e-mail id: shares@shivatex.co.in

Except Sri S K Sundararaman, Dr. S V Kandasami and Smt. S Sujana Abirami none of the Directors/other Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.



**Disclosures under Clause No.1.2.5 of Secretarial Standard - 2, issued by the Institute of Company Secretaries of India is detailed as below:**

<b>Name</b>	Sri S K Sundararaman (DIN: 00002691) Managing Director
<b>Date of Birth &amp; Age</b>	15.04.1973 & 48 Years
<b>Qualifications</b>	MBBS, MBA
<b>Experience</b>	Sri S K Sundararaman, Managing Director of Shiva Texyarn Ltd is associated with the Textile Industry around two decades and holding MBA Degree from Cambridge University, United Kingdom, have wide experience in the field of Textile Technology. He is well known in the Textiles Industry for his innovative approach and development of new technical textile products.
<b>Variation of Terms of Remuneration</b>	Fixing of Minimum Remuneration payable to Sri S K Sundararaman, Managing Director (DIN:00002691) for the period from 01.04.2021 to 30.8.2022.
<b>Details of Remuneration (proposed to be paid)</b>	Please refer Item No. 4 under Special Business of the Notice
<b>Last Remuneration drawn (for the last financial year)</b>	Please refer disclosures in the Corporate Governance Report.
<b>Date of First appointment on the Board</b>	15.05.2006
<b>Shareholding in the Company</b>	12,060 Equity Shares
<b>Relationship with other Directors</b>	Son of Dr. S V Kandasami & Spouse of Smt. S Sujana Abirami
<b>Number of Meeting of the Board attended during the year (financial year 2020-21)</b>	5 (Five)



<p><b>Directorships held in other Companies</b></p>	<p><b>Listed Companies</b></p> <p>Shiva Mills Ltd  Pricol Ltd  Shanthi Gears Ltd</p> <p><b>Other Unlisted Companies</b></p> <p>S K S Agencies Limited  Vedanayagam Hospital Private Limited  Abirami Ecoplast Private Limited  Sundar Ram Enterprise Private Limited  L K Distributors Private Limited  Abirami Distributors Private Limited  Firebird Enterprenuerial Ventures Private Ltd  Indian Technical Textile Association  Confederation of Indian Textile Industry</p>
<p><b>Membership / Chairmanship of Committees of other Boards</b></p>	<p><b>Shiva Mills Ltd</b></p> <p>Audit Committee – Member  Nomination &amp; Remuneration Committee – Member  Stakeholders Relationship Committee – Member  Share Transfer Committee – Member</p> <p><b>Pricol Ltd</b></p> <p>Audit Committee – Member  Stakeholders Relationship Committee - Member</p> <p><b>Shanthi Gears Ltd</b></p> <p>Audit Committee – Member  Nomination &amp; Remuneration Committee – Member  Corporate Social Responsibility Committee – Member</p>



**ITEM No. 5**

The Board of Directors of the Company on the recommendation of the Audit Committee has approved the appointment and payment of remuneration to Sri M Nagarajan, Cost Auditor to conduct the audit of the Cost records of the Company for the financial year ending 31st March, 2022.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is subject to ratification by the members of the Company. Accordingly, the members are requested to ratify the remuneration payable to the Cost Auditor for the financial year ending 31st March 2022, as set out in the resolution.

The Board of Directors recommend the Ordinary Resolution as set out in this item of the Notice for approval of members as required under Regulation 17(11) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and other applicable provisions.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No.5.

Coimbatore  
25th June, 2021

By Order of the Board  
**S V ALAGAPPAN**  
**CHAIRMAN**  
**(DIN 00002450)**



### ANNEXURE TO THE NOTICE - RE-APPOINTMENT OF DIRECTORS

A brief resume in respect of Directors seeking re-appointment is given below in terms of Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015.

<b>Name</b>	Sri S V Alagappan (DIN:00002450)
<b>Date of Birth/Age</b>	28.10.1941 / 79 Years
<b>Qualification</b>	B.Com, BL
<b>Date of Appointment</b>	28.05.1980
<b>Experience</b>	Five decades of experience in the textile industry
<b>Directorships</b>	Shiva Mills Limited Shiva Texyarn Limited Vadivelan Agencies Limited Anamallais Car Private Limited Annamallai Retreading Company Private Limited Bannari Amman Automobiles Private Limited Shiva Automobiles Private Limited Vadivelan Enterprises Private Limited
<b>Membership of Committees of the Board (Listed entities)</b>	<b>Shiva Mills Limited</b> Share Transfer Committee – Chairman CSR Committee – Chairman <b>Shiva Texyarn Limited</b> Stakeholders Relationship Committee - Chairman
<b>Relationship between the inter-se directors</b>	Brother of Dr. S V Kandasami
<b>Number of shares held in the company</b>	32,670 Equity Shares

**STATEMENT OF PARTICULARS OF SRI S K SUNDARARAMAN  
(PURSUANT TO SCHEDULE-V OF THE COMPANIES ACT, 2013)**

**I. GENERAL INFORMATION**

<b>S.No.</b>	<b>Particulars</b>	<b>Information</b>
1	Nature of industry	Textiles
2	Date or expected date of commencement of commercial Production	NA
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	NA
4	Financial performance based on given indicators	In the Financial Year 2020-2021, the Company made a turnover of ₹ 340.28 Crores and Profit of ₹ 12.48 Crores after tax.
5	Foreign Investments or collaborators, if any.	No such investment or collaboration.

**II. INFORMATION ABOUT THE APPOINTEE**

<b>No.</b>	<b>Particulars</b>	<b>Information</b>
1	Background Details	He is an MBA Graduate having 20 years of leadership level experience in Strategy, Operations, R&D, Sales & Marketing including the creation of new product verticals through innovation. Wide exposure to Board level engagements in many Private, Public and Industry bodies.
2	Past remuneration	Please refer the Corporate Governance Report
3	Recognition or awards	Considering his vast experience in the Textile Industry he has been appointed as Chairman in Indian Technical Textile Association and Vice Chairman in South Indian Mills Association (SIMA). Also he has been nominated as Director in Confederation of Indian Textile Industry by SIMA.



4	Job profile and his suitability	Sri S K Sundararaman was serving as the Executive Director of the Company from 13.08.2012 to 30.08.2017. He have more than 2 decades of experience in the field of Textile Industry. His commitment and business ideas have resulted in opening up of new opportunities/new products under the Technical Textile Division. In view of his enriched experience and appreciable contribution, based on the recommendation of Nomination and Remuneration Committee the Board proposed him as Managing Director for a period of 5 years w.e.f. 31.08.2017 and same has been approved by the members by way of Special Resolution in the 36th AGM of the Company.
5	Remuneration proposed	Salary, other perquisites and other terms as fully set out in the resolution no. 4 of notice of 40th Annual General Meeting of the Company
6	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 proposed remuneration is comparable with the Companies of the same size and profitability.
7	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Apart from the Receipt of remuneration by the Managing Director no other pecuniary relationship exists with the Company. Sri S K Sundararaman is the Promoter and Key Managerial Personnel of the Company. Dr S V Kandasami and Smt Sujana Abirami, Directors of the Company are related to Sri S K Sundararaman in the capacity of Father, Wife respectively.

### III. OTHER INFORMATION

S.No.	Particulars	Information
1	Reason of loss or inadequate profits	The Company has earned profits during the year 2020-2021. However, due to COVID-19 Pandemic, the Company may foresee a situation where it may have absence or inadequacy of Profits in the ensuing financial years.
2	Steps taken or proposed to be taken for improvement	Focus on significant improvements in operating costs, cost control in all areas. Efforts to develop technical textile segment products & alternate market segments.
3	Expected increase in the productivity and profits in measurable terms	The Company expects that there may be a reasonable increase/ improvement in productivity and profitability in the forthcoming years.



## Communication on Tax Deduction on Dividend

Dear Shareholders,

As per Finance Act, 2020, with effect from 1st April 2020, Dividend Distribution Tax is abolished, and dividend income is taxable in the hands of the shareholders. Companies are required to withhold tax at source from dividends paid to shareholders at prescribed rates (plus applicable surcharge and education cess), as may be notified from time to time.

The Company shall accordingly deduct the Income tax from the dividend, if declared, that will be paid to the shareholders in the Financial Year 2021-22.

### Resident Shareholders:

- I. In accordance with Section 194 of the Income tax Act, 1961 (Act), tax shall be deducted at source from the dividend amount at rate of 10% where shareholders have registered their valid Permanent Account Number (PAN) and at the rate of 20% for cases where the shareholders do not have PAN / have not registered their valid PAN details in their demat Account or with Registrar and Share Transfer Agent (RTA) if shares are held in Physical Form.
- II. No tax shall be deducted on the dividend payable to shareholder in following cases:
  1. **Resident Individual Shareholders**
    - i. If the total dividend to be received by them during FY 2021-22 does not exceed ₹ 5,000.
    - ii. Where the dividend exceeds ₹ 5000 for the Financial Year 2021-22 and the shareholder provides duly signed Form 15G or 15H (as may be applicable) along with the self-attested copy of the PAN card, provided that all the required eligibility conditions are met.
  2. **Resident Non-Individual Shareholders**
    - i. If Shareholder is Resident Company / Firm / HUF / AOP / Trust based on the Permanent Account Number (PAN), the dividend receivable would not be taxable under the Income Tax Act, 1961 as follows:-
    - ii. Insurance Company - Self-declaration that it has full beneficial interest in respect of shares owned along with self-attested copy of PAN card.
    - iii. Mutual Funds - Self-declaration that they are specified in section 10(23D) of the Act along with self-attested copy of PAN card and registration certificate.
    - iv. Alternative Investment Fund (AIF) established/incorporated in India - Self-declaration that its income is exempt under Section 10(23FBA) of the Act and they are governed by SEBI regulations as Category I or Category II AIF along with self-attested copy of the PAN card and registration certificate.



- v. Other non-individual shareholders who are not subjected to withholding tax under section 196 of the Act - Self-attested copy of the documentary evidence supporting the exemption status along with self-attested copy of PAN card.

III. In case where the shareholders provide certificate under Section 197 of the Act for lower / NIL withholding of taxes, rate specified in the said certificate shall be considered based on submission of self-attested copy of the same.

### **Non-resident Shareholders**

- I. In accordance with the provisions of Section 195 of the Act the withholding tax shall be at the rate of 20% (plus applicable surcharge and education cess) on the amount of dividend payable to them. In case, certificate issued under section 195/197 of the Income Tax Act, 1961 is given by non-resident shareholders for lower/ Nil withholding of taxes, rate specified in the said certificate shall be considered based on submission of self-attested copy of the same.
- II. Further, as per Section 90 of the Income tax Act, 1961 the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement (tax treaty) between India and the country of tax residence of the shareholder read with provisions laid down in Multilateral Instrument, wherever applicable. For this purpose, i.e. to avail Tax Treaty benefits, the non-resident shareholders will have to provide the following:
  - 1. Self-attested copy of the PAN card allotted by the Indian Income Tax authorities. If PAN is not allotted, please provide your email address, contact number, tax identification number allotted in the country of residence and address in country of residence.
  - 2. Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is resident with respect to dividend income applicable for the period April 2021- March 2022.
  - 3. Self-declaration in Form 10F.
  - 4. Self-declaration of having no taxable presence, fixed base or permanent establishment in India in accordance with the applicable Tax Treaty and Beneficial ownership by the non-resident shareholder.

Kindly note that, the company is not obligated to apply beneficial tax treaty rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial rate of tax as per tax treaty for the purpose of withholding taxes shall depend upon completeness and satisfactory review by the company of the documents submitted by the non-resident shareholder.

- III. In case of Foreign Institutional Investors (FII) and Foreign Portfolio Investors (FPI), taxes shall be withheld at 20% plus applicable surcharge and education cess in accordance with provisions of Section 196D of the Income Tax Act, 1961.

Accordingly, in order to enable the Company to determine the appropriate Tax Deducted at Source (TDS) / withholding tax rate applicable, we request you to provide these details and documents as mentioned above before 13th September, 2021 to update our records from withholding tax perspective.

The dividend declared if any, will be paid after deducting the tax at source as under:

**A. For Resident Shareholders:**

- Nil in case Form 15G or Form 15H (as applicable) / declarations / supporting documents (as specified above) along with self-attested copy of the PAN card is submitted.
- Lower/ NIL withholding tax rate on submission of self-attested copy of the certificate issued under Section 197 of the Income Tax Act, 1961.
- 10% in case valid PAN is provided / available.
- 20% in case valid PAN is not provided / not available.

**B. For Non-Resident Shareholders**

- Beneficial rate based on tax treaty between country of residence and India, as applicable will be applied on the basis of documents submitted.
- Lower/ NIL withholding tax rate on submission of self-attested copy of the certificate issued under section 195/197 of the Income Tax Act, 1961.
- 20% plus applicable surcharge and education cess in all other cases (including FII/ FPI)

**C. For shareholders holding multiple accounts under different status / category**

- Highest rate of tax based on status in which shares are held will be applied on their entire holding in different accounts

**D. For shareholders with PAN status not matching with demat account Status/Category**

- TDS will be deducted at the rate applicable to the status as per demat a/c or status as per PAN whichever is higher.

IV. To comply with Section 206AB/206CCA of the income Tax Act, 1961 which comes into effect from 1st July 2021, the Company will be requiring particulars of income tax returns as filed by Shareholders. Please note that in case of non-submission of information as sought by the Company within 13th September, 2021 and/or in case of non-filing of Income Tax returns by the Shareholder(s) will attract deduction of tax at source by the Company as per rates prescribed under Section 206AB/206CCA.



Kindly note that the aforementioned documents/details are required to be emailed to [green@skdc-consultants.com](mailto:green@skdc-consultants.com) on or before 13th September, 2021 in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate. No communication on the tax determination/deduction shall be entertained post this date for the purpose of dividend Payment.

It may be further noted that in case the tax on the Dividend, declared if any, is deducted at a higher rate in absence of receipt of the aforementioned details/documents from you, shareholder shall have an option to file the return of income and claim an appropriate refund, if eligible. If PAN is not registered with the Company/ DP shareholder may not be able to claim the Refund.

No claim shall lie against the Company for such taxes deducted.



**SHIVA TEXYARN LIMITED**
**DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting the 40th Annual Report together with Audited Financial Statements of the Company for the year ended 31st March, 2021.

(₹ in lakhs)

<b>Financial Results</b>	<b>Financial Year</b>	
	<b>2020-21</b>	2019-20
<b>Profit before Interest and Depreciation</b>	<b>4995.89</b>	3822.41
Less: Interest	<b>1766.90</b>	2230.74
<b>Profit before Depreciation</b>	<b>3228.99</b>	1591.67
Less: Depreciation	<b>1568.38</b>	1468.93
<b>Profit before Tax</b>	<b>1660.61</b>	122.74
Less: Provision for Income Tax		
- Current Tax	<b>1019.75</b>	-
- Deferred Tax Liability (Net)	<b>(587.20)</b>	(31.96)
<b>Profit after Tax</b>	<b>1228.06</b>	154.70
Add: Other comprehensive income/(Loss)	<b>20.37</b>	(39.00)
<b>Total comprehensive income/(Loss) for the Year</b>	<b>1248.43</b>	115.70

**DIVIDEND**

The Board has recommended a dividend of ₹ 1.20/-per share (12% on face value of ₹ 10/-each) for the financial year 2020-2021.

**REVIEW OF OPERATIONS**

The Company's turnover is ₹ 34027.77 Lacs during the year compared to ₹ 36655.37 Lacs in the previous year. During the year under review, the spinning unit produced 7515.17 tonnes (11319.54 tonnes) of yarn. The spinning unit sold 7942.03 tonnes (11907.69 tonnes) of yarn and out of which exports accounted for 667.81 tonnes (806.16 tonnes). Further, during the year under review, the Company sold 2617.48 tonnes (3072.24 tonnes) of waste cotton of which exports accounted for 661.40 tonnes (256.17 tonnes).

The Wind Mills, with aggregate installed capacity of 18.145 MW generated 193.49 lakh units of Wind Electricity as against 187.56 lakh units in the last year. The entire power generated by Wind Mills was utilized for captive consumption at the spinning unit.



The ongoing COVID 19 Pandemic created unusually mixed challenging situation last year.

The Spinning Division suffered enormously in the first half year owing to lock down across the Country. However, the second half year showed increasingly robust performance.

The Lamination and Garments Division were at the forefront of PPE making in India, being among the first Company to get certified and to get manufacturing contracts from the Government. As a consequence the Technical Textile Division have generally done well during the year.

### **PRESENTATION OF FINANCIAL STATEMENTS**

The financial statements for the year ended 31.3.2021 has been prepared in accordance with the Indian Accounting Standard (IndAS) notified under section 133 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 and other applicable provisions.

### **PROSPECTS FOR THE CURRENT YEAR**

Your Company is continuously putting efforts to widen the Product range under Technical Textiles segment and has recently received orders aggregating to ₹ 40.90 Crores for the supply of 1,22,033 bags to Ministry of Defence, Government of India.

The contribution from Lamination, Coating and Garments Divisions are likely to improve in the ensuing years.

### **MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

COVID-19 Pandemic has severally affected the operational and financial performance of the Company during the year under review. Due to the Covid-19 second wave and restrictions imposed by the appropriate Governments may have an impact on the business cycle in the current financial year (2021-22) also.

### **TRANSFER TO RESERVES**

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

### **SHARE CAPITAL**

During the year under review there were no changes in the capital structure of the Company.

### **TRANSFER OF UNCLAIMED DIVIDEND / SHARES TO INVESTOR EDUCATION AND PROTECTION FUND**

The Company is in the process of transferring the unclaimed dividend pertaining to the financial year 2013-2014 and respective shares to the Investor Education and Protection Fund and the details will be hosted in the website of the company.

### **SHIFTING OF REGISTERED OFFICE OF THE COMPANY**

For administrative convenience Company's registered office has been shifted to No.52, East Bashyakaralau Road, R.S.Puram, Coimbatore -641 002 with effect from 01.04.2021.

### **CHANGE OF ADDRESS OF COMPANY'S REGISTRAR & SHARE TRANSFER AGENT (RTA) & CHANGE IN STATUS**

The Company's RTA M/s. S K D C Consultants Ltd who is presently operating from Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore – 641 006 will be shifting to the new address "Surya", 35, May Flower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641 028 w.e.f 16.07.2021. M/s. S K D C Consultants Ltd has become a wholly owned subsidiary of M/s. Link Intime India Private Ltd w.e.f 17.03.2021.

### **EXTRACT OF ANNUAL RETURN**

An extract of the Annual Return as on 31st March, 2021 pursuant to the sub-section (3) of Section 92 of the Companies Act, 2013 which forms part of the report in Form MGT-9 is also enclosed as Annexure I.

### **BOARD MEETINGS**

During the year under review, Five Board Meetings of the Company were conducted. The details of the same have been given in the Corporate Governance Report under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forming part of this Report.

### **SECRETARIAL STANDARDS**

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

### **DIRECTORS' RESPONSIBILITY STATEMENT**

As stipulated in Section 134 (5) of the Companies Act, 2013 your Directors confirm that:

- a) Your Directors have followed the applicable accounting standards in the preparation of the annual accounts, with proper explanation relating to material departures;
- b) Your Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c) Your Directors have 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;
- d) Your Directors have prepared the annual accounts on a going concern basis;



- e) Your Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) Your Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **DIRECTORS**

Sri S V Alagappan, Director (DIN:00002450) is required to retire by rotation at the ensuing Annual General Meeting, he is eligible and seeks re-appointment.

The Company has obtained a Certificate from Sri R Dhanasekaran, Company Secretary in Practice, certifying that none of the Directors on the Board of the Company have been debarred / disqualified from being appointed or continuing as Directors of the Company by the Board / Ministry of Corporate Affairs or any such statutory authority.

No Independent Directors were appointed during the year under review.

### **DECLARATION OF INDEPENDENT DIRECTORS**

All the Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013, and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

### **ANNUAL EVALUATION OF BOARD, COMMITTEES AND INDIVIDUAL DIRECTORS**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 (10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Independent Directors at their meeting without participation of non-Independent Directors and management, considered and evaluated the Boards' performance, performance of the Chairman and Managing Director.

The Board has carried out an annual evaluation of its own performance and performance of the individual Directors as well as the Committees of Directors.

### **COMPOSITION OF AUDIT COMMITTEE**

The Audit Committee comprises of

1. Sri K N V Ramani - Chairman (Non- Executive Independent Director)
2. Sri A Dhananjayan - Member (Non- Executive Independent Director)
3. Sri D Satish Krishnan - Member (Non- Executive Independent Director) and
4. Sri S K Sundararaman - Member (Managing Director)

The Board has implemented the suggestions, if any, made by the Audit Committee from time to time.



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

The Company has not given any loans or guarantees governed under the provisions of Section 186 of the Companies Act, 2013. The details of the investments made by Company are given in the notes to the financial statements.

## **ESTABLISHMENT OF VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has established a Vigil Mechanism for Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics. The policy has been posted in the website of the Company viz., [www.shivatex.in](http://www.shivatex.in).

## **REMUNERATION POLICY**

Your Company is covered under the provisions of Section 178(1) of the Companies Act, 2013

The Board of Directors have framed a policy setting out the framework for payment of Remuneration to Directors, Key Managerial Personnel and Senior Management Personnel of the Company. The policy is explained as part of the Corporate Governance Report. The Nomination and Remuneration Committee ensures that:

1. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully
2. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
3. Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

Remuneration policy can be accessed at Company's website [www.shivatex.in](http://www.shivatex.in).

## **PARTICULARS OF CONTRACTS & ARRANGEMENTS AND RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the financial year in the ordinary course of business were on arm's length basis. Hence, reporting under Form AOC-2 is not attracted. Further no materially significant related party transactions were made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large. Approval of Audit Committee was obtained for transactions of repetitive nature on annual basis. All related party transactions are placed before the Audit Committee and Board of Directors for their review. The policy on Related Party Transactions is available in the website [www.shivatex.in](http://www.shivatex.in).

**Certain additional information and details required as per Rule 8(5) of the Companies (Accounts) Rule, 2014 are furnished herein below:**

No.	Particulars	Remarks																		
i	The Financial summary or highlights	The details are furnished at the beginning of the Director's Report																		
ii	The change in the nature of business, if any	There was no change in the nature of principal business of the Company during the financial year ended 31st March 2021.																		
iii	The details of Directors or Key Managerial Personnel who were appointed or have resigned during the year	No Director or Key Managerial Personnel (KMP) were appointed or have resigned during the year.																		
iii.a.	A Statement regarding opinion of Board with regard to integrity, expertise and experience (including the proficiency) of the Independent Directors appointed during the year	No independent directors were appointed during the year																		
iv	The names of companies which have become or ceased to be its Subsidiaries, Joint Ventures or Associate Companies during the year	Not Applicable																		
v	The details relating to deposits, covered under Chapter V of the Act	<table border="1"> <thead> <tr> <th>S. no.</th> <th>Particulars</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>A.</td> <td>Accepted during the year</td> <td>Nil</td> </tr> <tr> <td>B.</td> <td>Remained unpaid or unclaimed as at the end of the year</td> <td>Nil</td> </tr> <tr> <td>C.</td> <td>Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved</td> <td rowspan="4">Nil</td> </tr> <tr> <td></td> <td>i). At the beginning of the year</td> </tr> <tr> <td></td> <td>ii). Maximum during the year</td> </tr> <tr> <td></td> <td>iii). At the end of the year</td> </tr> </tbody> </table>	S. no.	Particulars	Remarks	A.	Accepted during the year	Nil	B.	Remained unpaid or unclaimed as at the end of the year	Nil	C.	Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved	Nil		i). At the beginning of the year		ii). Maximum during the year		iii). At the end of the year
		S. no.	Particulars	Remarks																
		A.	Accepted during the year	Nil																
		B.	Remained unpaid or unclaimed as at the end of the year	Nil																
		C.	Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved	Nil																
			i). At the beginning of the year																	
	ii). Maximum during the year																			
	iii). At the end of the year																			
vi	The details of deposits which are not in compliance with the requirements of Chapter V of the Act.	Not Applicable																		



vii	The details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future	There are no significant and material orders passed by the Regulators/Courts that would impact the going concern status and the Company's operation in future.
viii	The details in respect of adequacy of internal controls with reference to the Financial Statements	<p>The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Company has an Internal Audit Department which monitors and evaluates the efficiency and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. The scope and authority of the Internal Audit function is reviewed by the Audit Committee from time to time. To maintain its objectivity and independence, the Internal Auditor reports to the Audit Committee.</p> <p>Based on the report of internal audit function, corrective actions are taken in the respective areas to further strengthen the internal controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board, if any.</p>
ix	Maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013	Pursuant to the provisions of Section 148 (1) of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the Company was required to maintain cost records. Accordingly, the required accounts and cost records are duly made and maintained by the company during the year under review.



x	A statement that the Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013	<p>The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition &amp; Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints for sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.</p> <table border="1" data-bbox="829 634 1474 1091"> <thead> <tr> <th data-bbox="829 634 906 710">S. no.</th> <th data-bbox="906 634 1274 710">Particulars</th> <th data-bbox="1274 634 1474 710">Remarks</th> </tr> </thead> <tbody> <tr> <td data-bbox="829 710 906 806">a.</td> <td data-bbox="906 710 1274 806">No. of Complaints filed during the Financial Year 2020-21</td> <td data-bbox="1274 710 1474 806">NIL</td> </tr> <tr> <td data-bbox="829 806 906 949">b.</td> <td data-bbox="906 806 1274 949">No. of Complaints disposed off during the Financial Year 2020-21</td> <td data-bbox="1274 806 1474 949">NIL</td> </tr> <tr> <td data-bbox="829 949 906 1091">c.</td> <td data-bbox="906 949 1274 1091">No. of Complaints pending as on end of the Financial Year 2020-21</td> <td data-bbox="1274 949 1474 1091">NIL</td> </tr> </tbody> </table>	S. no.	Particulars	Remarks	a.	No. of Complaints filed during the Financial Year 2020-21	NIL	b.	No. of Complaints disposed off during the Financial Year 2020-21	NIL	c.	No. of Complaints pending as on end of the Financial Year 2020-21	NIL
S. no.	Particulars	Remarks												
a.	No. of Complaints filed during the Financial Year 2020-21	NIL												
b.	No. of Complaints disposed off during the Financial Year 2020-21	NIL												
c.	No. of Complaints pending as on end of the Financial Year 2020-21	NIL												

### CORPORATE GOVERNANCE

In line with requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 your Company is committed to the principles of good Corporate Governance and continues to adhere good corporate governance practices consistently.

A separate section is given on Corporate Governance, Management Discussion and Analysis along with a certificate from the Practicing Company Secretary regarding compliance with conditions of Corporate Governance, as stipulated under Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which forms part of this Annual Report.

### AUDITORS

As per Section 139 of the Companies Act, 2013 M/s Deloitte, Haskin & Sells LLP – Chartered Accountants were appointed as Auditors for a term of 5 years in the 36th Annual General Meeting held on 25th December, 2017 and will hold office up to 41st Annual General Meeting without requirement of further ratification every year as per the provisions of Companies (Amendment) Act, 2017.

### DETAILS OF FRAUDS REPORTED BY AUDITORS

There were no frauds reported by the Statutory Auditors under the provisions of Section 143(12) of the Companies Act, 2013 and rules made thereunder during the year under review.

## **SECRETARIAL AUDIT**

Pursuant to provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company appointed Mr. R Dhanasekaran, Practicing Company Secretary to undertake the Secretarial Audit of the Company. The report is attached herewith as **Annexure – II**.

No adverse qualifications/comments have been made in the said report by the Practicing Company Secretary.

The Certificate of non-disqualification of Directors pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligation and Disclosure Requirement), Regulations 2015 are attached with this report.

## **COST AUDITOR**

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules 2014 as amended from time to time, the Board of Directors, on the recommendation of Audit Committee, have appointed Sri M Nagarajan, Cost Accountant, Coimbatore as Cost Auditor to conduct Cost Audit of the Company for the financial year 2021-2022 with remuneration. As required under the Companies Act, 2013, a resolution seeking members' approval for the remuneration payable to the Cost Auditor forms part of the Notice convening Annual General Meeting.

## **INTERNAL AUDITOR**

The Company has appointed M/s. B.M Associates Chartered Accountants as Internal Auditor to conduct the internal audit of the Company and the Audit Committee, in consultation with the Internal Auditor formulate the scope, functioning, periodicity for conducting Internal Audit.

## **STATEMENT ON RISK MANAGEMENT POLICY**

Your company is not required to constitute a Risk Management Committee as per Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (only applicable to top 1000 listed entities based on the market capitalization as on 31.03.2021), nevertheless the Company has constituted the same voluntarily. Pursuant to Section 134(3) (n) of the Companies Act, 2013 the Committee has developed a Risk Management Policy and implemented the same. Various risks and risk mitigation measures associated with the company are periodically assessed by this Committee. The details of the Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Boards Report.

## **CSR INITIATIVES & COMPOSITION OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Company has constituted Corporate Social Responsibility Committee (CSR), which shall recommend to the Board, the activities to be undertaken by the Company as specified in schedule VII of the Companies Act, 2013, recommend the amount of expenditure to be incurred on such activities and monitor the CSR policy of the Company. The company has fully spent the amount stipulated under the requirements of the Act, during the year under review.

Corporate Social Responsibility Committee constituted by the Board with effect from 21.05.2014, presently comprised of the following Directors.



1. Dr S V Kandasami - Chairman
2. Smt S Sujana Abirami - Director
3. Sri D Satish Krishnan - Independent Director

Company Secretary of the Company is the Secretary for this committee. Managing Director and Chief Financial Officer are attending the committee as invitees.

The CSR activities and its related particulars are enclosed as **Annexure III**.

## STATUTORY DISCLOSURES

### I. Conservation of Energy and others

The particulars required to be included in terms of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended 31st March, 2021 relating to Conservation of Energy, etc., is enclosed as **Annexure IV**.

### II. Remuneration of Directors and other details

The information required under Section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2021 is provided as **Annexure V** to this report.

## HUMAN RESOURCES AND INDUSTRIAL RELATIONS

During the year under review the human relations continued to be very cordial. The Board of Directors wishes to acknowledge the contribution of the employees at all levels of the organization.

## ACKNOWLEDGEMENT

Your Directors acknowledge with gratitude the timely assistance and help extended by the Bankers for having provided the required bank facilities. Your Directors wish to place on record their appreciation of the contributions made by the employees at all levels for the continued good performance of your company.

Coimbatore  
25th June, 2021

By Order of the Board  
**S V ALAGAPPAN**  
**CHAIRMAN**  
**(DIN 00002450)**

**ANNEXURE – 1**  
**FORM NO. MGT-9**  
**EXTRACT OF ANNUAL RETURN**

**As on the financial year ended 31st March 2021**

**[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]**

**I. REGISTRATION AND OTHER DETAILS:**

- |      |   |  |
|------|---|--|
| i)   | CIN   | L65921TZ1980PLC000945  |
| ii)  | Registration Date   | 28-05-1980   |
| iii) | Name of the Company   | Shiva Texyarn Limited  |
| iv)  | Category / Sub-Category of the Company                                    | Company Limited by Shares/<br>Indian Non -Government Company   |
| v)   | Address of the Registered office and contact details (w.e.f 01.04.2021)   | 52, East Bashyakaralu Road, R S Puram,<br>Coimbatore, Tamilnadu 641 002.<br>PH: 0422 2544955<br>E-mail: shares@shivatex.co.in  |
| vi)  | Whether listed company Yes / No   | Yes  |
| vii) | Name, Address and Contact details of Registrar and Transfer Agent, if any | S K D C Consultants Limited<br>(New Address w.e.f. 16.7.2021)<br>"Surya", 35, May Flower Avenue,<br>Behind Senthil Nagar, Sowripalayam Road,<br>Coimbatore – 641 028<br>Ph:- 0422 4958995, 2539835 / 836<br>Fax:- 0422 2539837<br>E-mail:- info@skdc-consultants.com |

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Cotton Yarn	13111	51.23
2	Laminated Fabric	13999	16.34
3	Garments	14309	13.02

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sl No	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
NIL					



**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**  
**i) Category-wise ShareHolding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2020] 31-March-2021]				No. of Shares held at the end of the year [As on 01-April-2020] 31-March-2021]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	227577	-	227577	1.756	227577	-	227577	1.756	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	9369939	-	9369939	72.284	9369939	-	9369939	72.284	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub -total (A) (1) :-</b>	<b>9597516</b>	<b>-</b>	<b>9597516</b>	<b>74.040</b>	<b>9597516</b>	<b>-</b>	<b>9597516</b>	<b>74.040</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of promoter (A)=(A) (1)+(A)(2)</b>	<b>9597516</b>	<b>-</b>	<b>9597516</b>	<b>74.040</b>	<b>9597516</b>	<b>-</b>	<b>9597516</b>	<b>74.040</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	60	660	720	0.006	60	660	720	0.006	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-





Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2020] 31-March-2021]				No. of Shares held at the end of the year [As on 01-April-2020] 31-March-2021]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>Sub-total (B)(1):-</b>	<b>60</b>	<b>660</b>	<b>720</b>	<b>0.006</b>	<b>60</b>	<b>660</b>	<b>720</b>	<b>0.006</b>	<b>-</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	40068	1500	41568	0.321	49975	1500	51475	0.397	0.076
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1745371	317481	2062852	15.913	1621952	290823	1912775	14.754	(1.159)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	727977	-	727977	5.616	856860	-	856860	6.610	0.994
Non Resident Indians	252905	-	252905	1.951	228208	-	228208	1.761	(0.190)
Director & Their relatives	180	-	180	0.001	180	-	180	0.001	-
Clearing Members	13030	-	13030	0.101	3722	-	3722	0.029	(0.072)
HUF	152506	-	152506	1.176	172361	-	172361	1.330	0.154
IEPF	113099	-	113099	0.872	138896	-	138896	1.072	0.200
Unclaimed Share Suspense Account	360	-	360	0.003	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>3045496</b>	<b>318981</b>	<b>3364477</b>	<b>25.954</b>	<b>3072154</b>	<b>292323</b>	<b>3364477</b>	<b>25.954</b>	<b>-</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>3045556</b>	<b>319641</b>	<b>3365197</b>	<b>25.960</b>	<b>3072214</b>	<b>292983</b>	<b>3365197</b>	<b>25.960</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>12643072</b>	<b>319641</b>	<b>12962713</b>	<b>100.00</b>	<b>12669730</b>	<b>292983</b>	<b>12962713</b>	<b>100.000</b>	<b>-</b>



## ii) Shareholding of Promoter-

SL NO	Share holder's Name	Share holding at the beginning of the year (01.04.2020)			Shareholding at the end of the Year(31.03.2021)			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	S V Alagappan	32670	0.25	-	32670	0.25	-	-
2	S V Kandasami	174117	1.34	-	174117	1.34	-	-
3	S K Sundararaman	12060	0.09	-	12060	0.09	-	-
4	A Shenbagam	5220	0.04	-	5220	0.04	-	-
5	K Leelavathi	2700	0.02	-	2700	0.02	-	-
6	A Lalitha	810	0.01	-	810	0.01	-	-
7	Annamallai Retreading Company Private Limited	3050146	23.53	-	3050146	23.53	-	-
8	Vedanayagam Hospital Private Ltd	6305320	48.64	-	6305320	48.64	-	-
9	Sundar Ram Enterprise Private Ltd	14473	0.11	-	14473	0.112	-	-
	<b>Total</b>	<b>9597516</b>	<b>74.04</b>	<b>-</b>	<b>9597516</b>	<b>74.04</b>	<b>-</b>	<b>-</b>

## (iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	9597516	74.04	9597516	74.04
	Changes during the year	-	-	-	-
	<b>At the End of the year</b>	<b>9597516</b>	<b>74.04</b>	<b>9597516</b>	<b>74.04</b>



## ii) Shareholding of Promoter-

SI no	For each of top 10 shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No.of Shares	%	No.of Shares	%
1	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS	113099	0.872	138896	1.072
2	SABITA SHETTY MRS	125545	0.969	0	0.000
2	SABITA SHETTY	0	0.000	125545	0.969
3	SANGEETHA S	100690	0.777	0	0.000
3	SANGEETHA S	0	0.000	100690	0.777
4	ALKA JAIN	0	0.000	79477	0.613
5	ASHOK KUMAR JAIN	0	0.000	74671	0.576
6	TIRUMALA RAO NIMMAGADDA	28093	0.217	28093	0.217
6	N TIRUMALA RAO	16542	0.128	16542	0.128
6	TIRUMALA RAO NIMMAGADDA	4110	0.032	11300	0.087
6	TIRUMALA RAO NIMMAGADDA	200	0.002	350	0.003
7	DEEPA JANAK PAREKH	38555	0.297	39774	0.307
7	DEEPA JANAK PAREKH	1209	0.009	1209	0.009
8	SELVAM.K.A	30519	0.235	30519	0.235
9	V SUDHA SARADA	29500	0.228	29500	0.228
10	HEMCHAND KUVARJI DEDHIA	22000	0.170	22000	0.170
10	HEMCHAND KUVARJI DEDHIA	2400	0.019	2400	0.019
11	IONA M PALIA	16200	0.125	16200	0.125
12	ANANT JAIN	55149	0.425	0	0.000
12	ANANT JAIN	25476	0.197	0	0.000

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl.No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sri S V Alagappan, Director				
	At the beginning of the year	32670	0.25	-	-
	Changes during the year	-	-	-	-
	At the end of the year	32670	0.25	32670	32670
2	Dr S V Kandasami, Director				
	At the beginning of the year	174117	1.34	-	-
	Changes during the year	-	-	-	-
	At the end of the year	174117	1.34	174117	1.34
3	Sri S K Sundararaman, Managing Director				
	At the beginning of the year	12060	0.09	-	-
	Changes during the year	-	-	-	-
	At the end of the year	12060	0.09	12060	0.09
4	Smt Sujana Abirami, Director				
	At the beginning of the year	-	-	-	-
	Changes during the year	-	-	-	-
	At the end of the year	-	-	-	-
5	Sri K N V Ramani, Director				
	At the beginning of the year	-	-	-	-
	Changes during the year	-	-	-	-
	At the end of the year	-	-	-	-
6	Sri S Marusamy, Director				
	At the beginning of the year	4383	0.034	-	-
	Changes during the year	-	-	-	-
	At the end of the year	4383	0.034	4383	0.034
7	Sri A Dhananjayan, Director				
	At the beginning of the year	-	-	-	-
	Changes during the year	-	-	-	-
	At the end of the year	-	-	-	-
8	Sri D Satish Krishnan , Director				
	At the beginning of the year	-	-	-	-
	Changes during the year	-	-	-	-
	At the end of the year	-	-	-	-
9	Sri C Krishnakumar, Chief Financial Officer				
	At the beginning of the year	270	-	-	-
	Changes during the year	-	-	-	-
	At the end of the year	270	-	270	-
10	Sri R Srinivasan , Company Secretary				
	At the beginning of the year	-	-	-	-
	Changes during the year	-	-	-	-
	At the end of the year	-	-	-	-

**INDEBTEDNESS**

₹ in Lakhs

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	17581.38	1070.00		18651.38
ii) Interest due but not paid	37.88			37.88
iii) Interest accrued but not due	-	-		-
<b>Total (i+ii+iii)</b>	<b>17619.26</b>	<b>1070.00</b>		<b>18689.26</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	2230.00	60.00		2290.00
* Reduction	(8778.28)	(115.00)		(8893.28)
Net Change	(6548.28)	(55.00)		(6603.28)
Indebtedness at the end of the financial year				
i) Principal Amount	11033.10	1015.00		12048.10
ii) Interest due but not paid	6.42			6.42
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>11039.52</b>	<b>1015.00</b>		<b>12054.52</b>

**V) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or manager**

in ₹

SN.	Particulars of Remuneration	MD/WTD/Manager	TOTAL
		<b>S K Sundararaman Managing Director</b>	
1	Gross salary	36,00,000	36,00,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2,64,000	2,64,000
	(c) Profits in lieu of salary under section 17(3) Income - tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission - As % of profits - Others, specify	18,35,309 -	18,35,309 -
5	Others, please specify	-	-
	<b>Total (A)</b>	<b>56,99,309</b>	<b>56,99,309</b>
Ceiling as per the applicable provisions of the Companies Act, 2013			

**B. Remuneration to other directors:**

in ₹

SN.	Particulars of Remuneration					
		Sri KNV Ramani	Sri A Dhananyayan	Sri D Satish Krishnan	Sri S Marusamy	TOTAL
1	Independent Directors					
	Fee for attending board / committee meetings	1,00,000	80,000	1,00,000	60,000	3,40,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>1,00,000</b>	<b>80,000</b>	<b>1,00,000</b>	<b>60,000</b>	<b>3,40,000</b>
2	Other Non- Executive Directors					Total
	Fee for attending board / committee meetings	50,000	50,000	50,000	-	1,50,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>-</b>	<b>1,50,000</b>
	<b>Total (B)=(1+2)</b>	<b>1,50,000</b>	<b>1,30,000</b>	<b>1,50,000</b>	<b>60,000</b>	<b>4,90,000</b>
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	----- Not Applicable -----				

**C. Remuneration to Key Managerial Personnel Other Than MD/MANAGER/WTD**

in ₹

Sl. No	Particulars of Remuneration	Key Managerial Personnel		
		Sri R Srinivasan Company Secretary	Sri C Krishnakumar Chief Financial Officer	Total
1	Gross salary	17,49,905	17,71,547	35,21,452
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income- tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit others, specify...	-	-	-
5	Others, please specify	-	-	-
	<b>Total</b>	<b>17,49,905</b>	<b>17,71,547</b>	<b>35,21,452</b>



**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made,if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Coimbatore  
25th June, 2021

For Shiva Texyarn Ltd  
**R SRINIVASAN**  
**COMPANY SECRETARY**



**ANNEXURE II**  
**FORM NO.MR-3**  
**SECRETARIAL AUDIT REPORT**  
**(FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021)**  
**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies**  
**(Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To

The Members

SHIVA TEXYARN LIMITED

(CIN: L65921TZ1980PLC000945)

52, East Bashyakaralu Road, R.S Puram,  
Coimbatore – 641002.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SHIVA TEXYARN 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 my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by SHIVA TEXYARN LIMITED (“the Company”) for the financial year ended on 31st March 2021) (‘Audit Period’) according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder and applicable provisions of the Companies Act 1956;
- ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;





- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company;
- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the Company during the Audit Period);
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the company during the Audit Period)
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the company during the Audit Period)
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the company during the Audit Period)
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the Audit Period);
- vi. The following other laws specifically applicable to the company:
- a. Textile Committee Act, 1963
  - b. Textiles (Development and Regulation) order, 2001
  - c. Textiles (Consumer Protection) Regulation, 1985

**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 Agreements entered into by the Company with the BSE Limited, National Stock Exchange of India Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**I report that,** during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc., mentioned above.

**I further report that,** based on the information provided by the Company, its officers and authorised representatives during the conduct of the audit, and also on the review of periodical compliance reports by respective department heads / company secretary / CFO taken on record by the Board of Directors of the Company, in my opinion, adequate systems and process and control mechanism exist in the Company to monitor and ensure compliance with applicable financial / general laws like, direct and indirect tax laws, labour laws, and environmental laws.

**I further report that,** 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 period under review were carried out in compliance with the provisions of the Act.

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 at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**I further report that,** there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that,** during the audit period:

The company has not taken any events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Place: Coimbatore

Date: 25th June, 2021

**R Dhanasekaran**

Company Secretary in Practice

FCS 7070 / CP 7745

ICSI UDIN: F007070C000511893

**ANNEXURE – III**
**ANNEXURE – II - FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD’S REPORT FOR FINANCIAL YEAR COMMENCING ON OR AFTER 1st DAY OF APRIL, 2020**
**1. Brief outline on CSR Policy of the Company.**

The Board of Directors of Shiva Teyarn Ltd has adopted CSR Policy to cover the projects/activities which are framed as per Schedule VII of the Companies Act, 2013. The Company’s CSR initiatives are primarily focused on promoting health care including preventive health care and sanitation, promoting education and supporting disaster relief measures.

**2. Composition of CSR Committee:**

Sl.No.	Name of Director	Designation /Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Dr. S V Kandasami	Non-Executive-Non-Independent Director	4	4
2	Smt S Sujana Abirami	Non-Executive-Non-Independent Director	4	4
3	Sri D Satish Krishnan	Non-Executive-Independent Director	4	4

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company. <https://www.shivatex.in/shares/134/policies/>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

**Not Applicable**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl.No	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-of for the financial year, if any (in ₹)
<b>NOT APPLICABLE</b>			



6. Average net profit of the company as per section 135(5). – ₹ 6,52,42,852/-
7. (a) Two percent of average net profit of the company as per section 135 (5) – ₹ 13,04,857/-  
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.NIL  
 (c) Amount required to be set off for the financial year. If any - NIL  
 (d) Total CSR obligation for the financial year (7a+7b-7c). – ₹13,04,857/-
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135 (5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
13,06,949	Not Applicable				

**(b) Details of CSR amount spent against ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl.No.	Name of the project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount Allocated for the project (in Rs)	Amount spent in the current financial year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation Direct (Yes/No).	Mode of Implementation – Through Implementing Agency.	
				State	District						Name	CSR Registration number
Not Applicable												

**(c) Details of CSR amount spent against other than ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation-Direct (Yes/No)	Mode of implementation-Through implementing agency	
				State	District			Name	CSR Registration number
1	Health	Promoting Healthcare	Yes	Tamil Nadu	Coimbatore	11,60,000	No	Alagammal Charitable Trust	CSR00004728
2	Education	Promotion of Education	Yes	Tamil Nadu	Coimbatore-Kangeyampalayam school -Tirupur District	26,949	Yes	-	-
3	Sanitation Activities	Sanitation	Yes	Tamil Nadu	Coimbatore	1,20,000	No	Resident Awareness Association of Coimbatore (RAAC)	CSR00001894
<b>TOTAL</b>						<b>13,06,949</b>			



(d)	Amount spent in Administrative Overheads	-	NIL
(e)	Amount spent on Impact Assessment, if applicable	-	NIL
(f)	Total amount spent for the Financial Year(8b+8c+8d+8e)	-	₹ 13,06,949/-
(g)	Excess amount for set off, if any	-	₹ 2092/-

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135 (5)	13,04,857
(ii)	Total amount spent for the Financial Year	13,06,949
(iii)	Excess amount spent for the financial year ((ii)-(i))	2,092
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years(iii)-(iv)	2092

**9. (a) Details of Unspent CSR amount for the preceding three financial years:**

SL.No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6),if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1	2017-18	-	-	-			6,53,381
2	2018-19	-	-	-			13,49,379
3	2019-20	-	-	-			0
	<b>TOTAL</b>						<b>20,02,760</b>

**b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project – Completed/ Ongoing
<b>Not Applicable</b>								



10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year(asset-wise details).NIL
- (a) Date of creation or acquisition of the capital asset(s).
  - (b) Amount of CSR spent for creation or acquisition of capital asset.
  - (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
  - (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135 (5). – Not Applicable

**FOR SHIVA TEXYARN LTD**

**S K Sundararaman**

Managing Director  
(DIN:00002691)

**FOR SHIVA TEXYARN LTD**

**Dr. S V Kandasami**

Chairman of CSR Committee  
(DIN:00002470)

**ANNEXURE - IV**
**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION,  
FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information under Section 134(3)(m) of the Companies Act, 2013 read with rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended 31st March, 2021 is given here below and forms part of the Directors' Report.

**STATEMENT FOR CONSERVATION OF ENERGY:**

SI No	PARTICULARS	RELATED DISCLOSURES	
<b>A</b>	<b>Conservation of Energy</b>		
(i)	The steps taken or impact on conservation of energy;	1)	Energy monitoring system implemented
		2)	CDS system for Ring frames in place Elite System wherein 20% power saving observed.
		3)	T5 Tube lights are being replaced with LED tube lights
		4)	Inverter provided for WRS main centrifugal fan wherein 15% power saving observed
		5)	Compressor air energy consumption / reduced by monitoring and arresting the air leakages
(ii)	The steps taken by the Company for utilizing alternate sources of energy		The company captively utilises the wind energy generated through its own wind mills.
(iii)	The capital investment on energy conservation equipment		During the year under review the company has not invested in any energy conservation equipment. However, it is evaluating various options to make suitable capital investments in non-conventional energy sources through captive generator- consumer model.

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

SI NO	PARTICULARS	RELATED DISCLOSURES
<b>(B)</b>	<b>Technology Absorption</b>	
(i)	Efforts made towards technology absorption;	Research and Development activities are carried out on an ongoing basis for improving the efficiency and also for improving quality of its products.  However the company adopts latest technology available in the Industry.
(ii)	Benefits derived like product improvement, cost reduction, product development or import substitution;	The company continuously putting efforts in product improvement, cost reduction and product development.



SI NO	PARTICULARS	RELATED DISCLOSURES
(iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): a) The details of technology imported; b) The year of import; c) Whether the technology has been fully absorbed; d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof;	The Company has not absorbed any particular technology from any outside source.
(iv)	Expenditure incurred on Research and Development	Nil

#### FOREIGN EXCHANGE OUTGO AND EARNINGS

SI NO	PARTICULARS	₹ in Lakhs
(i)	Foreign Exchange Earned	3510.37
(ii)	Foreign Exchange Used	1121.84

Coimbatore  
25<sup>th</sup> June, 2021

By Order of the Board  
**S V ALAGAPPAN**  
**CHAIRMAN**  
**(DIN 00002450)**



**ANNEXURE V****Disclosure in the Board's Report**

Particulars of Remuneration of Directors and Employees pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

- (i) The Ratio of the remuneration of each director to the median remuneration of the employees of the company for the Financial year 2020 -21

Director's Name	Ratio
Sri S K Sundararaman, Managing Director	20.70:1

- (ii) The Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial year 2020-21 compared

Director's Name/CS/CFO	% increase in remuneration
Sri S K Sundararaman, Managing Director	41.35
Sri R Srinivasan, Company Secretary	-4.40
Sri C Krishnakumar (CFO)	-3.11

In respect of other Directors, the Company is paying only sitting fees. Hence, not considered for the above purpose.

- (iii) Percentage increase in the median remuneration of employees in the Financial year 2020-21 2.41%
- iv) Number of permanent employees on the rolls of the Company 1394
- (v) Particulars of Employees as per Rule 5(2) and Rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

S. No.	Name ( Age in years)	Designation	Gross Remuneration Paid (In ₹)	Qualification	Date of commencement of employment (experience in years)	Previous Employment
1	P BASKAR - (56)	Vice President	2475037	DTT	01.01.1989 (32)	Bannariamman Spinning Mills Ltd
2	L MANESH KUMAR (36)	Chief Operating Officer	2169962	MBA	11.11.2010 (11)	Gokak Textiles Ltd



S. No.	Name ( Age in years)	Designation	Gross Remuneration Paid (In ₹)	Qualification	Date of commencement of employment (experience in years)	Previous Employment
3	P N KUMAR (59)	General Manager	1911249	DTT	03.10.2019 (2)	Zenith Textiles Nanjangud
4	C KRISHNAKUMAR - (43)	Chief Financial Officer	1771547	M.Com, FCA, ACS	01.06.2012 (9)	Sabare International Ltd
5	K.VENURAJAGOPAL (56)	G M Hr & Admin	1758250	MA,BL	28.08.1991 (30)	Bannariamman Spinning Mills Ltd
6	R SRINIVASAN (48)	Company Secretary	1749905	B.Sc, ACS, BL	18.05.2017 (4)	Shri Ram Capital Ltd
7	V K MANOHARAN (43)	General Manager Production	1528863	MSC	06.01.2020 (1)	BKS Textiles, Palladam
8	RAJESH KUMAR SINGH - (43)	Head - Modern Trade Sales	1449268	MBA	02.04.2018 (3)	Future Consumer Ltd
9	G.SAMBATH KUMAR- (36)	Senior Manager International Marketing	1351562	MBA	17.10.2017 (3)	Sharadha Terry Products Ltd
10	S.SENGOTTAIYAN (69)	DGM Accounts	1179888	BA	28.8.1985 (36)	Tarapure & Co, Madras

All the employees are in regular employment.

None of the employees stated above are related to any Director of the Company.

(vi) Average percentile increase already made in the salaries of Employees other than Managerial Personnel in the last financial year and its comparison with the percentile increase in managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

The average percentile increase granted to employees other than managerial personnel is : 2.41%

The percentile increase granted to Managerial Personnel : Nil

(vii) The Board of Directors of the Company affirm that the remuneration paid to Directors, Key Managerial Personnel and employees is as per the remuneration policy approved by the Board of Directors of the Company.

By Order of the Board

**S V ALAGAPPAN**  
**CHAIRMAN**  
**(DIN 00002450)**

Coimbatore  
25 June, 2021

## REPORT ON CORPORATE GOVERNANCE

### COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on Corporate Governance envisages the attainment of high levels of transparency, accountability, fairness and equity in all facets of its operations, procedures and reporting systems. Management aims to achieve greater efficiency and remain to competitive in comparison with the peers in the Industry.

Shiva Texyarn Limited has adopted a Code of Conduct which lays down standards of values, ethics and prudent business principles of management.

### BOARD OF DIRECTORS

The Board comprises of Eight Directors viz., One Non-Executive Chairman, One Managing Director, One Woman Director and Four Non-Executive Independent Directors.

During the financial year, 5 Board Meetings were convened during the year. The meetings were held on 26.06.2020, 14.08.2020, 09.11.2020, 05.02.2021 and 25.03.2021.

The Board is given all material information which are incorporated in the Agenda papers for facilitating meaningful and focused discussions at the meetings.

Details of attendance of each Director at the Board Meetings and at the last Annual General Meeting held on 23.09.2020:

Sl. No	Name of the Director	Category	Number of Director-shipsheld in other Companies*	Number of Board Committee Membership held in other Companies**		No. of Board Meetings Attended	Last AGM Attended
				Chairman	Member		Yes / No.
1.	Sri S V Alagappan	Non-Executive	2	-	-	5	Yes
2.	Dr S V Kandasami	Non-Executive	1	-	-	5	Yes
3.	Sri S K Sundararaman	Executive	4	-	5	5	Yes
4.	Smt Sujana Abirami	Non-Executive	-	-	-	5	Yes
5.	Sri K N V Ramani	Non-Executive Independent	6	4	5	5	Yes
6.	Sri S Marusamy	Non-Executive Independent	1	-	-	5	Yes
7.	Sri A Dhananjayan	Non-Executive Independent	1	-	1	4	Yes
8.	Sri D Satish Krishnan	Non-Executive Independent	2	-	-	5	Yes

Directors under Sl.No 1 and 2 are related and Director 3 is related to Director 4. Directors 2, 3 & 4 are related to each other.

\*Excluding private companies which are not subsidiary of public limited companies.

\*\*Only Committees formed under Regulation 26(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are considered.

The name of the listed entities where the person is a Director and the category of Directorships as per Schedule V Part C of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

S.No	Name of the Directors	Name of the Listed Entities holding Directorships	Category of Directorships	No. of equity shares held
1	Sri S V Alagappan	Shiva Texyarn Ltd	Chairman	32,670
		Shiva Mills Ltd	Chairman & Managing Director	21,780
2	Dr S V Kandasami	Shiva Texyarn Ltd	Director	1,74,117
3	Sri S K Sundararaman	Shiva Texyarn Ltd	Managing Director	12,060
		Shiva Mills Ltd	Non-Independent Director	360
		Pricol Ltd	Independent Director	-
		Shanthi Gears Ltd	Independent Director	-
4	Smt S Sujana Abirami	Shiva Texyarn Ltd	Women Director	-
5	Sri K N V Ramani	Bannari Amman Spinning Mills Ltd	Independent Director	-
		Shiva Texyarn Ltd	Independent Director	-
		Shiva Mills Ltd	Independent Director	-
		K.G Denim Ltd	Independent Director	-
		K.P.R Mills Ltd	Independent Director	-
		LGB Forge Ltd	Independent Director	-
6	Sri S Marusamy	Shiva Texyarn Ltd	Independent Director	4,383
		Shiva Mills Ltd	Independent Director	3,905
7	Sri A Dhananjayan	Shiva Texyarn Ltd	Independent Director	-
		National Fittings Ltd	Independent Director	-
8	Sri D Satish Krishnan	Shiva Texyarn Ltd	Independent Director	-

#### FAMILIARISATION PROGRAMME

The details of familiarization programmes imparted to Independent Directors are hosted on the Company Website [www.shivatex.in](http://www.shivatex.in).

### SKILLS/EXPERTISE/COMPETENCE OF THE BOARD OF DIRECTORS

(as per Schedule V, Part C of SEBI(Listing Obligations And Disclosure Requirements) Amendment, Regulations, 2018)

The Board identifies the following list of core skills /expertise/competencies as required in the context of the Company's business which are available to the members of the Board which are detailed as follows:

S.No	Name of the Directors	Skill Sets
1	Sri S V Alagappan	<ul style="list-style-type: none"> <li>• Sound knowledge on Company's business, policies, vision and mission, strengths, weakness, opportunities and threats of the Company's business operations.</li> </ul>
2	Dr S V Kandasami	<ul style="list-style-type: none"> <li>• Expertise / Professional skills / intellectual inputs in relation to Company's business and General Administration.</li> </ul>
3	Sri S K Sundararaman	<ul style="list-style-type: none"> <li>• Sound knowledge on Company's business, policies, vision and mission, strengths, weakness, opportunities and threats of the Company's business operations.</li> <li>• Optimum level of utilization of skills and expertise for business decisions.</li> <li>• Operational Strategy, sales, marketing, distribution, corporate governance, general administration, compliance management.</li> <li>• Financial Management</li> <li>• Expertise / Professional skills / intellectual inputs in relation to Company's business.</li> </ul>
4	Smt S Sujana Abirami	<ul style="list-style-type: none"> <li>• General Administration.</li> </ul>
5	Sri K N V Ramani	<ul style="list-style-type: none"> <li>• Sound knowledge on Company's business, policies, vision and mission, strengths, weakness, opportunities and threats of the Company's business operations.</li> <li>• Compliance management</li> <li>• Corporate Governance</li> <li>• Expertise / Professional skills / intellectual inputs in relation to Company's business.</li> <li>• Expertise in Law (specialization in Corporate Law and SEBI matters).</li> </ul>
6	Sri S Marusamy	<ul style="list-style-type: none"> <li>• Farm and Logistics Management.</li> </ul>
7	Sri A Dhananjayan	<ul style="list-style-type: none"> <li>• Expertise in Accounts, Audit, Taxation and Finance</li> </ul>
8	Sri D Satish Krishnan	<ul style="list-style-type: none"> <li>• Operational Strategy, sales, marketing, distribution, corporate governance, general administration.</li> <li>• Financial Management</li> </ul>

The Board of Directors are of the opinion that the Independent Directors fulfil the conditions specified under SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and are independent of the management.

During the year under review, none of the Independent Directors had resigned before the expiry of their tenure.

#### **AUDIT COMMITTEE**

The Audit Committee consists of the following 4 Directors, of whom 3 are independent. During the financial year the Audit Committee met 4 times on 26.06.2020, 14.08.2020, 09.11.2020 and 05.02.2021 and the attendance of each member is furnished below:

<b>Name of the Member</b>	<b>Category</b>	<b>No of Meetings Attended</b>
Sri K N V Ramani	Chairman & Independent Director	4
Sri S K Sundararaman	Managing Director	4
Sri A Dhananjayan	Independent Director	3
Sri D Satish Krishnan	Independent Director	4

The Audit Committee Chairman was present at the last Annual General Meeting as stipulated under regulation 18(1) (d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The terms of reference of the Audit Committee are as set out in Regulation 18 (3) read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which inter-alia includes the following:

- a) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- d) Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to :
  - i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
  - ii) Changes, if any, in accounting policies and practices and reasons for the same.
  - iii) Major accounting entries involving estimates based on the exercise of judgment by management.



- iv) Significant adjustments made in the financial statements arising out of audit findings.
  - v) Compliance with listing and other legal requirements relating to financial statements.
  - vi) Disclosure of any related party transactions.
  - vii) Qualifications in the draft audit report.
- e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  - f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  - g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
  - h) Approval or any subsequent modification of transactions of the company with related parties;
  - i) Scrutiny of inter-corporate loans and investments;
  - j) Valuation of undertakings or assets of the company, wherever it is necessary;
  - k) Evaluation of internal financial controls and risk management systems;
  - l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - n) Discussion with internal auditors of any significant findings and follow up there on;
  - o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  - p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

- q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- r) To review the functioning of the Whistle Blower mechanism;
- s) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate;
- t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

### **NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee consists of 3 Directors all of whom are independent.

During the Financial Year the Nomination and Remuneration Committee met 4 times on 22.05.2020, 13.08.2020, 09.11.2020 and 05.02.2021.

<b>Name of the Directors</b>	<b>Position</b>	<b>No. of Meetings attended</b>
Sri K N V Ramani	Chairman & Independent Director	4
Sri A Dhananjayan	Independent Director	3
Sri D Satish Krishnan	Independent Director	4

The terms of reference specified by Board of Directors to the Nomination and Remuneration Committee are as under.

- a) Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and also recommend to the Board a Policy relating to the Remuneration of Directors, Key Managerial Personnel and other employees.
- b) Formulating the policy for determining qualification, positive attributes and independence of a Director.
- c) To formulate criteria for evaluation of Independent Directors and the Board.
- d) To devise a policy on Board diversity.

As per the guidance of regulation 19(3) of SEBI (LODR) Regulations, 2015, the Chairman of the Committee was present at the last annual general meeting.

### **Evaluation criteria**

The Nomination and Remuneration Committee has formulated the methodology and criteria to evaluate the performance of the Board and each Director. The evaluation of the performance of the Board and its committees are evaluated through a questionnaire circulated to all directors and based upon the response to the questionnaire,



the directors do a self-evaluation of their performance. Accordingly Board reviewed the performance of each of the directors and expressed their satisfaction.

The performance evaluation of the Chairman and the Managing Director was carried out separately by the Independent Directors. The Independent Directors expressed their satisfaction on the performance of the Chairman and the Managing Director.

### **Performance evaluation criteria for Independent Directors**

During the year under review, the Independent Directors met on 29.01.2021 for the following purposes:

- Evaluation of performance of non- Independent Directors and the Board as a whole
- Evaluation of performance of the Chairman, Executive Director of the Company
- Evaluation of quality and flow information to the Board

All the Independent Directors were present at the meeting.

The evaluation of Directors (including Independent Directors) is done by the Nomination and Remuneration Committee and at meeting of Independent Directors. The proceedings of the said meetings and the evaluated appraisal papers are submitted to the Chairman of the Board and the same are considered as reports of performance evaluation.

All the Independent Directors have given declarations that they meet the criteria of independence as per Section 149 (7) of the Companies Act, 2013 read with Regulation 34(3C)(i) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.

### **REMUNERATION OF DIRECTORS**

The Nomination and Remuneration Committee has adopted a charter which, inter alia, deals with the manner of selection of Board of Directors/Key Managerial Personnel/Senior Managerial Personnel. The policy is accordingly derived from the said Charter. The policy on remuneration is available in the following weblink:[www.shivatex.in](http://www.shivatex.in).

The details of remuneration to Managing Director is as follows:

<b>Name</b>	<b>Position</b>	<b>Total Remuneration (In ₹)</b>
Sri S K Sundararaman	Managing Director	56,99,309



## DISCLOSURES AS REQUIRED UNDER SCHEDULE V OF THE COMPANIES ACT, 2013

(i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension etc. of all the Directors:	The remuneration package of Managing Director consists of Salary, Allowances, commission and perquisites. The non-executive directors including Independent Directors are paid sitting fees only.
(ii) Details of fixed component and performance linked incentives along with the performance criteria:	No fixed component and performance linked incentives are paid to the Directors.
(iii) Service contracts, notice period, severance fees	Managing Director is appointed /re-appointed based on the terms and conditions of appointment approved by the shareholders. Independent Directors are appointed for a tenure of 5 years with the approval of shareholders and re-appointed for a further period of 5 years with the approval of shareholders by way of special resolution. The tenure of Non-executive Directors are bound by the relevant provisions of the Companies Act, 2013 and applicable regulations of SEBI (LODR) Regulations, 2015
(iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable:	The Company has not issued any Stock Options

### Pecuniary Relationship / Transactions with Non-Executive Directors:

All the Non-Executive Directors are paid a sitting fee of ₹10,000/- for each Board Meeting attended by them. The members of Audit Committee are also paid a sitting fee of ₹10,000/- for each committee meeting attended by them.

### STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee was formed to specifically look into shareholders/investors complaints, if any, on transmission of shares, non-receipt of Annual Report, non-receipt of declared dividend, etc., and also the action taken by the Company on those matters. During the financial year the Committee met 7 times on 04.05.2020, 06.07.2020, 07.10.2020, 21.10.2020, 14.12.2020, 05.01.2021 and 12.02.2021 the attendance of each member is furnished below:

The Stakeholders Relationship Committee consists of:

<b>Name of the Directors</b>	<b>Position</b>	<b>No. of Meetings attended</b>
Sri S V Alagappan	Chairman	7
Sri S K Sundararaman	Member	7
Sri S Marusamy	Member	7
Sri D Satish Krishnan	Member	7

Mr R Srinivasan, the Company Secretary is the Compliance Officer.

The Company has not received any complaint from the Investors during the year and there was no complaint pending at the beginning of the year for redressal.

As required under regulation 20(3) of SEBI (LODR) (Amendment) Regulations, 2018, the Chairman of the Committee was present at the last annual general meeting to answer queries of the shareholders.

#### **RISK MANAGEMENT COMMITTEE**

The Risk Management Committee has been constituted voluntarily by the Company with a majority consisting of Board of Directors as its members. The Risk Management Committee identify and monitors the risk associated with the business of the Company and formulates the risk mitigation measures and perform such other functions as may be directed by the Board of Directors. During the financial year the Committee met 4 times on 26.06.2020, 14.08.2020, 09.11.2020 and 05.02.2021 and the attendance of each member is furnished below:-

**The Risk Management Committee consists of the following members:-**

<b>S.No.</b>	<b>Name of the Directors / Executives</b>	<b>Position</b>	<b>No. of meetings attended</b>
1	Sri K N V Ramani Non-Executive Independent Director	Chairman	4
2	Sri S K Sundararaman Managing Director	Member	4
3	Sri A Dhananjayan Non-Executive Independent Director	Member	2
4	Smt S Sujana Abirami Non-Executive Non-Independent Director	Member	4
5	Sri A Balamurali Internal Auditor	Member	4
6	Sri C Krishnakumar Chief Financial Officer	Member	4

Mr R Srinivasan, the Company Secretary is the Secretary of the Committee..

### GENERAL BODY MEETING

Details of the last three Annual General Meetings and details of Special Resolutions passed are as follows:

AGM	Date & Time	Venue of the Meetings	Special Resolutions Passed
37th	24.09.2018 10.30 A.M	Nani Kalaiarngam,Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore – 641 037	1.Continuation of present term of Directorship of Sri S V Alagappan as a Non-Executive Director of the Company who has attained the age of 75 years and whose office is liable to retire by rotation
			2. Continuation of present term of Directorship of Sri S V Kandasami as a Non-Executive Director of the Company who has attained the age of 75 years and whose office is liable to retire by rotation
			3. Continuation of present term of Directorship of Sri K N V Ramani as a Non-Executive Independent Director who has attained the age of 75 years
			4. Continuation of present term of Directorship of Sri S Palaniswami as a Non-Executive Independent Director who attains the age of 75 years during the tenure of his present appointment
38th	19.08.2019 11.00 A.M	Nani Kalaiarngam,Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore – 641 037	1. Re-appointment of Sri K N V Ramani (DIN 00007931) as an Independent Director 2. Re-appointment of Sri S Marusamy (DIN 00610091) as an Independent Director and continuation of Directorship as required under Regulation 17 of SEBI (Listing Obligation and Disclosure Requirements), Regulations) Amendment 2018
39th	23.09.2020 10.00 A.M	Video Conferencing (VC) / Other Audio Visual Means (OAVM)	Continuation of present term of Directorship of Sri S Marusamy (DIN 00610091) as an Independent Director who has attained the age of 75 years.

As per the procedure laid down under Section 108 of the Companies Act, 2013 the Company conducted e-voting facility and voting at the venue of the meeting/at the time of the meeting.

Sri R Dhanasekaran, Practicing Company Secretary, Coimbatore was appointed as Scrutinizer to conduct the voting process.

### MEANS OF COMMUNICATION

The quarterly/half-yearly/annual financial results of the Company are announced within the stipulated period and are normally published in English and Tamil Newspapers in Business Standard and Makkal Kural respectively. The results were also displayed in Company's website www.shivatex.in. The investor presentations were filed with the Stock Exchanges and also disseminated the same on the website of the Company www.shivatex.in before presenting the same to the Investors.

### GENERAL SHAREHOLDER INFORMATION

- |    |                        |   |
|----|------------------------|---|
| a. | Annual General Meeting | Day & Date : Monday, 20th September 2021<br>Time : 11.30 A.M<br>Venue : Through Video Conferencing (VC)/OVAM mode with virtual presence of members. |
| b. | Financial Year         | 2020-2021   |
| c. | Dividend Payment Date  | On or before 19th October 2021  |

### NAME AND ADDRESS OF STOCK EXCHANGES AND STOCK CODE

The Company's Equity Shares are listed on the following Stock Exchanges:-

Exchanges	Stock Code
BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001	511108
National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex Bandra (E), Mumbai 400 051	SHIVATEX



The Company has paid Annual listing fees for the year 2021 - 22.

### MARKET PRICE DATA

The monthly high and low of the Company's share price quoted in the National Stock Exchange of India Limited / BSE Limited, together with NSE Nifty / BSE Sensex from April 2020 to March 2021 were as follows:

Month	SHARE PRICE				NSE		S&P BSE - SENSEX	
	BSE		NSE		HIGH	LOW	HIGH	LOW
	HIGH	LOW	HIGH	LOW				
April'20	99.80	75.10	101.30	75.15	8041.05	6619.55	33887.25	27500.79
May	90.15	81.70	86.85	74.65	7834.05	7234.45	32845.48	29968.45
June	113.45	70.25	115.00	73.05	8699.55	7839.15	35706.55	32348.1
July	91.50	79.10	93.25	78.05	9180.70	8466.70	38617.03	34927.2
August	107.10	76.05	108.85	77.25	9747.05	8925.05	40010.17	36911.23
September	104.00	87.60	104.00	81.20	9640.95	8933.95	39359.51	36495.98
October	92.00	75.00	92.50	77.00	9822.95	9423.80	41048.05	38410.2
November	87.60	74.60	86.70	75.15	10804.10	9524.20	44825.37	39334.92
December	113.70	77.55	116.10	80.80	11548.35	10734.30	47896.97	44118.1
January'21	142.15	115.50	143.00	112.60	12167.95	11273.55	50184.01	46160.46
February	153.00	120.55	153.70	120.50	12724.55	11304.00	52516.76	46433.65
March	174.50	126.00	172.60	131.15	12816.15	11951.40	51821.84	48236.35

Based on the closing quotation of ₹140.75 as at 31.03.2021 at National Stock Exchange Of India Limited, Mumbai, the market capitalization of the Company was ₹ 18,245 Lakhs.

### REGISTRAR AND SHARE TRANSFER AGENTS (New Address w.e.f. 16.07.2021)

M/s. S K D C Consultants Ltd  
 "Surya", 35, May Flower Avenue  
 Behind Senthil Nagar  
 Sowripalayam Road, Coimbatore – 641 028  
 Ph:- 0422 4958995, 2539835 / 836  
 Fax:- 0422 2539837  
 E-mail:- info@skdc-consultants.com

Share Transmission documents, non-receipt of share certificates sent for transmission, nomination forms and change of address may directly be sent to the above address.

**SHARE TRANSFER SYSTEM**

Physical Share Transfers were discontinued w.e.f. 01.04.2019 as per the SEBI guidelines. Transmission /Transposition requests if any, which are in physical form are registered and returned within 30 days from the date of receipt of the documents which are in order. The same are approved by the Stakeholder's Relationship Committee.

**CATEGORY OF EQUITY SHAREHOLDING AS ON 31.03.2021**

Sl. no.	Category	No.of shareholders	No.of shares held	% to paid up capital
1	Promoter's Holding	9	95,97,516	74.039
2	Banks/FIs/Mutual Funds	3	720	0.006
3	Private Corporate Bodies	57	55197	0.426
4	Indian Public	6,520	29,42,176	22.697
5	NRI/OCBs	268	228208	1.760
6	IEPF	1	1,38,896	1.072
	<b>TOTAL</b>	<b>6858</b>	<b>1,29,62,713</b>	<b>100.000</b>

**DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2021**

Shareholding (Range)	No.of Holders	% of Holders	No.of Shares	%
1 - 500	5731	83.57	763967	5.89
501 - 1000	610	8.89	423685	3.27
1001 - 2000	302	4.40	419310	3.23
2001 - 3000	78	1.14	198594	1.53
3001 - 4000	30	0.44	103178	0.80
4001 - 5000	18	0.26	81786	0.63
5001 - 10000	45	0.66	307136	2.37
10001 AND ABOVE	44	0.64	10665057	82.28
<b>Total</b>	<b>6858</b>	<b>100.00</b>	<b>12962713</b>	<b>100.00</b>

**DEMATERIALISATION OF SHARES**

The shares of the Company are in compulsory demat segment. The Company's shares are available for trading in the depository systems of both the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). Members have option to hold their shares in demat form (i.e electronic mode) either through the NSDL or CDSL. As on 31-03-2021, 97.74% of the shares of the Company have been dematerialized. ISIN



allotted to our company is INE705C01020. The whole of the Promoters Shareholding has been dematerialised.

### **OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS**

The Company has not issued GDRs/ADRs/Warrants or any convertible instruments.

### **LIST OF ALL CREDIT RATINGS OBTAINED BY THE ENTITY ALONG WITH ANY REVISIONS THERETO DURING THE RELEVANT FINANCIAL YEAR, FOR ALL DEBT INSTRUMENTS OF SUCH ENTITY OR ANY FIXED DEPOSIT PROGRAMME OR ANY SCHEME OR PROPOSAL OF THE LISTED ENTITY INVOLVING MOBILIZATION OF FUNDS, WHETHER IN INDIA OR ABROAD**

As per para 3(t)(ii) and Para 3(x)(c)(ii) of SEBI (Listing Obligations and Disclosure Requirement), Amended Regulations, 2018, CARE Ratings Ltd has issued the Credit Rating for bank facilities on the basis of recent developments including operational and financial performance of the Company for FY20 (Audited) and H1FY21 (Provisional), our Rating Committee has reviewed the following ratings:

<b>Facilities</b>	<b>Amount ( ₹ Crore)</b>	<b>Ratings</b>	<b>Rating Action</b>
Long-term Bank Facilities	124.70 (Reduced from 139.55)	CARE BBB-; Stable(Triple B Minus; Outlook:Stable)	Reaffirmed
Short-term Bank Facilities	40.00 (Reduced from 50.00)	CARE A3(A Three )	Reaffirmed
Long / Short Term Bank Facilities	70.00	CARE BBB-; Stable/ CARE A3(Triple B -; Outlook:Stable/ A Three )	Reaffirmed
<b>TOTAL</b>	<b>234.70</b>	<b>(Rupees: Two Hundred Thirty Four Crore and Seventy Lakhs Only)</b>	

### **OTHER DISCLOSURES**

- The Company has not entered into any transaction of a material nature with the related parties having potential conflict with the interest of the Company.
- There was no instance of non-compliance of any matter related to the capital markets during the last 3 years.
- The Company has a Whistle Blower Policy in place and no personnel has been denied access to the Audit Committee relating to Whistle Blower Policy
- The Company has complied with all the mandatory requirements of Regulation 34(3) read with Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of Non-mandatory requirements the company has complied with the following:-
- The Financial Statements are with unmodified Audit Opinion





- The Internal Auditor reports directly to the Audit Committee.
- The Company has adopted policy on dealing with Related Parties. The same is disclosed in the website of the Company and is available in the following web link: [www.shivatex.in](http://www.shivatex.in).
- Commodity price risk or foreign exchange risk and hedging activities - NIL
- During the year under review the Company has not raised any funds through preferential allotment or qualified institutional placement as specified under Regulation 32(7A).
- A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority is enclosed in the annexure forming part of Report on Corporate Governance.
- During the year under review the board has accepted the recommendations of all committees of the board which is mandatorily required.
- Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part are as follows.

<b>Payment to Statutory Auditors</b>	<b>2020-21 (Amount in Rs.)</b>
Audit Fees	10,00,000
Tax Audit Fees	-
Other Services	-
Reimbursement of Services	-

- Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a.	number of complaints filed during the financial year	NIL
b.	number of complaints disposed of during the financial year	NIL
c.	number of complaints pending as on end of the financial year	NIL

- The Company has complied with all the applicable requirements of corporate governance.
- Disclosure in respect of discretionary requirements: The same has been detailed elsewhere in this Corporate Governance Report.
- Disclosure in respect of Regulation 46(2)(b) to (i):- The details are disclosed in the website of the Company.



## CODE OF CONDUCT

The Company has adopted the Code of conduct for all Board Members and Senior Management as required under Regulation 26(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Code is posted on the Company's website at [www.shivatex.in](http://www.shivatex.in). All Board Members and Senior Management Personnel have affirmed compliance with the code on an annual basis and a declaration to this effect signed by the Chairman is attached to this report.

## DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT

In terms of Regulation 34(3) read with Part F of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with Stock Exchange, the Company has opened Demat Suspense Account in the name of "Shiva Texyarn Limited -Unclaimed Shares Demat Suspense Account" and has transferred the shares which remains unclaimed and are lying in the escrow account out of the Initial Public Offer made by the Company.

### Details relating to Unclaimed Suspense Account

Unclaimed Shares	No. of Shareholders	No. of shares
Outstanding at the beginning of the year	1	360
Approached for transfer during the year	-	-
Transferred to IEPF Account during the year	1	360
Balance at the end of the year	-	-

The voting rights on these shares shall remain frozen till the rightful owners of such shares claims the shares.

### The details of unclaimed amount pertaining to fractional shares post the implementation of the scheme of arrangement entered between Shiva Texyarn Ltd and Shiva Mills Ltd are as follows:

An amount of ₹ 1840/- representing seven equity shares (aggregate of fractional shares) remains unclaimed with the Company. A separate account in the name of "SHIVA TEXYARN LIMITED-UNPAID FRACTIONAL SHARES ACCOUNT 2018" (Account No. 001605016767) is maintained with ICICI Bank Limited, Trichy Road, Coimbatore. The details are available in the website of the Company [www.shivatex.in](http://www.shivatex.in).



**PLANT LOCATION**

<b>Spinning Unit</b>	<b>Processing Unit</b>	<b>Lamination Unit</b>
S.F No. 371/5 Karadivavi Road, Paruvai Post Karanampet Palladam - 641 658	Factory E-16, P-11 SIPCOT Industrial Growth Estate Perundurai, Erode - 638 052 Tamilnadu	S.F. No. 371/5, Karadivavi Road Paruvai Post Karanampet Palladam - 641 658
<b>Garments Division-I</b>	<b>Coating Unit</b>	<b>Garment Division</b>
S.F. No. 371/5 Karadivavi Road Paruvai Post Karanampet Palladam - 641 658	S.F No. 257/1, Sathy Road, Ganesapuram Post, S S Kulam (Via), Coimbatore - 641 107	D.No. 1/667, K.P. Mahal Chinna Iyyan Kovil Pirivu Somanur Road Ichipatti Village, Palladam Tk Tirupur - 641 668

<b>Windmills</b>	
Mundvelampatti Village Erode District, Tamil Nadu	Gudimangalam, Athukinathupatti & Uthukuli Villages, Coimbatore District, Tamil Nadu

**ADDRESS FOR CORRESPONDENCE**

Non-receipt of dividend, Registration of Power of Attorney, status change, transmission, consolidation, split and other queries may directly be sent to the following address:

The Company Secretary

Shiva Texyarn Limited,

Regd Office:

52, East Bashyakaralu Road,R S Puram,

Coimbatore 641 002, Tamilnadu.

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

To,

The Members of

Shiva Taxyarn Limited

CIN: L65921TZ1980PLC000945

Registered office: 52, East Bashyakaralu Road, R.S. Puram, Coimbatore-641002

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Shiva Taxyarn Limited having CIN:L65921TZ1980PLC000945 and having registered office at 52, East Bashyakaralu Road, R.S. Puram, Coimbatore-641002 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs.

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification.

Coimbatore  
25 June, 2021

**R. Dhanasekaran**  
**Company Secretary in Practice**  
**FCS 7070 / CP 7745**  
**ICSI UDIN: F007070C000511937**

## MANAGEMENT DISCUSSION AND ANALYSIS

### COMPANY'S BUSINESS

Your Company is engaged in the legacy business of manufacturing and marketing of Cotton Yarn with a spinning unit having an installed capacity of 52,416 spindles near Coimbatore. Your Company is also into Technical Textile business of manufacturing of Coating & Laminated fabrics which serves the needs of the Sectors like Health-care, Armed Forces and Advertising among others. The Processing unit situated at SIPCOT, Perundurai is involved in the manufacturing of Pile fabrics. The Garment Division is equipped with state-of-the art technology to produce special outerwear garments, Load Carrying products like Ruck-Sacks and Back-Packs etc.

The 58 Wind Mills located in the State of Tamilnadu have an installed capacity to produce 18.145 MW of wind power which is being consumed captively.

#### a). INDUSTRY STRUCTURE AND DEVELOPMENTS

Textile industry plays a significant role in the economy contributing to over 13% of the industrial output, over 2% to the GDP of India. The industry employs more than 4.5 crores citizens and also contributed significantly through export earnings of India. The Technical Textile Industry in India is fast growing and have long term sustainable future.

#### b). OPPORTUNITIES AND THREATS

After the partial recovery from COVID-19 pandemic issues, the demand for the Spinning Sector is encouraging. In a bid to promote the textile industry, Government of India has proposed Mega Investment Textile Region and Apparel Park (MITRA) scheme for creation of world-class facilities while presenting the Union Budget 2021-22.

At least seven textile parks will be developed over the next three year under the Atmanirbhar Bharat Abhiyan Scheme to create employment opportunities.

The present year's Budget allocates ₹ 700 crore for Amended Technology Upgradation Scheme (ATUFs) against ₹ 545 crore against the last year, which will help clear the pending capital subsidy.

The announcement of Production Linked Incentive (PLI) scheme for man-made fibres and technical textiles with a total outlay of ₹ 10,683 crore will help the textile industry become globally competitive which may attract large investments and boost employment generation.

The Technical Textile Industry is still remaining an un-tapped area in India and the growth potential is promising and unlimited. Your Company will try to utilise all the opportunities to develop new technical textile products to expand its area of operations.



**c). SEGMENT WISE OR PRODUCT WISE PERFORMANCE:**

Please refer Directors Report.

**d). OUTLOOK**

Considering the Government's various initiatives in support of the Indian Textile Industry, the outlook continues to be an optimistic one.

**e). RISKS AND CONCERNS**

Volatility in cotton prices, Government's fixation of Minimum Supportive Price & export restrictions, cut-throat competition from rest of the Countries have severe impact on the operating & financial performance of your Company.

**COVID-19 AND ITS ASSOCIATED RISKS**

The novel CoronaVirus Pandemic (COVID-19) has affected more than 200 Countries across the globe. The Government of India/State of Tamilnadu had announced complete Lock-down of operations with effect from March 23, 2020 to May 3, 2020. The partial lift was announced by the concerned Governments on May 4, 2020. The operations were/are carried as per the norms stipulated by the concerned Governments from time to time. The said Pandemic has severally affected the performance of the company for the year ending on 31st March, 2021.

Your Company has approached the COVID-19 challenges optimistically and in support of the Government initiatives to combat Corona Virus, the Company has entered into the field of Medical Textiles, has introduced the products like Protective Coverall and re-usable Face Masks.

The Corona Virus and its mutant varieties has resulted in second wave of Covid-19 pandemic in India which is causing a severe concern to the humanity and business as well.

Your Company is continuously taking all the necessary and effective steps among employees at all levels to ensure personal hygiene, social distancing, vaccination and other allied precautionary measures to sustain the new challenges posed by the fresh hit of COVID-19 pandemic.

**f). INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has adequate internal control procedures and systems commensurate with the size and nature of its business for purchase of raw materials, plant and machinery, components and other items and sale of goods. The checks and controls are periodically reviewed by the Audit Committee. The internal control systems are calibrated frequently to the optimum levels to match with the dynamic changes of business conditions, statutory and accounting requirements.

**g). FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

Please refer Directors Report for the financial performance / operational performance of the Company.

**h). MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT INCLUDING NUMBER OF PEOPLE EMPLOYED:-**

Please refer Directors Report.

**i). DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS:**

S.No	Ratio	2020-21	2019-20	Change (%) exceeding 25%	Reasons for Change
1	Debtor Turnover	10%	13%	NA	-
2	Inventory Turnover	21%	22%	NA	-
3	Interest coverage ratio	2.83%	1.73%	63%	Due to market demand and better pricing operation profit has increased
4	Current Ratio	1.18	0.96	NA	-
5	Debt Equity Ratio	0.45	0.62	-27%	Due to additional repayment debt has reduced
6	Operating Profit Margin (in %)	14.68%	10.37%	41.56%	Due to market demand and better pricing operation profit has increased
7	Net profit Margin (in %)	3.67%	0.31%	1083%	Due to market demand and better pricing operation profit has increased
8	Net worth ₹ in Lakhs	12362.32	11113.89	NA	-
9	Return on Net worth (in %)	10.09%	1.04%	870%	Due to market demand and better pricing operation profit has increased

**DECLARATION ON CODE OF CONDUCT**

To  
The Members  
Shiva Texyarn Limited

In compliance with the requirements of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with the Stock Exchanges, I declare that the Board of Directors and members of senior management have affirmed the compliance with the code of conduct during the financial year ended 31.03.2021

By Order of the Board  
**S V ALAGAPPAN**  
**CHAIRMAN**  
**(DIN 00002450)**

Coimbatore  
25th June, 2021

**CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members of  
Shiva Texyarn Limited  
(CIN: L65921TZ1980PLC000945)

I have examined the compliance of conditions of Corporate Governance by Shiva Texyarn Limited ('the company'), for the year ended on 31st March, 2021 as referred in Regulation 15(2) of the Securities Exchange Board of India (SEBI) Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to a review of the procedures and implementation thereof adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said Listing Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and based on the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Securities Exchange Board of India (SEBI) Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015.

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

Coimbatore  
25th June, 2021

**R. Dhanasekaran**  
**Company Secretary in Practice**  
**FCS 7070 / CP 7745**  
**ICSI UDIN:F007070C000511926**



## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
Shiva Texyarn Limited  
Coimbatore

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Shiva Texyarn Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and its profit total comprehensive income, its cash flows and the changes in equity 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 specified under section 143(10) of the Act (SAs). 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.

#### Key Audit Matters

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



### **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, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS 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.

### **Auditors' 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)(l) 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.

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

### **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 including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account
  - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors as on 31 March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021 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 has disclosed the impact of pending litigations on its financial position in its financial statements -;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
2. As required by the Companies (Auditor's Report) Order, 2016 ("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 Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm Regn. No. 117366W/W - 100018)

**Balaji M.N.**

Partner

(Membership No. 202094)

(UDIN : 21202094AAAAE16384)

Bengaluru

June 25, 2021



## **ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 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 Shiva Texyarn Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the Ind AS (retain as applicable) financial statements of the Company for the year ended on that date .

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

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") 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 in terms of their reports referred to in the Other Matters paragraph below, 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, 2021, 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Deloitte Haskins & Sells LLP**

Chartered Accountants  
(Firm Regn. No. 117366W/W - 100018)

**Balaji M.N.**

Partner

(Membership No. 202094)

(UDIN : 21202094AAAAE16384)

Bengaluru

June 25, 2021

**ANNEXURE-B TO THE INDEPENDENT AUDITORS' REPORT**

Referred to in paragraph 2 under **"Report on Other Legal and Regulatory Requirements"** section of our report of even date)

- i)
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, no fixed assets were physically verified by the Management during the year.
  - c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loans are held in the name of the Company based on the confirmations directly received by us from lenders. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and hence compliance with the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended with regard to the deposits accepted is not applicable.
- vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 for Textile. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central





Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained.

- vii) According to the information and explanations given to us, in respect of statutory dues:
- a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Services Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
  - b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Services Tax, cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
  - c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax as on March 31, 2021 on account of disputes.
- viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.
- ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.



- xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm Regn. No. 117366W/W - 100018)

**Balaji M.N.**

Partner

(Membership No. 202094)

(UDIN : 21202094AAAAE16384)

Bengaluru

June 25, 2021

**BALANCE SHEET AS AT 31st MARCH 2021**

Amount in Rupees Lakhs except shares data or as otherwise stated

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, plant and equipment	3	17231.78	19596.49
(b) Capital work-in-progress	3A	295.86	31.31
(c) Right of use assets	3B	56.92	111.58
(d) Intangible assets	3C	87.22	364.47
(e) Investment property	4	3.10	3.16
(f) Financial assets	5		
(i) Investments		109.97	58.18
(g) Other non-current assets	6	448.94	538.35
<b>Total non - current assets</b>		<b>18233.79</b>	<b>20703.54</b>
<b>2 Current assets</b>			
(a) Inventories	7	7230.89	8004.37
(b) Financial assets	8		
(i) Trade receivables	8.1	3417.89	4802.48
(ii) Cash and cash equivalents	8.2	212.06	129.86
(iii) Bank balances other than (ii) above	8.3	791.65	612.01
(iv) Loans	8.4	60.43	97.44
(v) Other financial assets	8.5	13.97	155.01
(c) Current tax assets	9	-	52.38
(d) Other current assets	10	1049.76	736.37
(e) Assets classified as held for sale	11	-	176.92
<b>Total current assets</b>		<b>12776.65</b>	<b>14766.84</b>
<b>Total assets (1+2)</b>		<b>31010.44</b>	<b>35470.38</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity share capital	12	1296.27	1296.27
(b) Other equity	13	11066.05	9817.62
<b>Total equity</b>		<b>12362.32</b>	<b>11113.89</b>
<b>2 Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	14	5584.27	6973.52
(ii) Lease liability	15	45.23	73.07
(b) Deferred tax liabilities (net)	38	2097.39	1944.63
(c) Provisions	16	110.09	67.69
<b>Total non - current liabilities</b>		<b>7836.98</b>	<b>9058.91</b>
<b>3 Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17.1	4913.81	9967.12
(ii) Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises	17.2	9.31	11.23
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		3549.89	2939.38
(iii) Lease liabilities	17.3	19.73	54.75
(iv) Other financial liabilities	17.4	1766.73	1882.40
(b) Provisions	18	58.85	15.59
(c) Current Tax liability (net)	18.1	82.78	-
(d) Other current liabilities	19	410.04	427.11
<b>Total current liabilities</b>		<b>10811.14</b>	<b>15297.58</b>
<b>Total equity and liabilities (1+2+3)</b>		<b>31010.44</b>	<b>35470.38</b>

See accompanying notes to the financial statements

Subject to our report of even date attached.

For and on behalf of the Board of Directors

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**S V Alagappan**  
Chairman  
DIN:00002450

**S K Sundararaman**  
Managing Director  
DIN:00002691

**Balaji M N**  
Partner  
Membership No. 202094

**C Krishnakumar**  
Chief Financial Officer

**R Srinivasan**  
Company Secretary  
ACS No.21254

Bengaluru  
June 25, 2021

Place: Coimbatore  
Date: June 25, 2021



## Statement of Profit and Loss for the year ended March 31, 2021

Amount in Rupees Lakhs except shares data or as otherwise stated

Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
<b>I</b> Revenue from operations	20	34079.93	36812.73
<b>II</b> Other income	21	694.61	457.02
<b>III Total revenue (I + II)</b>		<b>34774.54</b>	<b>37269.75</b>
<b>IV EXPENSES</b>			
(a) Cost of materials consumed	22	17044.97	22260.32
(b) Purchases of stock in trade	23	1337.62	736.34
(c) Changes in inventories of finished goods/WIP/stock-in-trade	24	1091.33	442.10
(d) Employee benefits expense	25	3635.58	4113.64
(e) Finance costs	26	1766.90	2230.74
(f) Depreciation and amortisation expenses	27	1568.38	1468.93
(g) Other expenses	28	6669.15	5894.94
<b>Total expenses (V)</b>		<b>33113.93</b>	<b>37147.01</b>
<b>V Profit before tax (III - IV)</b>		<b>1660.61</b>	<b>122.74</b>
<b>VI Tax expense/(benefit)</b>			
(1) Current tax		1019.75	25.16
(2) Deferred tax		(587.20)	(57.12)
<b>Total tax expense/(benefit)</b>		<b>432.55</b>	<b>(31.96)</b>
<b>VII Profit for the year (V + VI)</b>		1228.06	154.70
<b>VIII Other comprehensive income/(loss)</b>		20.37	(39.00)
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit plans		(24.55)	(23.81)
(b) Equity instruments through other comprehensive income		53.29	(15.19)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(8.37)	-
<b>IX Total comprehensive income for the year (VII + VIII)</b>		<b>1248.43</b>	<b>115.70</b>
<b>X Earnings per equity share:</b>	35		
(1) Basic		9.47	1.19
(2) Diluted		9.47	1.19
<b>See accompanying notes to the financial statements</b>			

Subject to our report of even date attached.

For and on behalf of the Board of Directors

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**S V Alagappan**  
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DIN:00002450

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Partner  
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Chief Financial Officer

**R Srinivasan**  
Company Secretary  
ACS No.21254

Bengaluru  
June 25, 2021

Place: Coimbatore  
Date: June 25, 2021

**Statement of cash flows for the year ended March 31, 2021**

Amount in Rupees Lakhs except shares data or as otherwise stated

Particulars	Year ended	
	March 31, 2021	March 31, 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	1660.61	122.74
<b>Adjustments for:</b>		
Depreciation and amortisation expenses	1568.38	1468.93
(Profit) / loss on sale / write off of assets	(600.65)	(350.27)
Provision/(Reversal of provision) for diminution in value of investments	-	(10.65)
Provision on Tuff subsidy receivable	119.54	25.00
Finance costs	1766.90	2230.74
Interest income	(51.17)	(42.79)
Dividend income	(0.63)	(0.51)
Bad debts recovered	-	(3.00)
Rental income	(17.79)	(41.98)
	2784.58	3275.47
Operating profit / (loss) before working capital changes	4445.19	3398.21
<b>Changes in working capital:</b>		
Adjustments for (increase) / decrease in operating assets:		
<b>Financial Assets</b>		
Trade receivables	1384.59	194.26
Loans	37.01	12.95
Other financial assets	21.50	(22.01)
<b>Non-financial assets</b>		
Inventories	773.48	38.63
Other assets	(256.38)	131.23
<b>Adjustments for increase / (decrease) in operating liabilities:</b>		
<b>Financial liabilities</b>		
Trade payables	608.59	75.39
Other financial liabilities	(26.13)	81.39
<b>Non-financial liabilities</b>		
Provisions	85.67	0.01
Other liabilities	(17.06)	246.19
	2611.27	758.04
Cash generated from operations	7056.46	4156.25
Net income tax (paid) / refunded	(190.91)	(52.40)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>6865.55</b>	<b>4103.85</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on property plant and equipment, including capital advances	(1127.38)	(1428.12)
Sale/(Purchase) of other investments	1.50	3.11
Proceeds from sale of fixed assets	2877.93	677.49
Interest received	51.17	44.42
Rent received	17.78	41.98
Margin money deposits	(182.80)	120.98
Dividend received	0.63	0.51
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>1638.83</b>	<b>(539.63)</b>



## Statement of cash flows for the year ended March 31, 2021

Amount in Rupees Lakhs except shares data or as otherwise stated

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from non-current borrowings	2230.00	921.00
Repayment of non-current borrowings	(3737.64)	(2492.27)
Increase / (decrease) in working capital borrowings	(5053.31)	221.51
Payment of dividend including tax thereon	-	(171.90)
Finance costs paid	(1798.36)	(2217.79)
Finance cost on leasehold liability	-	(18.51)
Repayment of lease liability	(62.86)	(120.52)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(8422.17)</b>	<b>(3878.48)</b>
<b>Net increase / (decrease) in cash and Cash Equivalents (A+B+C)</b>	<b>82.21</b>	<b>(314.26)</b>
Add: Cash and cash equivalents at the beginning of the year	129.86	444.12
<b>Cash and cash equivalents at the end of the year *</b>	<b>212.06</b>	<b>129.86</b>
<b>Reconciliation of Cash and Cash Equivalents with the Balance Sheet:</b>		
<b>Cash and cash equivalents as per Balance Sheet</b>		
* Comprises:		
(a) Cash on hand	5.14	6.33
(b) Cheques/Drafts on Hand	-	14.15
(c) Balances with banks:		
(i) In current accounts	206.92	109.38
<b>Total</b>	<b>212.06</b>	<b>129.86</b>
<b>See accompanying notes to the financial statements</b>		

Subject to our report of even date attached.

For and on behalf of the Board of Directors

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**S V Alagappan**  
Chairman  
DIN:00002450

**S K Sundararaman**  
Managing Director  
DIN:00002691

**Balaji M N**  
Partner  
Membership No. 202094

**C Krishnakumar**  
Chief Financial Officer

**R Srinivasan**  
Company Secretary  
ACS No.21254

Bengaluru  
June 25, 2021

Place: Coimbatore  
Date: June 25, 2021

**Statement of changes in equity for the year ended March 31, 2021**

Amount in Rupees Lakhs except shares data or as otherwise stated

<b>1 (a) Equity Share Capital</b>	<b>Amount</b>
Balance as at April 1, 2019	1296.27
<b>Balance as at the March 31, 2020</b>	<b>1296.27</b>
Balance as at April 1, 2020	1296.27
<b>Balance as at March 31, 2021</b>	<b>1296.27</b>

**(b) Other equity**

Particulars	Reserves and Surplus			Items of other comprehensive income			Total other equity
	Securities premium	General reserve	Retained earnings	Remeasurements of the defined benefit plans	Equity instruments through other comprehensive income	Other items of other comprehensive income	
<b>Balance as at April 1, 2019</b>	<b>2243.01</b>	<b>4851.13</b>	<b>2825.18</b>	<b>(32.68)</b>	<b>21.05</b>	<b>(4.21)</b>	<b>9903.46</b>
Profit/(loss) for the year	-	-	154.70	-	-	-	154.70
Transfer to General Reserve	-	-	-	-	-	-	-
Impact on adoption of Ind As 116 - Refer note 41	-	-	(29.64)	-	-	-	(29.64)
Cash Dividends	-	-	(142.59)	-	-	-	(142.59)
Dividend Distribution tax	-	-	(29.31)	-	-	-	(29.31)
Remeasurements of the defined benefit liabilities / (asset)	-	-	-	(23.81)	-	-	(23.81)
Other comprehensive income (net of taxes)	-	-	-	-	-	(15.19)	(15.19)
Balance as at March 31, 2020	2243.01	4851.13	2778.34	(56.49)	21.05	(19.40)	9817.62
Balance as at April 1, 2020	2243.01	4851.13	2778.34	(56.49)	21.05	(19.40)	9817.62
Profit/(loss) for the year	-	-	1228.06	-	-	-	1228.06
Transfer to General Reserve	-	-	-	-	-	-	-
Cash Dividends [Refer Note 9 (iii)]	-	-	-	-	-	-	-
Dividend Distribution tax [Refer Note 9 (iii)]	-	-	-	-	-	-	-
Other comprehensive income (net of taxes)	-	-	-	-	44.93	-	44.93
Remeasurements of the defined benefit liabilities / (asset) (net of taxes)	-	-	-	(24.55)	-	-	(24.55)
<b>Balance as at the March 31, 2021</b>	<b>2243.01</b>	<b>4851.13</b>	<b>4006.39</b>	<b>(81.05)</b>	<b>65.97</b>	<b>(19.40)</b>	<b>11066.05</b>

Subject to our report of even date attached.

For and on behalf of the Board of Directors

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**S V Alagappan**  
Chairman  
DIN:00002450

**S K Sundararaman**  
Managing Director  
DIN:00002691

**Balaji M N**  
Partner  
Membership No. 202094  
Bengaluru  
June 25, 2021

**C Krishnakumar**  
Chief Financial Officer

**R Srinivasan**  
Company Secretary  
ACS No.21254  
Place: Coimbatore  
Date: June 25, 2021



## Notes forming part of financial statements

Amount in Rupees Lakhs except shares data or as otherwise stated

Note No	Particulars
<b>1.</b>	<p><b>Corporate Information</b></p> <p>Shiva Texyarn Limited ("the Company") engaged in the manufacturing of cotton yarn and technical textile products like coated and laminated fabrics, home textile and other value added products. The Company was incorporated in the year 1980 and has its registered office and factory in Coimbatore.</p>
<b>2.</b>	<p><b>Significant Accounting Policies</b></p> <p>This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.</p>
<b>2.1</b>	<p><b>Basis of accounting and preparation of financial statements</b></p> <p><b>(i) Compliance with Ind AS</b></p> <p>The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.</p> <p><b>(ii) Historical cost convention</b></p> <p>The financial statements have been prepared on a historical cost basis, except for the following:</p> <ul style="list-style-type: none"> <li>(a) certain financial assets and liabilities that are measured at fair value and</li> <li>(b) defined benefit plans – plan assets measured at fair value</li> </ul>
<b>2.2</b>	<p><b>Segment reporting</b></p> <p>Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company assesses the financial performance and position of the Company, and makes strategic decisions. The board of directors, which has been identified as being the chief operating decision maker.</p> <p><b>Use of estimates:</b></p> <p>In the application of the Company's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.</p>





**Notes forming part of financial statements**

Note No	Particulars
	<p>The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.</p> <p>The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.</p> <p><b>a Impairment of investments</b></p> <p>The Company reviews its carrying value of investments at cost, annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.</p> <p><b>b Useful lives of property, plant and equipment</b></p> <p>The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This assessment may result in change in the depreciation expense in future periods.</p> <p><b>c Employee Benefits</b></p> <p>The cost of defined benefit plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.</p> <p><b>2.3 Inventories</b></p> <p>Inventories are valued at lower of cost and net realisable value. Cost of raw materials, Packing materials, Stores and Spares and consumables are valued at Cost on weighted average cost basis. Value of finished goods and work-in-progress are determined on weighted average cost basis and include appropriate share of overheads.</p> <p><b>2.4 Cash and Cash Equivalents</b></p> <p>Cash and cash equivalents comprise cash on hand and demand deposits with banks other than deposits pledged with government authorities and margin money deposits.</p> <p>Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of</p>



## Notes forming part of financial statements

Note No	Particulars
	<p>changes in value. Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents. A characteristic of such banking arrangements is that the bank balance often fluctuates from being positive to overdrawn.</p>
<p><b>2.5</b></p>	<p><b>Cash flow statement</b></p> <p>Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.</p>
<p><b>2.6</b></p>	<p><b>Income Tax</b></p> <p><b>a) Current tax</b></p> <p>The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted and are applicable as at the end of the reporting period. In the absence of adequate taxable profits, the Company is required to pay Minimum Alternate Tax (MAT) on the book profits, as adjusted for certain provisions.</p> <p><b>b) Deferred tax</b></p> <p>Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.</p> <p>MAT paid in accordance with the tax laws, if any, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal tax. Accordingly, MAT is recognised as a deferred tax asset in the</p>



**Notes forming part of financial statements**

Note No	Particulars
	<p>Balance sheet when it is highly probable that future economic benefit associated with it will flow to the Company.</p> <p>The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.</p> <p>Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.</p> <p>The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.</p> <p><b>c) Current and Deferred Tax for the year</b></p> <p>Current and deferred tax are recognised in the Statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.</p>
<p><b>2.7</b></p>	<p><b>Property Plant and Equipment</b></p> <p><b>Cost</b></p> <p>The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. Major shut-down and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset.</p> <p>An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference</p>



## Notes forming part of financial statements

Note No	Particulars
	<p>between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.</p> <p>Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.</p> <p>Freehold land and leasehold land where the lease is convertible to freehold land under lease agreements at future dates at no additional cost, are not depreciated.</p> <p>Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.</p> <p><b>Capital work-in-progress:</b></p> <p>Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost , comprising direct cost and related incidental expenses.</p> <p>Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013</p> <p>The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.</p>
2.8	<p><b>Leases</b></p> <p><b>The Company as a lessor</b></p> <p>Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.</p> <p>Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded</p>



**Notes forming part of financial statements**

Note No	Particulars
	<p>as receivables at the Company’s net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.</p> <p>Rental income from operating leases is recognised on straight-line basis over the term of the relevant lease. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on straight-line basis over the lease term.</p> <p><b>The Company as a lessee</b></p> <p><b>Right-of-use assets:</b></p> <p>The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment test.</p> <p><b>Lease Liabilities:</b></p> <p>At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.</p> <p>The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.</p> <p>In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.</p> <p><b>Short-term leases and leases of low-value assets:</b></p> <p>The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those</p>



## Notes forming part of financial statements

Note No	Particulars
	<p>leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.</p> <p><b>Significant judgement in determining the lease term of contracts with renewal options:</b></p> <p>The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.</p>
2.9	<p><b>Revenue Recognition</b></p> <p>Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. The Company is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.</p> <p>However, Goods and Services tax (GST) are not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.</p> <p><b>Sale of goods</b></p> <p>Revenue from sale of goods is recognised when control of the goods is transferred to the Customers. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.</p> <p><b>a. Sale of services</b></p> <p>The Company recognises revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured.</p> <p><b>b. Other operating revenue</b></p> <ul style="list-style-type: none"> <li>- Income incidental to exports such as income from import entitlement and premium on sale of such entitlement are recognised when there is a reasonability of collection</li> </ul>



**Notes forming part of financial statements**

Note No	Particulars
<p><b>2.10 Other Income</b></p> <p><b>Interest</b></p> <p>Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.</p> <p><b>Dividend</b></p> <p>Dividend Income from investments is recognised when the shareholder’s right to receive payment has been established (provided that it is probable that economic benefits will flow to the Company and the amount of income can be measured reliably).</p> <p><b>2.11 Employee Benefits</b></p> <p>Employee benefits include provident fund, employee state insurance, gratuity fund and compensated absences.</p> <p><b>a. Retirement benefit costs and Termination Benefits</b></p> <p>Payments to defined contribution Retirement Benefit Plans are recognised as an expense when employees have rendered service entitling them to the contributions.</p> <p>For defined benefit Retirement Benefit Plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.</p>	<p>- Income from windmills denotes income earned by sale or transfer of electricity to Tamil Nadu Electricity Board and the income accrued for which billing is pending.</p>

## Notes forming part of financial statements

Note No	Particulars
	<p><b>b. Defined benefit costs are categorised as follows:</b></p> <ul style="list-style-type: none"> <li>- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);</li> <li>- net interest expense or income; and</li> <li>- remeasurement</li> </ul> <p>For defined benefit plan, in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme. The gratuity fund is maintained with Life Insurance Corporation of India.</p> <p>The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.</p> <p>The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.</p> <p>A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.</p> <p><b>Short-term and other long term employee benefits</b></p> <p>A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.</p> <p>Liabilities recognised in respect of short term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.</p> <p>Liabilities recognised in respect of other long term employee benefits are measured at the present</p>





**Notes forming part of financial statements**

Note No	Particulars
	<p>value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.</p>
<p><b>2.12 Foreign currency transactions and translations</b></p>	<p><b>(i) Functional and presentation currency</b></p> <p>Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.</p> <p><b>(ii) Transactions and balances</b></p> <p>Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.</p> <p>Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/ (losses).</p>
<p><b>2.13 Borrowings and Borrowing cost</b></p>	<p>Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.</p> <p>Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.</p>



## Notes forming part of financial statements

Note No	Particulars
	<p>Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.</p>
<p><b>2.14 Earnings per share</b></p>	<p>Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.</p>
<p><b>2.15 Provisions and contingencies</b></p>	<p>A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.</p>
<p><b>2.16 Financial Instruments</b></p>	<p>All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date. While, financial liabilities like loans and borrowings and payables are recognised net of directly attributable transaction costs.</p> <p>For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets comprising amortised cost, debt instruments at fair value through other comprehensive income (FVTOCI), equity instruments at FVTOCI or fair value through profit and loss account (FVTPL) and financial liabilities at amortised cost or FVTPL.</p>

**Notes forming part of financial statements**

Note No	Particulars
	<p>The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.</p> <p><b>1) Non-derivative financial assets</b></p> <p><b>(i) Financial assets at amortised cost</b></p> <p>A financial asset shall be measured at amortised cost if both of the following conditions are met:</p> <ul style="list-style-type: none"> <li>(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and</li> <li>(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.</li> </ul> <p>They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.</p> <p>The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or where appropriate, a shorter period, to the gross carrying amount on initial recognition.</p> <p>Financial assets at amortised cost are represented by trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.</p> <p>Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other Income" line item.</p> <p><b>2) Equity instruments at FVTOCI</b></p> <p>All equity instruments are measured at fair value. Equity instruments held for trading is classified</p>



## Notes forming part of financial statements

Note No	Particulars
	<p>as FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis.</p> <p>If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI which is not subsequently recycled to statement of profit and loss.</p> <p><b>3) Financial assets at FVTPL</b></p> <p>FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as FVTPL</p> <p>In addition the Company may elect to designate the financial asset, which otherwise meets amortised cost or FVOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency.</p> <p>Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.</p> <p><b>4) Derecognition of financial assets</b></p> <p>The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.</p> <p>On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and</p>



**Notes forming part of financial statements**

Note No	Particulars
	<p>the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.</p> <p>On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.</p> <p><b>b) Non-derivative financial liabilities</b></p> <p><b>(i) Financial liabilities at amortised cost</b></p> <p>Financial liabilities at amortised cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method.</p> <p><b>(ii) Financial liabilities at FVTPL</b></p> <p>Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Finance costs' line item. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss.</p> <p>For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined</p>



## Notes forming part of financial statements

Note No	Particulars
2.17	<p>based on the amortised cost of the instruments and are recognised in the statement of profit and loss. The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.</p> <p><b>(iii) Derecognition of non-derivative financial liabilities</b></p> <p>The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.</p> <p><b>2.17 Impairment</b></p> <p><b>(a) Financial Assets</b></p> <p>In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.</p> <p>Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12-months after the reporting date.</p> <p>ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider.</p>



**Notes forming part of financial statements**

Note No	Particulars
	<p>i) All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.</p> <p>(ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.</p> <p>As practical expedient, the Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated and changes in forward-looking estimates are analysed.</p> <p>ECL impairment loss allowance (or reversal) recognised during the year is recognised as income/expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below.</p> <p>Financial assets measured at amortised cost, contractual revenue receivable: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.</p> <p><b>(b) Non-financial assets</b></p> <p>The Company assesses at each reporting date whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss.</p> <p>An impairment loss is calculated as the difference between an asset’s carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.</p>



## Notes forming part of financial statements

Note No	Particulars
	<p>The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").</p>
<p><b>2.18 Government grants</b></p>	<p>Grants from the government are recognised when there is reasonable assurance that:</p> <ul style="list-style-type: none"> <li>(i) the Company will comply with the conditions attached to them; and</li> <li>(ii) the grant will be received.</li> </ul> <p>Government grants related to revenue are recognised on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense. When the grant relates to an asset, it is recognized as income over the expected useful life of the asset.</p> <p>"Where the Company receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost it is recognised at a fair value. When loan or similar assistance are provided by government or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is recognized as government rate. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received."</p>
<p><b>2.19 Operating cycle</b></p>	<p>Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.</p>





Notes forming part of financial statements

3 Property Plant and Equipment

(₹ in Lakhs)

Description of assets	Freehold land	Leasehold land#	Buildings	Plant and machinery	Office equipment	Furniture & fittings	Vehicles	Computers	Lab equipments	Electrical installations	Total
<b>I. Cost or deemed cost</b>											
Balance as at April 01, 2019 (Deemed cost)	307.07	31.30	5679.35	15808.81	158.92	160.52	296.31	42.84	41.02	116.98	22643.10
Additions	221.10	-	481.36	595.20	3.09	4.05	30.46	20.92	1.78	0.79	1358.75
Disposals			-248.11	-519.51							-767.62
Reclassified as held for sale				-496.72							-496.72
<b>Balance as at March 31, 2020</b>	<b>528.17</b>	<b>31.30</b>	<b>5912.59</b>	<b>15387.78</b>	<b>162.01</b>	<b>164.57</b>	<b>326.76</b>	<b>63.76</b>	<b>42.80</b>	<b>117.77</b>	<b>22737.51</b>
Additions	25.48	-	72.26	715.16	12.67	-	102.84	6.75	23.77	7.54	966.46
Disposals	-13.30		-9.10	-4239.23	5.22	-13.04	-6.72	-0.56			-4276.74
<b>Balance as at March 31, 2021</b>	<b>540.34</b>	<b>31.30</b>	<b>5975.75</b>	<b>11863.71</b>	<b>179.89</b>	<b>151.53</b>	<b>422.88</b>	<b>69.95</b>	<b>66.57</b>	<b>125.31</b>	<b>19427.22</b>
<b>II. Accumulated amortisation</b>											
Balance as at April 01, 2019 (Deemed cost)	-	-	-	-	-	-	-	-	-	-	-
amortisation expense for the year	-	1.00	580.91	2197.91	102.98	57.59	114.87	32.52	13.90	39.34	3141.01
Eliminated on disposal of assets			-	-							-
<b>Balance as at March 31, 2020</b>	<b>-</b>	<b>1.00</b>	<b>580.91</b>	<b>2197.91</b>	<b>102.98</b>	<b>57.59</b>	<b>114.87</b>	<b>32.52</b>	<b>13.90</b>	<b>39.34</b>	<b>3141.01</b>
amortisation expense for the year	-	0.34	228.56	874.52	26.71	17.74	49.44	13.14	5.85	13.46	1229.77
Eliminated on disposal of assets	-		-	-2152.85	-3.90	-12.54	-6.04	-	-	-	-2175.34
<b>Balance as at March 31, 2021</b>	<b>-</b>	<b>1.34</b>	<b>809.47</b>	<b>919.58</b>	<b>125.79</b>	<b>62.79</b>	<b>158.27</b>	<b>45.66</b>	<b>19.75</b>	<b>52.79</b>	<b>2195.44</b>
<b>Net block (I-II)</b>											
Balance as at March 31 2020	528.17	30.30	5331.68	13189.88	59.03	106.98	211.89	31.24	28.91	78.43	19596.50
Balance as at March 31 2021	540.34	29.96	5166.28	10944.13	54.10	88.74	264.61	24.29	46.82	72.52	17231.78

# Depreciation on Lease hold land denotes the amount of cost amortised and written off over the tenure of 99 years for which the company has entered into a registered lease for industrial plot.

3A Capital Work-in-progress

	For the year ended March 31, 2021	For the year ended March 31, 2020
Capital Work in progress	295.86	31.31
<b>Total</b>	<b>295.86</b>	<b>31.31</b>



## Notes forming part of financial statements

(₹ in Lakhs)

3B Right of use Assets	For the year ended March 31, 2021	For the year ended March 31, 2020
Right of use assets	56.92	111.58
<b>Total</b>	<b>56.92</b>	<b>111.58</b>

## 3C Intangible Assets

Description of Assets	Computer software	Know-how	Total
<b>I. Cost or deemed cost</b>			
Balance as at April 1, 2019 (Deemed cost)	56.17	62.63	118.80
Additions	10.90	335.70	346.59
Disposals	-	-	-
<b>Balance as at March 31, 2020</b>	<b>67.06</b>	<b>398.33</b>	<b>465.39</b>
Additions	0.70	1.96	2.66
Disposals	-	-	-
<b>Balance as at March 31, 2021</b>	<b>67.76</b>	<b>400.29</b>	<b>468.05</b>
<b>II. Accumulated Depreciation</b>			
Balance as at April 1, 2019	-	-	-
amortisation expense for the year	53.03	47.89	100.92
Eliminated on disposal of assets	-	-	-
Balance as at March 31, 2020	53.03	47.89	100.92
amortisation expense for the year	7.26	272.66	279.91
Eliminated on disposal of assets	-	-	-
Balance as at March 31, 2021	60.28	320.55	380.83
Net block (I-II)	-	-	-
Balance as at March 31 2020	14.04	350.44	364.47
<b>Balance as at March 31 2021</b>	<b>7.48</b>	<b>79.74</b>	<b>87.22</b>

## 27. Depreciation and Amortisation

Particulars	Note. No	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation			
Property plant and equipment	-	1229.77	1312.00
Investment property	-	0.07	0.07
Amortisation - Intangibles	-	279.91	49.74
Depreciation of right of use assets	-	58.63	107.12
		<b>1568.38</b>	<b>1468.93</b>



## Notes forming part of financial statements

(₹ in Lakhs)

## Non Current Assets

## 4 Investment Property

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Carrying amounts of :</b>		
Land	0.76	0.76
Buildings	2.34	2.40
	<b>3.10</b>	<b>3.16</b>

Particulars	Land	Building
<b>Gross block as at 01 April 2019</b>	<b>0.76</b>	<b>2.47</b>
Additions	-	-
Disposals	-	-
<b>Balance as at March 31, 2020</b>	<b>0.76</b>	<b>2.47</b>
<b>Accumulated depreciation</b>		
Balance as at April 01, 2020	-	0.07
Depreciation expense for the year	-	-
Balance as at March 31, 2021	-	0.07
<b>Net block as at March 31, 2020</b>	<b>0.76</b>	<b>2.40</b>
<b>Balance as at April 01, 2020</b>	<b>0.76</b>	<b>2.40</b>
Additions	-	-
Disposals	-	-
Balance as at March 31, 2021	0.76	2.40
<b>Accumulated depreciation</b>		
Balance as at April 01, 2020	-	-
Depreciation expense for the year	-	0.06
Balance as at March 31, 2021	-	-
<b>Net block as at March 31, 2021</b>	<b>0.76</b>	<b>2.34</b>

Note – Considering the amounts involved, management has not taken fair valuation for investment properties.



## Notes forming part of financial statements

(₹ in Lakhs)

## 5 Investments

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Investment carried at FVTOCI</b>		
<b>I. Quoted Investments (Fully Paid)</b>		
Investments in equity instruments - others - Capitalisation		
i) 1,000 (As at March 31, 2020 1,000) Equity Shares of Rs.10/- each in Arvind Liquid Gases Limited.	0.10	0.48
ii) 20,000 (As at March 31, 2020 20,000) Equity Shares of Rs.10/- each in Dyna Lamps & Glass Works Ltd.	2.00	2.00
iii) 17,500 (As at March 31, 2020 17,500) Equity Shares of Rs.10/- each in Eastern Sugars & Industries Ltd	0.19	0.19
iv) 100 (As at March 31, 2020 100) Equity Shares of Rs.10/- each in Hindalco Industries Ltd	0.33	0.10
v) 8,057 (As at March 31, 2020 20) Equity Shares of Rs.10/- each in ICICI Bank	46.90	26.08
vi) 640 (As at March 31, 2020 640) Equity Shares of Rs.10/-each in IDBI Bank	0.25	0.12
vii) 14,100 (As at March 31, 2020 14,100) Equity Shares of Rs.10/- each in IFCI Limited	1.69	0.57
viii) 5,000 (As at March 31, 2020 5,000) Equity Shares of Rs.10/- each in KG Denim Limited	1.39	0.86
ix) 13,000 (As at March 31, 2020 13,000) Equity Shares of Rs.10/- each in NEPC India Limited	1.30	1.30
x) 3,030 (As at March 31, 2020 3,030) Equity Shares of Rs.10/- each in Ponni Sugars & Chemicals Ltd	0.30	0.30
xi) 30,000 (As at March 31, 2020 30,000) Equity Shares of Rs.10/- each in Shree Karthik Papers Ltd	0.66	01.11
xii) 500 (As at March 31, 2020 500) Equity Shares of Rs.10/- each in State bank of India	1.82	0.98
xiii) 1,000 (As at March 31, 2020 1,000) Equity Shares of Rs.10/- each in Steel Authority of India Ltd	0.79	0.23
xiv) 5,430 (As at March 31, 2020 5,430) Equity Shares of Rs.10/- each in Sesa Sterlite Ltd (Vedanta Ltd)	12.42	3.51
xv) 2,300 (As at March 31, 2020 2,300) Equity Shares of Rs.10/- each in Super Sales Agencies Ltd	12.90	4.30
xvi) 1,000 (As at March 31, 2020 1,000) Equity Shares of Rs.10/- each in Telephone Cables Ltd	0.02	0.02



## Notes forming part of financial statements

(₹ in Lakhs)

## 5 Investments (contd...)

Particulars	As at March 31, 2021	As at March 31, 2020
xvii) 500 (As at March 31, 2020 500) Equity Shares of Rs.10/- each in VGP Finance Ltd	0.05	0.05
xviii) 700 (As at March 31, 2020 700) Equity Shares of Rs.10/- each in Sterlite Technologies Ltd	1.37	0.45
xix) 10,000 (As at March 31, 2020 10,000) Equity Shares of Rs.10/- each in The Catholic Syrian Bank Ltd	23.29	11.81
<b>Total quoted investments</b>	<b>107.75</b>	<b>54.46</b>
<b>Investments carried at FVTPL</b>		
<b>II. Unquoted Investments (fully paid)</b>		
1. 1000 (As at March 31, 2020 100 ) Equity shares of Rs.10/- each in Arun Fuels Limited	0.10	0.10
2. 20,000 (As at March 31, 2020 10,000 ) Equity shares of Rs.10/- each in Sakthi Beverages Ltd	2.00	2.00
3. 1,200 (As at March 31, 2020 1,200 ) Equity shares of Rs.10/- each in Tulya Alloy Castings Ltd	0.12	0.12
4. 15,000 (As at March 31, 2020 15,000 ) Equity shares of Rs.10/- each in OPG Metals Private Limited	-	1.50
<b>Total unquoted investments</b>	<b>2.22</b>	<b>3.72</b>
<b>Total investments</b>	<b>109.97</b>	<b>58.18</b>
Aggregate amount of quoted investments	107.75	54.46
Aggregate market value of quoted investments	107.75	54.46
Aggregate amount of unquoted investments	2.22	3.72
Aggregate amount of impairment in value of investment	2.22	3.72

## 6 Other Non-Current Assets

Particulars	As at March 31, 2021	As at March 31, 2020
Capital Advances	138.46	184.21
Security deposits paid	168.33	196.80
Other advances	69.89	83.50
Prepaid expenses	-	14.93
Advance tax and Tax deducted at Source (Net)	72.26	58.91
<b>Total</b>	<b>448.94</b>	<b>538.35</b>


**Notes forming part of financial statements**

(₹ in Lakhs)

**7 Inventories**

(At lower of cost and net realisable value)

Particulars	As at March 31, 2021	As at March 31, 2020
Raw materials	3712.84	3382.40
Work-in-progress	521.69	622.87
Finished Goods	2191.09	3131.41
By-Product	41.54	222.15
Stores and Spares	673.25	566.51
Stock in Trade	90.48	79.03
<b>Total</b>	<b>7230.89</b>	<b>8004.37</b>

**8 Financial Assets**
**8.1 Trade Receivables**

Particulars	As at March 31, 2021	As at March 31, 2020
A) Trade receivable considered good - Unsecured	3417.89	4802.48
B) Trade receivable - Credit impaired- refer note below:	106.85	106.85
	3524.74	4909.33
Less: Allowance for expected credit loss -refer note below	106.85	106.85
<b>Total</b>	<b>3417.89</b>	<b>4802.48</b>
Note : Trade receivable - Credit impaired		
Opening Balance	<b>106.85</b>	<b>117.73</b>
Current year Provisions	-	-
Less Provision reversed	-	10.88
<b>Closing balance</b>	<b>106.85</b>	<b>106.85</b>

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed. The company estimates the following matrix at the reporting date.

**Notes forming part of financial statements**

(₹ in Lakhs)

**8.2 Cash and Cash Equivalents**

<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Cash on hand	5.15	6.33
Cheques/drafts on hand	-	14.15
Balances with banks :		
(i) In current accounts	206.91	109.38
<b>Total</b>	<b>212.06</b>	<b>129.86</b>

**8.3 (iii) Bank balances other than (ii) above**

<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
In earmarked accounts		
- Margin money deposits	767.62	584.82
- Unpaid dividend accounts	24.03	27.19
<b>Total</b>	<b>791.65</b>	<b>612.01</b>

**8.4 Loans****(Unsecured and considered good, unless stated otherwise)**

<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Employees and other advances	60.43	77.94
Security deposits paid	-	19.50
<b>Total</b>	<b>60.43</b>	<b>97.44</b>

**8.5 Other financial assets****(Unsecured and considered good, unless stated otherwise)**

<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Accruals:		
Insurance claim receivable	0.29	9.56
Interest subsidy on TUF Loan receivable	-	119.54
Accrued income	13.68	25.91
<b>Total</b>	<b>13.97</b>	<b>155.01</b>


**Notes forming part of financial statements**

(₹ in Lakhs)

**9 Current tax assets (Net)**

Particulars	As at March 31, 2021	As at March 31, 2020
Advance tax	-	60.00
Tax deducted at source	-	17.54
		77.54
Less: Provision for tax		
Current tax	-	25.16
<b>Total</b>	<b>-</b>	<b>52.38</b>

**10 Other Assets  
(Unsecured and considered good, unless stated otherwise)**

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid expenses	116.57	134.99
Balances with Government Authorities:		
- CENVAT credit receivable	13.04	13.04
- GST credit receivable	123.30	172.05
- Export incentives receivable	35.16	62.92
Advance to vendors	761.69	353.37
<b>Total</b>	<b>1049.76</b>	<b>736.37</b>

**11 Assets classified as held for sale**

Particulars	As at March 31, 2021	As at March 31, 2020
Plant and machinery	-	176.92
<b>Total</b>	<b>-</b>	<b>176.92</b>



**Notes forming part of financial statements**

(₹ in Lakhs)

**12 Equity Share Capital**

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Rs.	Number of shares	Rs.
(a) Authorised:				
(i) Equity share capital				
Equity shares of Rs.10/- each	22,000,000	2200.00	22,000,000	2200.00
<b>Total</b>	<b>22,000,000</b>	<b>2200.00</b>	<b>22,000,000</b>	<b>2200.00</b>
(b) Issued, subscribed and fully paid-up:				
(i) Equity share capital				
Equity shares of Rs. 10/- each	12,962,713	1296.27	12,962,713	1296.27
<b>Total</b>	<b>12,962,713</b>	<b>1296.27</b>	<b>12,962,713</b>	<b>1296.27</b>

**(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:**

Particulars	Number of shares	As at March 31, 2021	Number of shares	As at March 31, 2020
Equity shares of Rs. 10/- each				
At the beginning of the year	12,962,713	1296.27	12,962,713	1296.27
<b>Outstanding at the end of the year</b>	<b>12,962,713</b>	<b>1296.27</b>	<b>12,962,713</b>	<b>1296.27</b>

**(ii) Terms / rights attached to the Equity Shares:**

The Company has issued only one class of equity share having a face value of Rs. 10/- per share. The holder of each equity share 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 to all preferential creditors and other creditors, in the order of priority. The distribution will be in proportion to the number of equity shares held by shareholders. The company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to the approval of Shareholders in the ensuing Annual General Meeting.

**(iii) Distributions made and proposed**

Dividend recognized as distributions to equity shareholders for the year ended March 31, 2021 was Rs.1.20 per share and March 31, 2020 was Rs .NIL per share.



## Notes forming part of financial statements

(₹ in Lakhs)

The Board of Directors at its meeting held on 14.08.2020 had not recommended a dividend. The proposal was approved by shareholders at the Annual General Meeting held on 23.09.2020, this has resulted in a cash outflow of Rs.Nil, inclusive of corporate dividend tax of Rs Nil Further, the Board of Directors at its meeting held on 25.06.2021 have proposed a dividend of Rs.1.20 per share.

### (iii) Details of shareholders holding more than 5% of the share capital: Equity Shares

#### Equity shares

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% of holding	Number of shares held	% of holding
Vedanayagam Hospital Limited	6,305,320	48.64%	6,305,320	48.64%
Annamallai Retreating Company Private Limited	3,050,146	23.53%	3,050,146	23.53%

### 13 Other Equity

Particulars	As at March 31, 2021	As at March 31, 2020
Securities premium	2243.01	2243.01
Amounts received on issue of shares in excess of the par value has been classified as securities premium.		
General reserve	4851.13	4851.13
This represents appropriation of profit by the Company.		
Retained earnings	4006.39	2778.34
Retained earnings comprise of the Company's current and prior years' undistributed earnings after taxes		
Remeasurements of the defined benefit liabilities / (asset)	(81.05)	(56.49)
Equity Instruments through other comprehensive income	65.97	21.05
Changes in the fair value of equity instruments is recognized in equity instruments through other comprehensive income (net of taxes), and presented within other equity.		
Other items of other comprehensive income	(19.40)	(19.40)
Other items of other comprehensive income consist of fair value changes on FVTOCI financial assets and re-measurement of net defined benefit liability/asset.		
	<b>11066.05</b>	<b>9817.62</b>

**Notes forming part of financial statements**

(₹ in Lakhs)

**Financial liabilities****14 Borrowings**

<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
(a) Term Loans - Secured(Refer Note (i) below)		
-From banks	4569.27	5903.52
(b) Term Loans from related parties - Unsecured	1015.00	1070.00
<b>Total</b>	<b>5584.27</b>	<b>6973.52</b>

**(i) Details of Terms of repayment and security provided in respect of Secured Term Loans:**

<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
The Karur Vysya Bank Limited	800.00	-
Less: Current Maturities of long term debt	(50.00)	-
	<b>750.00</b>	<b>-</b>

Security: Working capital term loan under guaranteed emergency credit line (GECL 2.0), 100% guaranteed by national credit guarantee trust company. Repayable in tenure of 60 monthly instalments commencing from 13th month under Non EMI after a moratorium period of first 12 months

<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
The Karur Vysya Bank Limited	441.70	466.53
Less: Current Maturities of long term debt	(93.30)	(46.80)
	<b>348.40</b>	<b>419.73</b>

Security: Exclusive charge on vacant land 2.87 acres and additional charge of vacant land belonging to associate Company. Repayable in 20 quarterly instalments of Rs.23.40 lakhs each, commencing from July 2020.



## Notes forming part of financial statements

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Axis Bank Limited	-	1250.00
Less: Current Maturities of long term debt	-	(500.00)
	<b>-</b>	<b>750.00</b>

First charge on the windmills of the company having a capacity of 13.195 MW in Coimbatore and Tirupur districts Repayable in 25 quarterly instalments commencing from March 2016 under step up method, entire balance outstanding prepaid in the month of March 2021.

Particulars	As at March 31, 2021	As at March 31, 2020
Axis Bank Limited	1800.00	2075.83
Less: Current Maturities of long term debt	(400.00)	(300.00)
	<b>1400.00</b>	<b>1775.83</b>

Paripasu First charge on the immovable and hypothecation of movables of spinning unit of the company. Repayable in 24 quarterly instalments, commencing from March 2019

Particulars	As at March 31, 2021	As at March 31, 2020
Axis bank Limited	900.00	-
Less: Current Maturities of long term debt	(56.25)	-
	<b>843.75</b>	<b>-</b>

Security: Working capital term loan under guaranteed emergency credit line (GECL 2.0), 100% guaranteed by national credit guarantee trust company. Repayable in tenure of 48 monthly instalments after a moratorium of 12 months from the date of first disbursement.

Particulars	As at March 31, 2021	As at March 31, 2020
The Karur Vysya Bank Limited	667.77	800.00
Less: Current Maturities of long term debt	(296.73)	(175.00)
	<b>371.04</b>	<b>625.00</b>

Exclusive EM charge on vacant land belonging to associate company. Repayable in 60 monthly instalments of Rs. 25 lakhs each commencing from November 2017

**Notes forming part of financial statements**

(₹ in Lakhs)

<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Uco Bank - (New Term Loan)	-	691.35
Less: Current Maturities of long term debt	-	(167.25)
	<b>-</b>	<b>524.10</b>

Paripasu First charge on the immovable and hypothecation of movables of spinning unit of the company. Repayable in 24 quarterly instalments of Rs.55.75 lakhs each, commencing from May 2018. the entire outstanding prepaid in the month of January 2021

<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
RBL bank Limited	950.00	2230.42
Less: Current Maturities of long term debt	(600.00)	(450.00)
	<b>350.00</b>	<b>1780.42</b>

Paripasu First charge on the immovable and hypothecation of movables of spinning unit of the company. Repayable in 20 quarterly instalments of Rs.150 lakhs each, commencing from March 2019, partly prepaid in the month of March 2021

<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
RBL bank Limited	530.00	-
Less: Current Maturities of long term debt	(33.13)	-
	<b>496.87</b>	<b>-</b>

Security: Working capital term loan under guaranteed emergency credit line (GECL 2.0), 100% guaranteed by national credit guarantee trust company. Repayable in tenure of 60 monthly instalments commencing from 13th month under Non EMI after a moratorium period of first 12 months

<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
The Karur Vysya Bank Limited	13.91	21.89
Less: Current Maturities of long term debt	(4.69)	(9.36)
	<b>9.22</b>	<b>12.52</b>

Hypothecation of motor car. Repayable in 24 monthly instalments of varying amounts commencing from December 2015.



## Notes forming part of financial statements

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Audi Financial Services	15.92	35.91
Less: Current Maturities of long term debt	(15.92)	(20.00)
	-	<b>15.92</b>

Hypothecation of motor car. Repayable in 60 monthly instalments of varying amounts commencing from January 2017

Particulars	As at March 31, 2021	As at March 31, 2020
Non-Current borrowings - Total	6119.29	7571.93
Current Maturities of long term borrowings - Total	(1550.02)	(1668.41)
	<b>4569.27</b>	<b>5903.52</b>

**15 Lease Liability**

Particulars	As at March 31, 2021	As at March 31, 2020
Lease liability	45.23	73.07
<b>Total</b>	<b>45.23</b>	<b>73.07</b>

**16 Provisions**

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for gratuity [Refer note 25.1.b]	110.09	67.69
<b>Total</b>	<b>110.09</b>	<b>67.69</b>

**17 Financial Liabilities****17.1 Borrowings**

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Working capital loan from banks (Secured) (Refer Note 1 below)	4913.81	9967.12
<b>Total</b>	<b>4913.81</b>	<b>9967.12</b>



## Notes forming part of financial statements

(₹ in Lakhs)

## Note

Particulars	As at March 31, 2021	As at March 31, 2020
Indian Overseas Bank - Cash Credit	1325.68	2987.06

Hypothecation of inventories and trade receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Bank of Baroda - Cash Credit	452.73	1405.63

Hypothecation of inventories and trade receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Canara Bank - Cash Credit	229.06	614.23

Hypothecation of inventories and trade receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Indian Overseas Bank Sulur	193.08	99.68

Hypothecation of inventories and trade receivables

Particulars	As at March 31, 2021	As at March 31, 2020
The Karur Vysya Bank Limited - Cash Credit	1557.69	2794.43

Hypothecation of inventories and trade receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Indian Overseas bank - ILC	-	676.74

Hypothecation of inventories and trade receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Axis Bank Limited	1155.56	1027.00

Hypothecation of inventories and trade receivables



## Notes forming part of financial statements

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
RBL Bank Limited	-	362.36
Hypothecation of inventories and trade receivables		
<b>Total</b>	<b>4913.81</b>	<b>9967.12</b>

## 17.2 Trade Payables

Particulars	As at March 31, 2021	As at March 31, 2020
Trade payables		
- total outstanding dues of micro enterprises and small enterprises (Refer Note 24)	<b>9.31</b>	<b>11.23</b>
- total outstanding dues of creditors other than micro enterprises and small enterprises	2446.97	2112.34
Liability for Expenses	1102.92	827.05
<b>Total</b>	<b>3549.89</b>	<b>2939.38</b>

## 17.3 Lease Liabilities—refer note:41

Particulars	As at March 31, 2021	As at March 31, 2020
Operating lease liability	137.69	248.34
Finance cost	10.84	18.51
Lease payments	(83.57)	(139.03)
	<b>64.96</b>	<b>127.82</b>
Less: Lease prepayments	45.23	73.07
<b>Total</b>	<b>19.73</b>	<b>54.75</b>



**Notes forming part of financial statements**

(₹ in Lakhs)

**17.4 Other Financial Liabilities**

<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Current Maturities of Long-term Debt [Refer note 11.1(i) for details of security and repayment terms]	1550.02	1668.41
Interest accrued but not due on borrowings	6.42	37.88
Unpaid Dividend	24.03	27.19
Unclaimed matured deposits and interest accrued thereon	5.79	5.79
Other liabilities	91.04	117.17
Payables on purchase of property, plant and equipment	89.43	25.96
<b>Total</b>	<b>1766.73</b>	<b>1882.40</b>

**18 Provisions**

<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
(a) Provision for employee benefits		
Provision for Gratuity [Refer note 25.1.b]	58.85	15.59
<b>Total</b>	<b>58.85</b>	<b>15.59</b>

**18.1 Current Tax Liability (Net)**

b) Income tax payable	1335.93	-
Less: Advance tax paid	1253.15	-
<b>Total</b>	<b>82.78</b>	<b>-</b>

**19 Other Liabilities**

<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Statutory dues	55.89	57.51
Security deposits received	24.08	14.40
Income received in advance	2.16	2.18
Advances from customers	185.31	230.26
Liability for others	142.60	122.75
<b>Total</b>	<b>410.04</b>	<b>427.11</b>



## Notes forming part of financial statements

(₹ in Lakhs)

## 20 Revenue From Operations

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>(a) Sale of Manufactured Goods</b>		31928.05	35293.33
	<b>a. Manufactured Goods</b>		
	Yarn	17431.23	24585.68
	Fabrics	8363.09	7673.66
	Waste Cotton	1701.98	2028.11
	Garments	4431.76	1005.89
	<b>b. Traded goods</b>		
	Yarn	1402.35	
	Fabric	6.64	881.32
	Garments	176.60	
<b>(b) Sale of services</b>			
	Coating Dying and Lamination charges	514.14	480.72
<b>(c) Other operating revenues</b>		52.15	157.36
	(Refer Note 1 below)		
	<b>Total</b>	<b>34079.93</b>	<b>36812.73</b>
	<b>Particulars</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
	Note: 1 Other operating revenues comprises:		
	Duty drawback and other export incentives	51.96	114.38
	Others	0.19	42.99
	<b>Total</b>	<b>52.15</b>	<b>157.36</b>



## Notes forming part of financial statements

(₹ in Lakhs)

**21 Other Income**

	<b>Particulars</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
(a)	Interest income (Refer Note 1 below)	51.17	42.79
(b)	Dividend income from investments measured at FCTOCI	0.63	0.51
(c)	Other non-operating income (Refer Note 2 below)	642.81	413.72
	<b>Total</b>	<b>694.61</b>	<b>457.02</b>
	<b>Particulars</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
<b>1</b>	<b>Interest income comprises:</b>		
	Interest from financial assets at amortised cost	51.17	42.79
	<b>Total - Interest income</b>	<b>51.17</b>	<b>42.79</b>
<b>2</b>	<b>Other non-operating income comprises:</b>		
	Rental income	17.78	16.98
	Profit on sale of property plant and equipment (Net)	600.66	350.51
	Reversal of provision for impairment on investments	-	10.65
	Recovery of bad debts	-	3.00
	Sundry balances written back	-	0.05
	Net gain on foreign currency transactions	12.35	20.26
	Other Miscellaneous income	12.03	12.27
	<b>Total - Other non-operating income</b>	<b>642.82</b>	<b>413.72</b>

## Notes forming part of financial statements

(₹ in Lakhs)

**22 Cost of Materials Consumed**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening stock	3763.93	3483.55
Add: Purchases	17256.08	22540.70
	21020.01	26024.25
Less: Closing stock	(3975.04)	(3763.93)
Cost of material consumed	17044.94	22260.32
Material consumed comprises:		
-Cotton	12942.58	18860.71
-Others	4102.39	3399.61
<b>Total</b>	<b>17044.97</b>	<b>22260.32</b>

**23 Purchase of Traded Goods**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Purchases of Traded Goods	1337.62	736.34
<b>Total</b>	<b>1337.62</b>	<b>736.34</b>

**24 Changes in inventories of finished goods, work-in-progress and stock in trade**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventories at the end of the year:		
Finished goods	2191.09	3131.41
Work-in-progress	259.49	241.34
stock in trade	90.48	79.03
Waste-cotton	41.54	222.15
	<b>2582.60</b>	<b>3673.93</b>
Inventories at the beginning of the year:		
Finished goods	3131.41	3647.98
Work-in-progress	241.34	315.37
stock in trade	79.03	84.31
Waste-cotton	222.15	68.37
	<b>3673.93</b>	<b>4116.03</b>
<b>Net (increase) / decrease</b>	<b>1091.33</b>	<b>442.10</b>



## Notes forming part of financial statements

(₹ in Lakhs)

**25 Employee Benefit Expenses**

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
	Salaries, wages and bonus	3134.62	3665.72
	Contributions to provident and other funds (Refer Note 25.1.a & 25.1.b)	253.51	200.78
	Staff welfare expenses	247.45	247.14
	<b>Total</b>	<b>3635.58</b>	<b>4113.64</b>

**26 Finance Costs**

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a)	Interest expense on financial liabilities at amortised cost:		
	(i) Borrowings	1564.84	2084.42
(b)	Other borrowing costs	202.06	146.32
	<b>Total</b>	<b>1766.90</b>	<b>2230.74</b>



## Notes forming part of financial statements

(₹ in Lakhs)

## 28 Other Expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Consumption of stores and spare parts	2427.43	1529.61
Manufacturing expenses	938.93	317.20
Power, fuel and water charges	984.60	1530.76
Rent including lease rentals	95.87	40.28
Repairs and Maintenance - Building	38.73	58.64
Repairs and Maintenance - Machinery	464.99	532.90
Repairs and Maintenance - Others	79.76	197.60
Insurance	182.27	177.18
Rates and Taxes	42.99	33.90
Communication expenses	130.68	149.66
Travelling and Conveyance	249.11	394.45
Printing & Stationery	19.04	21.92
Freight and Forwarding Charges	279.93	255.03
Sales Commission	162.99	169.91
Director's sitting fee	4.90	4.40
Loss on sale/disposal of property plant and equipment	-	0.23
Business Promotion Expenses	133.15	136.24
Donation	5.33	0.10
Legal and Professional charges	119.31	123.00
Payments to Auditors (refer note-2)	10.00	10.00
Royalty expenses	20.05	15.86
Miscellaneous Expenses	146.47	176.93
TUF subsidy receivable excess provision written off	119.54	-
Corporate Social Responsibility (refer note 1)	13.07	19.15
<b>Total</b>	<b>6669.15</b>	<b>5894.94</b>



## Notes forming part of financial statements

(₹ in Lakhs)

**Note 1 - Corporate Social Responsibility:**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
a) Gross amount required to be spent by the company during the year	13.05	18.87
b) Amount spent during the year	13.07	19.15

**Note 2 - Payments to Auditors:**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Payments to auditors comprises:		
Statutory audit fees	10.00	10.00
<b>Total</b>	<b>10.00</b>	<b>10.00</b>


**Additional information to the financial statements**

(₹ in Lakhs)

Note	Particulars	As at March 31, 2021	As at March 31, 2020
<b>29</b>	<b>Contingent liabilities and commitments (to the extent not provided for)</b>		
(i)	Contingent liabilities:		
	(a) Disputed demands from ESI Authorities	-	9.86
	(b) Disputed claims of TANGEDCO as part of energy supply bill	203.22	203.22
(ii)	Commitments:		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for:		
	Tangible assets	26.44	246.04
(iii)	Others		
	(a) The amount of duty concession availed against the pending obligation for import of capital goods under concessional customs duty linked to fulfilment of export obligations	-	49.95
	(b) Value of export obligation to be fulfilled	-	20988.18

**30 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

	Particulars	As at March 31, 2021	As at March 31, 2020
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year	9.31	11.23
(ii)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii)	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-





(₹ in Lakhs)

Note No	Particulars	As at March 31, 2021	As at March 31, 2020
(v)	The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	-	-

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

### 31 Disclosure for raw materials, purchased goods and finished goods under broad heads

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>1. Sale of products</b>		
<b>(a) Manufactured goods:</b>		
Yarn	17431.23	24753.45
Fabric	596.45	1998.33
Garments	4431.76	987.27
Coated fabrics (Canvas)	2205.36	1394.77
Laminated fabrics	5561.27	4131.40
Waste	1701.98	2028.11
Sale of Services	514.14	480.72
<b>(b) Traded goods</b>		
Yarn	1402.35	547.95
Fabric	06.64	115.24
Garments	176.60	218.13
<b>Total</b>	<b>34027.78</b>	<b>36655.37</b>
<b>(c) Other Operating Revenues</b>	52.15	157.36
<b>Total sale of products (a)+(b)</b>	<b>34079.93</b>	<b>36812.73</b>

(₹ in Lakhs)

**31 Disclosure for raw materials, purchased goods and finished goods under broad heads (contd...)**

Note No	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
	<b>2. Raw materials consumption</b>		
	(a) Cotton	12942.58	18860.71
	(b) Others	4102.39	3399.61
	<b>Total</b>	<b>17044.97</b>	<b>22260.32</b>
	<b>Purchase of traded goods</b>		
	(a) Cotton	-	-
	(b) Waste	-	-
	(c) Yarn	1230.39	595.75
	(d) Fabrics	<b>11.46</b>	4.68
	(e) Garments	95.77	135.92
	<b>Total</b>	<b>1337.62</b>	<b>736.34</b>
	3. Total value of all imported raw materials, spare parts and components consumed during the financial year and the total value of all indigenous raw materials, spare parts and components similarly consumed and the percentage of each to the total consumption;		
	<b>Particulars</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
	<b>Raw materials</b>		
	Indigenous (Rs.)	16,180.79	18,659.74
	(%)	94.89%	83.83%
	Imported (Rs.)	864.19	3600.59
	(%)	5.11%	16.17%
	<b>Total</b>	<b>17,044.97</b>	<b>22,260.32</b>
	<b>Stores and spares</b>		
	Indigenous (Rs.)	2533.19	1346.75
	(%)	89.88%	90.17%
	Imported (Rs.)	285.09	182.86
	(%)	10.12%	9.83%
	<b>Total</b>	<b>2,818.28</b>	<b>1,529.61</b>



(₹ in Lakhs)

Note No	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
4.	Value of imports calculated on CIF basis by the company during the financial year in respect of		
	(i) Raw materials	753.13	3600.58
	(ii) Components and spare parts	285.09	182.86
	(iii) Capital goods	40.80	186.67
	(iv) traded goods	-	44.35
5.	Expenditure in foreign currency during the financial year on account of:		
	Royalty, know-how, professional and consultation fees	42.81	13.54
	Traveling, training and others	-	12.77
6.	The amount remitted during the year in foreign currencies on account of dividends with a specific mention of the total number of non-resident shareholders, the total number of shares held by them on which the dividends were due and the year to which the dividends related;		
	(i) Total number of Non-resident shareholders		
	(ii) Total number of shares held		
	(iii) Total amount of dividend due/paid		
	(iv) Year to which the dividend related		
		Not applicable, Hence No Dividend is paid in Foreign Currency	
7.	Earnings in foreign exchange classified under the following heads, namely:-		
	Export of goods calculated on FOB basis	3510.37	3058.08
8.	The Company, has paid to trade related research institutions by way of recurring / non recurring contribution	20.94	0.79

## 32 Employee benefit plans

### 32.1a Defined contribution plans - provident fund and employee state

**insurance** The Company makes Provident Fund and Employee state insurance scheme contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised the following contributions in the Statement of profit and loss.



(₹ in Lakhs)

Note No	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
	Provident fund	121.51	149.77
	Employee state insurance	14.33	14.12

### 32.1.b Defined benefit plan - gratuity

In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan (Gratuity plan). The Gratuity plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn eligible salary and the years of employment with the Company. The Company provides the gratuity benefit through annual contributions to a fund managed by the Insurer included as part of 'Contribution to provident and other funds' in Note 20 Employee benefit expense. Under this plan, the settlement obligation remains with the Company.

"Description of Risk Exposures Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:"

- i) Interest Rate Risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).
- ii) Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.
- iii) Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
- iv) Demographic Risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.
- v) Liquidity Risk: This is the risk that the Company is not able to meet the short-term gratuity pay-outs. This may arise due to non-availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.



(₹ in Lakhs)

- vi) In respect of the plan in India, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2021 by Mr. N Srinivasan, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The following table sets out the funded status of the gratuity scheme:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Components of employer expense		
Current service cost	45.30	38.52
Past service cost	-	-
Interest cost	20.71	15.57
Expected return on plan assets	(16.82)	(12.65)
Recognised in statement of profit and loss	49.18	41.44
Re-measurement - actuarial (gain)/loss recognised in OCI	24.55	23.81
<b>Total expense recognised in the Statement of total comprehensive income</b>	<b>73.74</b>	<b>65.25</b>
<b>Other Comprehensive Income ( OCI )</b>		
Actuarial (gain)/loss due to DBO assumption experience	74.76	11.97
Actuarial (gain)/loss due to DBO experience	(53.64)	38.86
Actuarial (gain)/loss due to DBO assumption changes	-	(25.61)
Actuarial (gain)/loss arising during period	21.12	25.22
Actual return on plan assets (greater)/less interest on plan assets	3.43	(1.41)
Actuarial (gains)/ losses recognized in OCI	24.55	23.81
<b>Defined Benefit Cost</b>		
Service cost	45.30	38.52
Net interest on net defined benefit liability / (asset)	3.88	2.92
Actuarial (gains)/ losses recognized in OCI	24.55	23.81
Defined Benefit Cost	73.74	65.25

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Change in defined benefit obligation (DBO) during the year</b>		
Present value of DBO at beginning of the year	302.95	232.25
Current service cost	45.30	38.52
Past service cost	-	-
Interest cost	20.71	15.57
Actuarial (gains) / losses	21.12	25.22
Benefits paid	(20.19)	(8.61)
<b>Present value of DBO at the end of the year</b>	<b>369.89</b>	<b>302.95</b>
<b>Actual contribution and benefit payments for year</b>		
Actual benefit payments	20.19	8.61
Actual contributions	56.01	49.99
<b>Change in fair value of assets during the year</b>		
Plan assets at beginning of the year	220.00	164.56
Expected return on plan assets	16.82	12.65
Actual company contributions	56.01	49.99
Actuarial gain / (loss)	(3.43)	1.41
Benefits paid	(20.19)	(8.61)
Plan assets at the end of the year	<b>269.21</b>	<b>220.00</b>
Actual return on plan assets	13.39	14.06



(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Current and Non Current Liability portion</b>		
Particulars		
Current Liability	(58.94)	(15.26)
Non current liability	(41.73)	(67.69)
<b>Net liability</b>	<b>(100.68)</b>	<b>(82.95)</b>
<b>Net asset / (liability) recognised in the Balance Sheet</b>		
Present value of defined benefit obligation	369.89	302.95
Fair value of plan assets	269.21	220.00
Funded status [Surplus / (Deficit)]	(100.68)	(82.95)
Net liability recognised in the Balance Sheet	(100.68)	(82.95)
<b>Composition of the plan assets is as follows:</b>		
Government securities		
Debentures and bonds		
Fixed deposits		
Insurer managed funds	100%	100%
<b>Total</b>	<b>269.21</b>	<b>220.00</b>
*Funds are managed by Life Insurance Corporation of India and composition of the fund as at the balance sheet date was not provided by the insurer.		
Actuarial assumptions		
Discount rate	7.07%	6.83%
Expected return on plan assets	7.07%	6.83%
Salary escalation	6.50%	3.25%

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.



(₹ in Lakhs)

### Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	<b>Gratuity Plan</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
	Estimate value of obligation if discount rate is taken 1% higher	340.34	283.02
	Estimated value of obligation if discount rate is taken 1% lower	404.71	326.05
	Estimate value of obligation if salary growth rate is taken 1% higher	341.92	324.46
	Estimate value of obligation if salary growth rate is taken 1% lower	370.46	284.21
	Estimate value of obligation if attrition rate is taken 1% higher	371.28	308.60
	Estimate value of obligation if attrition rate is taken 1% lower	370.88	296.46

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

### Maturity profile of defined benefit obligation:

	<b>Maturity profile, if it ensues</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
1		2.01	34.31
2		38.83	17.67
3		26.48	39.68
4		16.44	30.14
5		21.68	15.23
Above 5		97.68	93.81



Note  
No

Particulars

**Asset Liability Matching Strategies**

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity liability occurring during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

**33 Segment Reporting****(a) Primary Business Segment Information**

The company's business relates to single segment only i.e., Textiles. Accordingly, this is the only reportable business segment.

**(b) Secondary Geographic Segment Information**

Geographic Segment	Revenues	Segment assets	Capital expenditure incurred
Outside India			
March 31, 2021	3510.37	143.37	40.80
March 31, 2020	3058.08	127.34	240.76
India and Others			
March 31, 2021	30569.56	30743.83	926.36
March 31, 2020	33754.65	35231.75	1464.57
Unallocated			
March 31, 2021	-	72.26	-
March 31, 2020	-	111.29	-
Total			
March 31, 2021	<b>34079.93</b>	<b>30959.46</b>	<b>967.16</b>
March 31, 2020	<b>36812.73</b>	<b>35470.38</b>	<b>1705.34</b>



Note No	Particulars	
<b>34.</b>	<b>Related party transactions</b>	
	<b>A. Details of related parties:</b>	
	<b>Description of relationship</b>	<b>Name of related parties</b>
	Enterprises having significance on company	Annamalai Retreading Company Private Limited
	Enterprises in which the	Vedhanayagam Hospitals Ltd
	Key management Personnel or	Anamallais Agencies Private Ltd
	relatives have significant influence.	Anamallais Automobiles Private Ltd
		Sakthi Murugan Transports Ltd
		Sundarram Enterprise Private Ltd
		Firebird Institute of Research in Management
		Annamalai Retreading Company Private Limited
		Anamallais Motors Pvt Ltd
		Shiva Automobiles Pvt Ltd
		Abirami Ecoplast private Limited
		Shiva Mills Ltd
		Jhanvi Motors
	Key Management Personnel (KMP)	Sri S K Sundararaman, Managing Director
		Sri C Krishnakumar, Chief Financial Officer
		Sri R Srinivasan, Company Secretary
	Relatives of key management personnel :	Sri S V Kandasami - Father of Managing Director



(₹ in Lakhs)

Note No	Particulars		
	<b>B. Details of transactions during the year and balance outstanding as at the balance sheet date:</b>		
		<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
	<b>Particulars</b>	<b>Related Party</b>	
	a) Transactions during the year:		
	Sale of goods and services		
		Vedhanayagam Hospital Private Ltd	9.29
		Abirami Ecoplast Private Limited	455.24
	Purchase of goods and services		
		Firebird Institute of Research in Management	3.48
		Shiva Mills Ltd	28.53
		Sundar Ram Enterprise Private Ltd	0.90
		Anamallais Automobiles Private Ltd	2.13
		Anamallais Agencies Private Ltd	23.33
		Anamallais motors Private Ltd	0.66
		Jhanvi Motors	-
	Divident paid		
		Sri S K Sundararaman, Managing Director	-
		Dr S V Kandasami-Director	-
		Sri S V Alagappan - Director	-
		Sri S Marusamy - Director	-
	Loan From Directors		
		Dr S V Kandasami	-
		Sundar Ram Enterprise Private Ltd	60.00
	Loans Repaid		
		Sundar Ram Enterprise Private Ltd	115.00
	Remuneration		
		Sri S K Sundararaman, Managing Director	56.99
		Sri C Krishnakumar, Chief Financial Officer	17.72
		Sri R Srinivasan, Company Secretary	17.50
	(i) Receivables		
		Vedhanayagam Hospitals Ltd	0.80
		Shiva Automobiles Private Ltd	0.50
		Abirami Ecoplast Private Ltd	87.62
	(ii) Payables		
		Sri S V Alagappan - Director	25.00
		Sri S K Sundararaman	90.00
		Dr S V Kandasami	500.00
		Annamalais Motors Private Ltd	0.11
		Annamalais Agencies Private Ltd	0.05
		Sundar Ram Enterprise Private Ltd	400.08
		Firebird Institute of Research in Management	0.57

(₹ in Lakhs)

Note No	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>35</b>	<b>Earnings per equity share</b>		
	Profit attributable to equity shareholders (Rs.)	1228.06	154.70
	Weighted average number of equity shares ( Nos.)	12,962,713	12,962,713
	Par value per equity share (Rs.)	10.00	10.00
	Earning per share - Basic & Diluted (Rs.)	9.47	1.19

**36 Income Tax Recognised :**

Particulars	For the year ended 31 March, 2021		For the year ended 31 March, 2020	
	Statement of profit and loss	Other comprehensive income	Statement of profit and loss	Other comprehensive income
<b>Current Tax:</b>				
In respect of current year	1019.75	8.37	25.16	-
<b>Deferred Tax:</b>				
In respect of current year	(587.20)	0.00	(57.12)	-
<b>Incomce tax expenses</b>	<b>432.55</b>	<b>8.37</b>	<b>(31.86)</b>	<b>-</b>



(₹ in Lakhs)

**37 Movement in deferred tax balances**

Particulars	Opening Balance	Recognised in profit and Loss	Recognised in Other Comprehensive Income	Recognised directly in equity	Closing Balance
<b>For the year ended 31 March, 2021</b>					
Tax effect of items constituting deferred tax asset					
Fair value/Provision for investments	-	-	-	-	-
Provision for doubtful debts	35.67	1.67	-	-	37.34
Disallowances under section 43B of Income Tax Act, 1961	48.80	55.59	-	-	104.39
Carry forwarded Loss for set off	8.52	0.86	-	-	9.38
<b>Tax effect of items constituting deferred tax asset</b>	<b>92.99</b>	<b>58.12</b>	-	-	<b>151.11</b>
Tax effect of items constituting deferred tax (liability)					
On difference between book balance and tax balance of fixed assets	(3974.37)	529.07	-	-	(3445.30)
<b>Tax effect of items constituting deferred tax (liability)</b>	<b>(3974.37)</b>	<b>529.07</b>	-	-	<b>(3294.18)</b>
Less: MAT credit availed	1941.77	(744.98)	-	-	1196.79
<b>Net Deferred tax asset/(liability)</b>	<b>(1939.60)</b>	<b>(157.78)</b>	-	-	<b>(2097.39)</b>
<b>For the year ended 31 March, 2020</b>					
Tax effect of items constituting deferred tax asset					
Fair value/Provision for investments	3.68	(3.68)	-	-	0.00
Provision for doubtful debts	40.74	(5.07)	-	-	35.67
Disallowances under section 43B of Income Tax Act, 1961	87.13	(38.33)	-	-	48.80
Carry forwarded Loss for set off	-	8.52	-	-	8.52
<b>Tax effect of items constituting deferred tax asset</b>	<b>131.56</b>	<b>(38.57)</b>	-	-	<b>92.99</b>
Tax effect of items constituting deferred tax (liability)					
On difference between book base and tax base of property plant and equipment	(4044.90)	70.53	-	-	(3974.37)
<b>Tax effect of items constituting deferred tax (liability)</b>	<b>(4044.90)</b>	<b>70.53</b>	-	-	<b>(3974.37)</b>
Less: MAT credit Receivable transferred to Deferred tax Liability	1911.59	25.16	-	-	1936.75
<b>Net Deferred tax asset/(liability)</b>	<b>(2001.75)</b>	<b>57.12</b>	-	-	<b>(1944.63)</b>

(₹ in Lakhs)

**38 Deferred tax (liability) / asset**

Particulars	As at March 31, 2021	As at March 31, 2020
Tax effect of items constituting deferred tax Assets		
Fair value/Provision for investments	-	-
Provision for doubtful debts	37.34	35.67
Disallowances under section 43B of Income Tax Act, 1961	104.39	48.80
Carry forward Loss for set off	9.38	8.52
<b>Tax effect of items constituting deferred tax Asset</b>	<b>151.11</b>	<b>92.99</b>
Tax effect of items constituting deferred tax (liability)		
On difference between book balance and tax balance of fixed assets	(3445.30)	(3974.37)
Tax effect of items constituting deferred tax (liability)	(3445.30)	(3974.37)
Less: MAT credit availed	1196.79	1936.75
<b>Net deferred tax (liability) / asset</b>	<b>(2097.39)</b>	<b>(1944.63)</b>

**39 Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:**

Particulars	As at March 31, 2021	As at March 31, 2020
Profit before tax	1,660.61	122.74
Enacted income tax rate in India	29.12%	33.38%
Computed expected tax expense	483.57	40.97
Effect on account of exempted income	(0.18)	0.18
Effect on account of permanent difference	(483.39)	9.17
Effect on account of S115JB	1,019.75	(25.16)
Others	(587.20)	(57.12)
<b>Income tax expense recognised in the statement of profit and loss</b>	<b>432.55</b>	<b>(31.96)</b>



(₹ in Lakhs)

**40 Financial instruments**

The carrying value and fair value of financial instruments by categories as at March 31, 2021, March 31, 2020 is as follows:

Particulars	Carrying value		Fair value	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Amortised cost				
Loans	60.43	97.44	60.43	97.44
Trade receivable	3417.89	4802.48	3417.89	4802.48
<b>Cash and cash equivalents</b>				
Cash on hand	5.15	6.33	5.15	6.33
Cheques on hand	-	14.15	-	14.15
Balance with Banks	206.91	109.38	206.91	109.38
Bank balances other than above	791.65	612.01	791.65	612.01
Other financial assets	13.97	155.01	13.97	155.01
<b>FVTOCI</b>				
Investment in equity instruments	105.53	50.74	105.53	50.74
<b>FVTPL</b>				
Investment in equity instruments (unquoted)	2.22	3.72	2.22	3.72
<b>Total assets</b>	<b>4603.75</b>	<b>5851.26</b>	<b>4603.75</b>	<b>5851.26</b>
Financial liabilities				
Amortised cost				
Borrowings	12048.10	18609.06	12048.10	18609.06
Trade payables	3559.20	2950.61	3559.20	2950.61
Other financial liabilities	236.45	268.74	236.45	268.74
<b>Total liabilities</b>	<b>15843.75</b>	<b>21828.41</b>	<b>15843.75</b>	<b>21828.41</b>



The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- i) Long-term fixed-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected losses of these receivables.
- ii) Fair values of the Company's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2021 was assessed to be insignificant.
- iv) The fair values of the unquoted equity shares have been estimated using a discounted cash flow model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility, the probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

#### **41 Fair value hierarchy**

- Level 1 -** Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 -** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 -** Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at March 31, 2021, March 31, 2020





(₹ in Lakhs)

Particulars	Fair value measurement using					
	As at	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value:						
FVTOCI financial assets designated at fair value:						
Investment in equity instruments (quoted)	March 31, 2021	March 31, 2021	107.75	107.75	-	-
	March 31, 2020	March 31, 2020	54.46	54.46	-	-
FVTPL financial assets designated at fair value:						
Investment in equity instruments (unquoted)	March 31, 2021	March 31, 2021	2.22	-	-	2.22
	March 31, 2020	March 31, 2020	3.72	-	-	3.72

There is transfer from Level 3 to Level 1

## 42 Leases

On 30th March 2019, the Ministry of Corporate Affairs had notified Ind AS 116, Leases, replacing the existing leases standard, Ind AS 17, Leases, and related interpretations. The new lease standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

### The standard permits two possible methods of transition:

Full retrospective : Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Modified retrospective : Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

The Company has entered into leasing arrangements in respect of residential/office premise. The leasing arrangements, which are generally cancellable, have lease periods ranging between 11 and 60 months. They are generally renewable by mutual consent on mutually agreeable terms. The operating leases are cancellable by lessor/lessee with notice period up to three months.

### The following is the summary of practical expedients elected by the Company on the initial application:

Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.



(₹ in Lakhs)

In respect of those leases classified as finance leases applying Ind AS 116, at the date of initial application, the Company has elected to recognise the right-of-use asset and the lease liability at the carrying amount of the lease asset and lease liability immediately before that date measured applying Ind AS 116.

Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

The Company's weighted average incremental borrowing rate applied to lease liabilities recognised in the balance sheet at the date of initial application i.e 1 April 2020 is 11 % per annum.

#### **Movement in right-of-use assets and lease liabilities during the year:**

#### **Right-of-use assets**

Particulars	Amount
As at the date of transition, i.e., April 1, 2020	111.58
Additions	-
Depreciation	54.66
Deletions	-
<b>Closing balance</b>	<b>56.92</b>

#### **Lease liabilities**

Particulars	Amount
As at the date of transition, i.e., April 1, 2020	132.28
Additions	-
Interest	10.36
Lease payments	77.69
<b>Closing balance</b>	<b>64.95</b>
Current	19.73
Non-current	45.22



(₹ in Lakhs)

**Maturity analysis of lease liabilities**

Particulars	Amount
1 year	19.73
1 to 5 years	45.22
More than 5 years	-

**Lease rent expense on short-term and low value lease debited to Statement of Profit and Loss**

Lease rent	95.87
------------	-------

**43 Financial risk management**

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, foreign currency risk and interest rate risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the company is foreign exchange risk. The Company uses foreign currency borrowings to mitigate foreign exchange related risk exposures.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

**Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.



(₹ in Lakhs)

### Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

The following table gives details in respect of percentage of revenues generated from top customer and top 5 customers:

Particulars	Fair value	
	March 31, 2021	March 31, 2020
Revenue from top customer	1306.51	1726.07
Revenue from top 5 customers	5705.25	4518.87

### Market risk

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The company does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors.

### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk through credit limits with banks.

The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The working capital position of the Company is given below:

Particulars	Fair value	
	March 31, 2021	March 31, 2020
Cash and cash equivalents	212.06	129.86
<b>Total</b>	<b>212.06</b>	<b>129.86</b>



(₹ in Lakhs)

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2021, March 31, 2020

Particulars	As at	Less than 1 year	1-2 years	2 years and above
Borrowings	March 31, 2021	6463.83	4969.27	615.00
	March 31, 2020	11635.54	6858.52	115.00
Trade payables	March 31, 2021	3559.20	-	-
	March 31, 2020	2950.61	-	-
Other financial liabilities	March 31, 2021	236.45	-	-
	March 31, 2020	268.74	-	-

### Foreign Currency risk

The Company's exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in U.S. dollars, British pound sterling and euros) and foreign currency borrowings (primarily in U.S. dollars, British pound sterling and euros). A significant portion of the Company's revenues are in these foreign currencies, while a significant portion of its costs are in Indian rupees. As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Company's revenues measured in rupees may decrease. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. The Company's management meets on a periodic basis to formulate the strategy for foreign currency risk management.

Consequently, the Company management believes that the borrowings in foreign currency and its assets in foreign currency shall mitigate the foreign currency risk mutually to some extent



(₹ in Lakhs)

The following table presents foreign currency risk from non-derivative financial instruments as of March 31, 2021 and March 31, 2020

Particulars	As at	US\$	Euro	Pound/ sterling	Total
<b>Assets</b>					
Trade receivables	March 31, 2021	1.98	-	-	1.98
	March 31, 2020	1.00	0.43	-	1.43
Cash and cash equivalents	March 31, 2021	-	-	-	-
	March 31, 2020	-	-	-	-
<b>Liabilities</b>					
Trade payable	March 31, 2021	-	-	-	-
	March 31, 2020	-	-	-	-
Borrowings	March 31, 2021	-	-	-	-
	March 31, 2020	-	-	-	-
Net assets/(liabilities)	March 31, 2021	1.98	-	-	1.98
	March 31, 2020	1.00	0.43	-	1.43

### Foreign currency sensitivity analysis

The Company is mainly exposed to the currency USD on account of outstanding trade receivables and trade payables in USD.

The following table details the Company's sensitivity to a 5% increase and decrease in INR against the USD. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the INR strengthens 5% against the relevant currency. For a 5% weakening of the INR against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Impact on profit for the year	175	250



(₹ in Lakhs)

For a 5% weakening of the INR against the relevant currency, there would be equivalent amount of impact on the profit as mentioned in the above table.

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates and investments.

### Interest rate sensitivity analysis

If interest rates had been 1% higher and all other variables were held constant, the company's profit for the year ended would have impacted in the following manner:

Particulars	For the year ended March 31,2021	For the year ended March 31,2020
Increase / (decrease) in the Profit for the year	(110.00)	(120.74)

If interest rates were 1% lower, the company's profit would have increased by the equivalent amount as shown in the above table.

### Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

### The capital structure is as follows:

Particulars	As at March 31,2021	As at March 31,2020
Total equity attributable to the equity share holders of the company	12362.32	11113.89
As percentage of total capital	51%	37%
Current borrowings	4913.81	9967.12
Non-current borrowings	7134.29	8641.93
Total borrowings	12048.10	18609.06
As a percentage of total capital	49%	63%
<b>Total capital (borrowings and equity)</b>	<b>24410.41</b>	<b>29722.94</b>



The Company is predominantly debt financed which is evident from the capital structure table.

#### 44 Previous year figures

Previous year figures regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure

For and on behalf of the Board of Directors

**S V Alagappan**

Chairman  
DIN:00002450

**S K Sundararaman**

Managing Director  
DIN:00002691

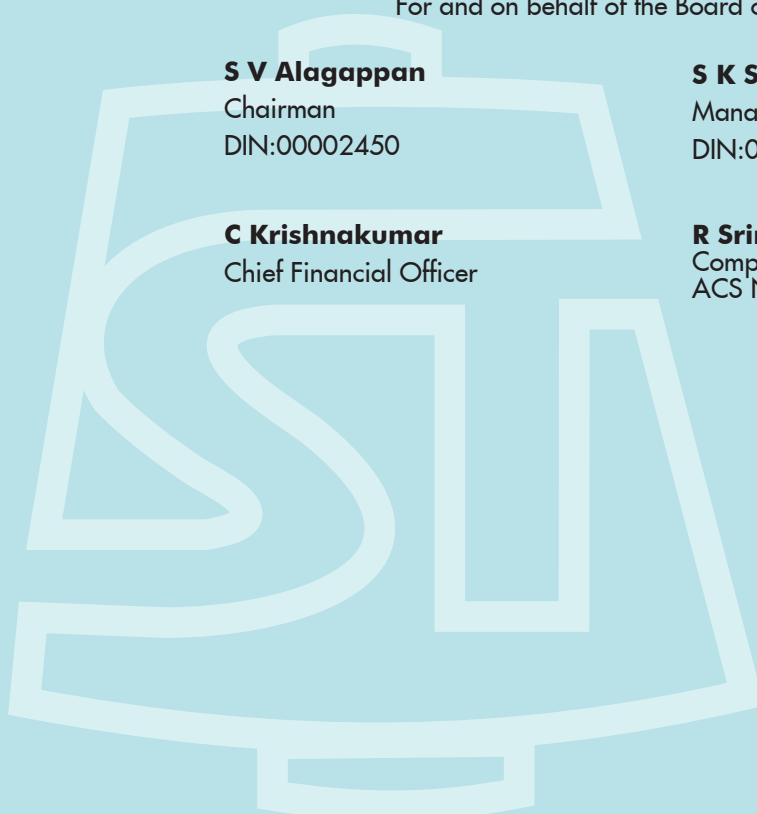
**C Krishnakumar**

Chief Financial Officer

**R Srinivasan**

Company Secretary  
ACS No.21254

Place: Coimbatore  
Date: June 25, 2021







## Financial Performance - Year Wise

(₹ in Lakhs)

Financial Year	Equity Share Capital	Reserves & Surplus	Turnover	Profit before Depreciation	Depreciation	Profit before Tax	Dividend on Equity Shares (%)
2000-2001 (18 months)	2160.45	6869.35	10932.18	1917.95	1526.88	391.07	9
2001-2003 (15 months)	2160.45	6044.31	10594.30	1313.28	1040.98	272.30	6
2003-2004	2160.45	6097.48	9441.91	1089.09	749.24	339.85	7.5
2004-2005	2160.45	5827.91	9469.61	1380.96	771.84	609.12	10
2005-2006	2160.45	6987.36	8972.52	2007.82	697.04	1521.74	15
2006-2007	2160.45	8151.39	10136.23	2318.59	720.79	1553.23	15
2007-2008	2160.45	7753.55	9582.46	1788.07	743.42	1119.20	15
2008-2009	2160.45	7976.09	10136.02	1431.79	832.46	601.57	9
2009-2010	2160.45	8254.40	19796.65	2178.64	1350.33	828.31	10
2010-2011	2160.45	10538.23	42336.50	5567.24	1765.98	3801.25	15
2011-2012	2160.45	8595.89	33194.77	-992.86	1870.32	-2863.18	-
2012-2013	2160.45	10521.78	41139.32	5072.42	1916.97	3155.45	12
2013-2014	2160.45	12304.74	49244.10	5004.16	2008.74	2995.42	12
2014-2015	2160.45	12932.84	45769.57	2959.23	1687.01	1272.22	10
2015-2016	2160.45	12932.84	44235.60	3163.94	1709.40	1454.54	11
2016-2017	2160.45	14151.64	37793.34	2929.47	1282.57	1646.90	16
2017-2018	1296.27	9514.15	35551.51	2808.41	1343.64	1464.77	16
2018-2019	1296.27	9903.46	35110.33	2136.70	1336.21	800.49	11
2019-2020	1296.27	9817.62	36655.37	1591.67	1468.93	122.74	-
2020-2021	1296.27	11066.05	34027.78	3228.99	1568.38	1660.61	12



**Notes**





**Notes**



## PLANT LOCATION

Spinning Unit	Processing Unit	Lamination Unit
S.F No. 371/5 Karadivavi Road, Paruvai Post, Karanampet Palladam - 641 658	Factory E-16, P-11 SIPCOT Industrial Growth Estate Perundurai, Erode - 638 052 Tamil Nadu	S.F. No. 371/5, Karadivavi Road Paruvai Post, Karanampet Palladam - 641 658

Garments Division-I	Coating Unit	Garment Division
S.F. No. 371/5 Karadivavi Road Paruvai Post, Karanampet Palladam - 641 658	S.F No. 257/1, Sathy Road, Ganesapuram Post, S S Kulam (Via), Coimbatore - 641 107	D.No. 1/667, K.P. Mahal Chinna Iyyan Kovil Pirivu Somanur Road Ichipatti Village, Palladam Tk Tirupur - 641 668

Windmills	
Munduelampatti Village Erode District Tamil Nadu	Gudimangalam, Athukinathupatti & Uthukuli Villages, Coimbatore District, Tamil Nadu



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