



# 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/68/2023-24

24<sup>th</sup> August 2023

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 2022-23 – 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 2022- 2023.

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

2023



# SHIVA TEXYARN LIMITED

A TECHNICAL TEXTILE COMPANY

India's No-1 & Most trusted

## Quick Dry® The Original dry Sheet

## The Ultimate Choice Of Mothers



# 42<sup>nd</sup> ANNUAL REPORT



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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 (Director upto 30.03.2023)
Sri S Marusamy	Director
Sri A Dhananjayan	Director
Sri D Satish Krishnan	Director
Smt V Bhuvaneshwari	Director (w.e.f. 26.06.2023)

**AUDITORS**

M/s. V K S Aiyer & Co.,  
Chartered Accountants  
Coimbatore.

**INTERNAL AUDITORS**

M/s B M & Associates  
Chartered Accountants  
Coimbatore.

**COST AUDITOR**

Sri M Nagarajan  
Cost Accountant  
Coimbatore.

**REGISTERED OFFICE**

52, East Bashyakaralu Road,  
R S Puram, Coimbatore - 641 002  
Tamilnadu  
Phone : 91-422-2544955  
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

**REGISTRAR & SHARE TRANSFER  
AGENT**

M/s. SKDC Consultants Ltd  
"Surya", 35, May Flower Avenue,  
Behind Senthil Nagar,  
Sowripalayam Road,  
Coimbatore – 641 028.  
Ph: 0422 4958995, 2539835/836  
Email : info@skdc-consultants.com



## NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 42<sup>nd</sup> Annual General Meeting of the shareholders of the Company will be held on Thursday the 21<sup>st</sup> September 2023 at 10.00 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, 2023, the reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in the place of Smt. S Sujana Abirami (DIN:06939773) who retires by rotation and being eligible, offers herself for re-appointment.

### SPECIAL BUSINESS

3. **Appointment of Smt. V Bhuvaneshwari (DIN:01628512) as an Independent Director**

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

**RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualifications of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), on the recommendation of the Nomination & Remuneration Committee and approval of the Board of Directors for appointment of Smt. V Bhuvaneshwari (DIN:01628512) as an Additional Director in the capacity of an Independent Director of the Company w.e.f. June 26, 2023, who has submitted a declaration that she meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations and is eligible for appointment, and in respect of whom the Company has received a notice in writing in terms of Section 160(1) of the Act and who holds office up to the date of ensuing Annual General Meeting, be and is hereby, appointed as a Non-Executive Independent Director of the Company not liable to retire by rotation, to hold office for a consecutive period of five years with effect from June 26, 2023 till June 25, 2028.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.

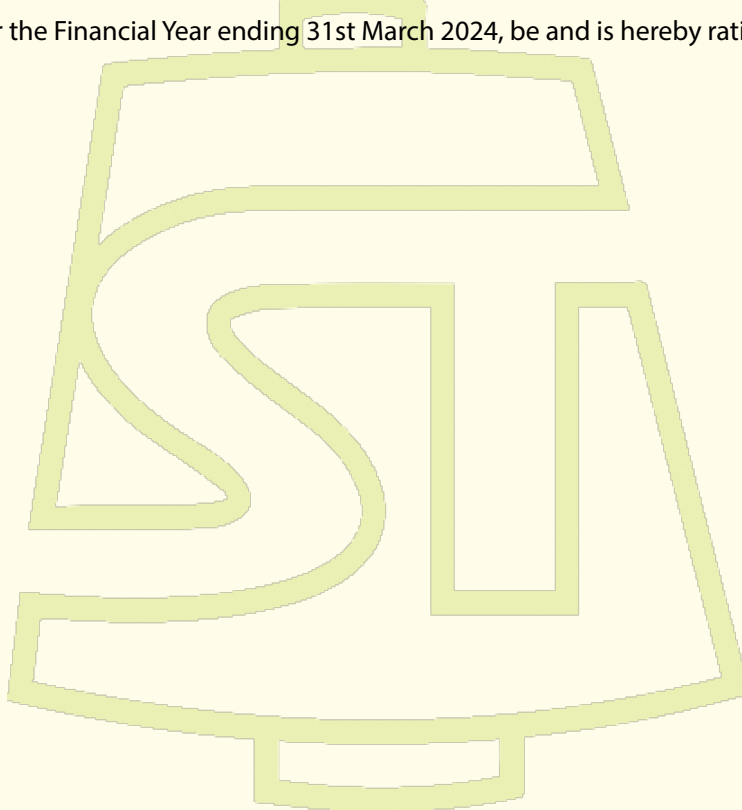


**4. Ratification of remuneration payable to Sri M Nagarajan, Cost Auditor of the Company**

**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 2024, be and is hereby ratified and confirmed.

Coimbatore  
26th June, 2023



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) General Circular Ref. Nos 2/2022 dated 05.05.2022, 10/22 dated 28.12.2022 and relevant circulars of MCA and SEBI Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 05.01.2023 and relevant circulars issued by SEBI (permitted to conduct the 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 3 and 4 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 15.09.2023 to 21.09.2023 (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 remaining unclaimed for a period of 7 years pertaining to the period 2015-16 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).
13. 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.
14. The voting through electronic means will commence on 18th September 2023 at 10.00 A.M and will end on 20th September 2023 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 14th September 2023 are only eligible to cast their e-voting.

15. **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 / unclaimed dividend if any, 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.





(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.

16. The Notice of the Annual General Meeting along with the Annual Report for the financial year 2022-23 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 January 5, 2023. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2022-23 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.
17. 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.
18. Instructions for e-voting and joining the Annual General Meeting are as follows:
19. Instructions for shareholders to vote electronically:

**Remote e-Voting Instructions for shareholders:**

**As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.**

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

**1. Individual Shareholders holding securities in demat mode with NSDL**

1. Existing IDeAS user can visit the e-Services website of NSDL viz... <https://eservices.nsdl.com> either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added 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 i.e. LINKINTIME and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period.
2. If you are not registered for IDeAS e-Services, option to register is available at <https://eservices.nsdl.com> Select "Register Online for IDeAS Portal" or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>.



3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://eservices.nsdl.com> 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 held 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 i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

## 2. Individual Shareholders holding securities in demat mode with CDSL

1. Existing users who have opted for Easi / Easiest, 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 <https://web.cdslindia.com/myeasi/home/login> or [www.cdslindia.com](http://www.cdslindia.com) and click on New System Myeasi.
  2. After successful login of Easi/Easiest the user will be able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.
  3. If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>.
  4. Alternatively, the user can directly access e-Voting page by providing demat account number and PAN No. from a link in [www.cdslindia.com](http://www.cdslindia.com) home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.
3. Individual Shareholders (holding securities in demat mode) login through their depository participants. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. 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 i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.



**Login method for Individual shareholders holding securities in physical form is given below:**

Individual Shareholders of the company, holding shares in physical form as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>
2. Click on **“Sign Up”** under **‘SHARE HOLDER’** tab and register with your following details:
  - A. User ID:** Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company.
  - B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
  - 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).
3. Click on ‘Login’ under **‘SHARE HOLDER’** tab.
  4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on **‘Submit’**.

**Cast your vote electronically:**

1. After successful login, you will be able to see the notification for e-voting. Select **‘View’** icon.
2. E-voting page will appear.
3. 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).
4. 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.



### Guidelines for 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.

### Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 – 4918 6000.

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

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL.

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 022- 23058542-43.

### Individual Shareholders holding securities in Physical mode has forgotten the password:

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- Click on 'Login' under '**SHARE HOLDER**' tab and further Click '**forgot password**'
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders 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.

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company.

**Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:**

Shareholders 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".

**PROCESS AND MANNER FOR ATTENDING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:**

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>

- Select the "**Company**" and '**Event Date**' and register with your following details: -

**A. Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No

- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
- Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
- Shareholders/ members holding shares in **physical form shall provide** 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, if applicable.

**C. Mobile No.:** Enter your mobile number.

**D. Email ID:** Enter your email id, as recorded with your DP/Company.

- Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).



**Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.**

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

1. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the company on the specific email id created for the general meeting.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panelist by switching on video mode and audio of your device.

**Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.**

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

Once the electronic voting is activated by the scrutinizer/ moderator 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 your 16 digit 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.

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.

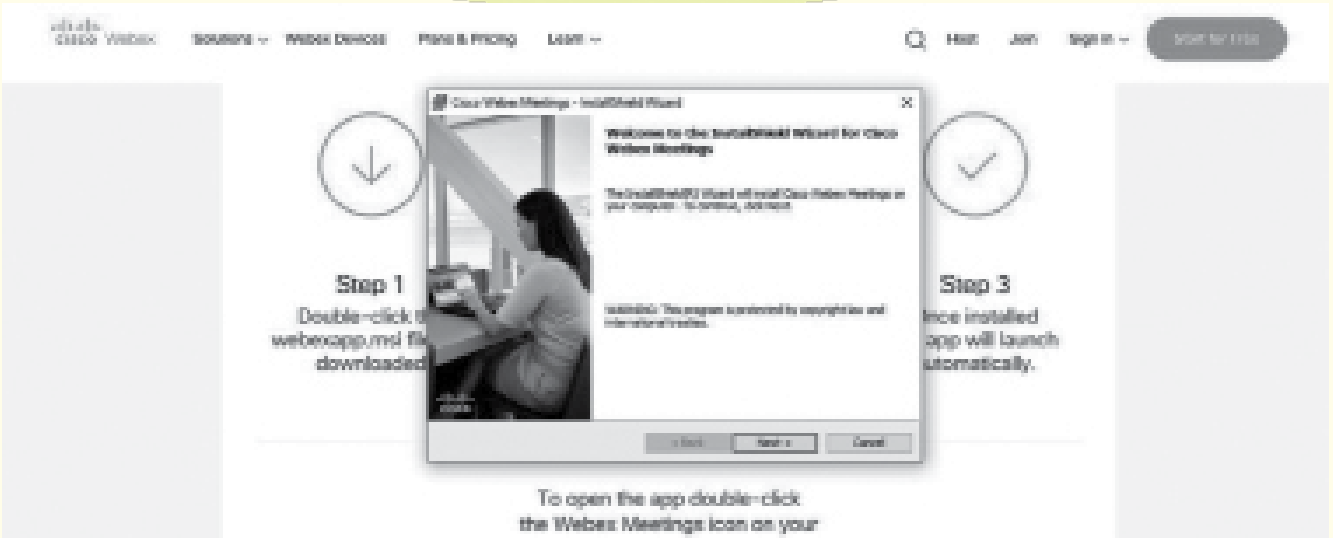
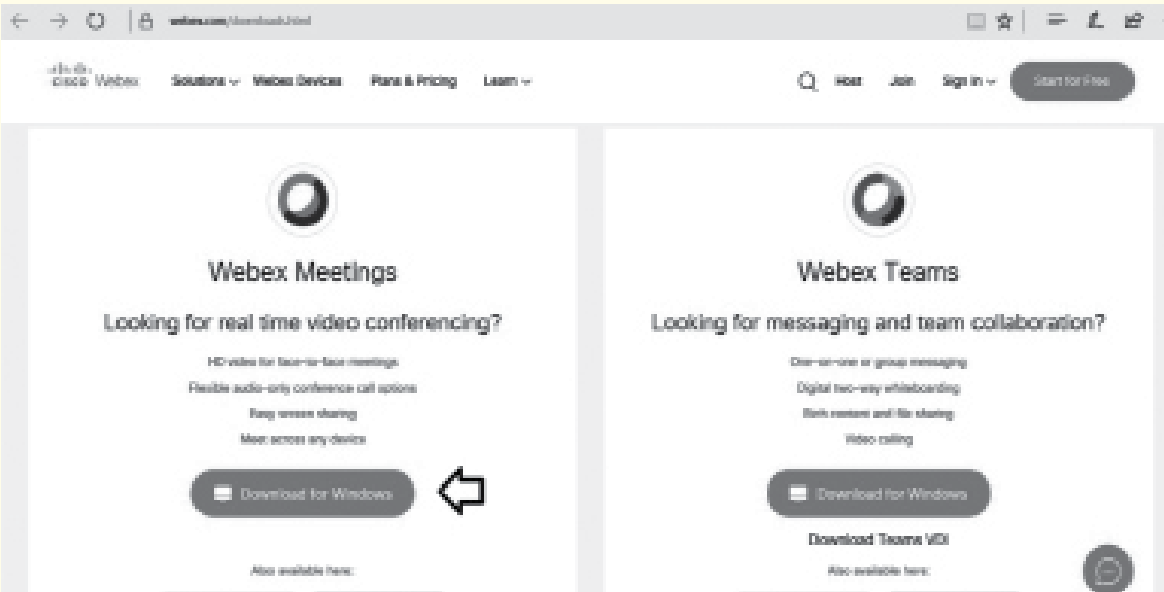
In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on: - Tel: 022-49186175.

## **Annexure**

### **Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMEET**

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

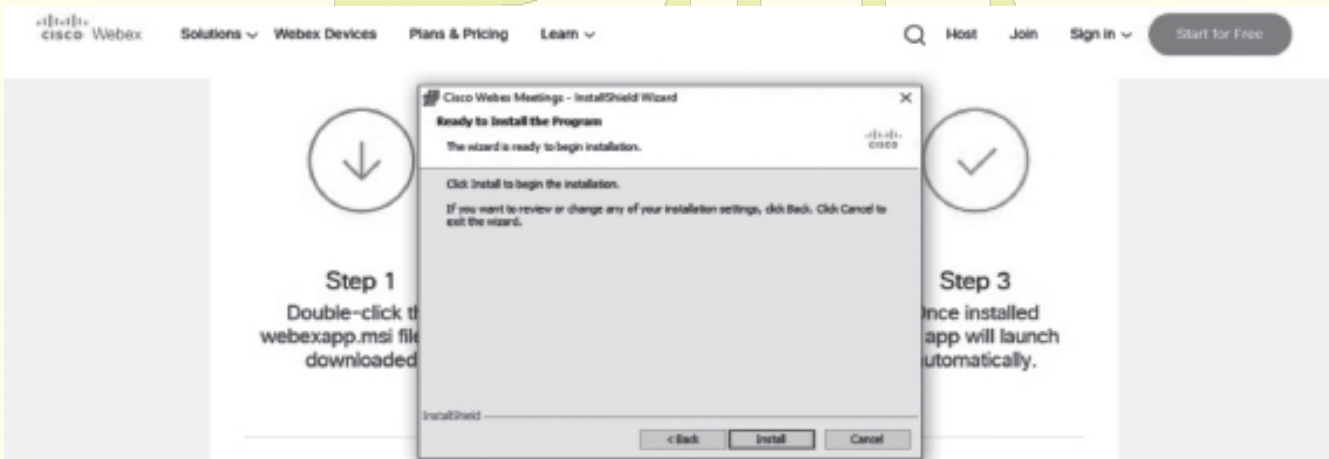
- a) Please download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html/>







<b>Step 1</b>	<b>Enter your First Name, Last Name and Email ID and click on Join Now.</b>
1 (A)	If you have already installed the Webex application on your device, join the meeting by clicking on Join Now
1 (B)	If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or Run a temporary application.  Click on Run a temporary application, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now



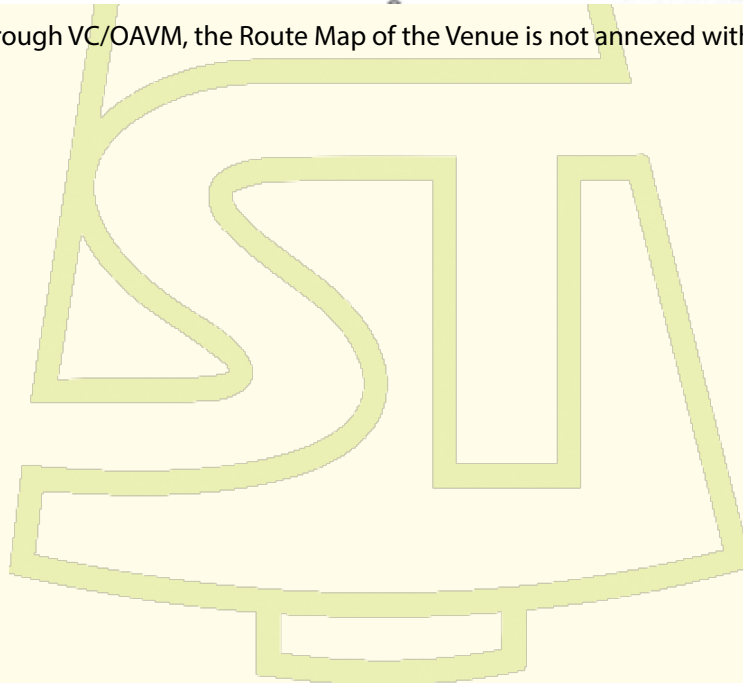


or b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:



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

Coimbatore  
26th June, 2023



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. 3**

Pursuant to the provisions of Sections 149 and 160 of the Companies Act, 2013 read with Listing Agreement entered into with the Stock Exchanges under SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and as recommended by the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 26th June 2023 has appointed Smt. V Bhuvaneshwari, (DIN:01628512) as an Additional Director. She is classified as a Non-Executive Independent Director effective from 26th June 2023 subject to the approval of the shareholders. In the opinion of the Board of Directors Smt. V Bhuvaneshwari, (DIN:01628512) fulfills the conditions specified in the Act and Rules made thereunder for her appointment as an Independent Director and she is independent of the management. The Board considers that her association with the Company would be beneficial and hence Board recommends her appointment for the approval of the members of the Company. A brief profile of Smt. V Bhuvaneshwari, (DIN:01628512) is annexed to this notice.

Smt. V Bhuvaneshwari is a B.Com, B.L Graduate and she is a Senior Partner in M/s. Ramani & Shankar, Advocates, Coimbatore, an esteemed Legal Firm in the service of legal field for more than 3 generations. She has more than 36 years of experience exclusively in Corporate and Allied Laws including SEBI, NBFC and FEMA Regulations. She is also specialized in mega Domestic and Cross Border joint ventures, collaborations, acquisitions, takeovers, technology transfers, IPO's, FPO's, Rights Issues, re-structuring and re-organization of business ventures, including FPO's of Private Sector Banks.

Draft letter of appointment containing the terms and conditions of appointment are available for inspection by members at the Registered Office of the company during business hours on all working days of the Company.

The Board of Directors recommend the Special 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 along with other applicable provisions.

Except Smt. V Bhuvaneshwari, being an appointee none of the Directors, Key Managerial Personnel or their relatives is concerned or interested either financially or otherwise in the resolution set out at Item No. 3.

**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>	Smt. V Bhuvaneshwari (DIN:01628512)
<b>Date of Birth &amp; Age</b>	05-02-1962 / 61 Years
<b>Qualifications</b>	B.Com, BL
<b>Experience</b>	She has more than 36 years of experience specializing exclusively in Corporate and Allied Laws including SEBI, NBFC and FEMA Regulations.
<b>Terms of appointment/re-appointment</b>	Appointed as an Additional Director in the capacity of Non-Executive Independent Director for a consecutive period of 5 years with effect from 26.06.2023 to 25.06.2028.
<b>Details of Remuneration (proposed to be paid)</b>	Not Applicable
<b>Last Remuneration drawn (for the last financial year)</b>	Not Applicable
<b>Date of First appointment on the Board</b>	26.06.2023
<b>Shareholding in the Company</b>	Nil
<b>Relationship with other Directors</b>	Not Applicable
<b>Number of Meeting of the Board attended during the year</b>	Not Applicable
<b>Directorships held in other Companies</b>	<p><b>Listed Companies</b></p> <p>Precot Ltd Elgi Rubber Company Ltd Kovai Medical Center And Hospital Ltd KPR Mill Ltd</p> <p><b>Other Unlisted Companies</b></p> <p>Sri Kannapiran Mills Ltd Chansuba Pumps Private Ltd</p>





<p><b>Membership / Chairmanship of Committees of other Boards</b></p>	<p><b>Precot Ltd</b>                  Audit Committee - Member                  Nomination and Remuneration Committee – Member  <b>Elgi Rubber Company Ltd</b>                  Audit Committee - Member                  Nomination and Remuneration Committee - Member  <b>Kovai Medical Center And Hospital Ltd</b>                  Audit Committee - Member                  Nomination and Remuneration Committee - Member                  Corporate Social Responsibility Committee – Member  <b>Sri Kannapiran Mills Ltd</b>                  Audit Committee – Member                  Corporate Social Responsibility Committee - Member</p>
<p><b>Justification for choosing the appointee for appointment as Independent Director</b></p>	<p>Considering her vast experience in the legal field, the Nomination and Remuneration Committee and the Board of Directors of the Company has recommended her appointment.</p>

**ITEM NO. 4**

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, 2024.

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 2024, 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 along with 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.4.

Coimbatore  
 26th June, 2023

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



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

### Disclosures under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is detailed as below:

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

<b>Name &amp; Designation</b>	Smt. S Sujana Abirami Director	Smt. V Bhuvaneshwari Non-Executive Independent Director
<b>Date of Birth/Age</b>	13-01-1979 / 44 Years	05-02-1962 / 61 Years
<b>Qualification</b>	DLMCT & FINISHING SCHOOL Le Bouveret Switzerland	B.Com, BL
<b>Date of Appointment</b>	31.08.2017	26.06.2023
<b>Nature of expertise in specific functional areas</b>	More than 17 years of experience in General Administration and Hospital Management	<ul style="list-style-type: none"> <li>• She has more than 36 years of experience specializing exclusively in Corporate and Allied Laws including SEBI, NBFC and FEMA Regulations.</li> <li>• Having a track record of structuring and papering many mega domestic and cross-border joint ventures, collaborations, acquisitions, takeovers, technology transfers, documentation for franchise tie ups and has structured and documented many IPO's, FPO's, Rights Issues, re-structuring and re-organization of business ventures, including FPO's of Private Sector Banks.</li> <li>• Consultations and documentations relating to incorporation of Companies, corporate approvals, secretarial compliances, security documents and hypothecations.</li> <li>• Consultations and guidance relating to SEBI Regulations, NBFC Regulations, Foreign Direct Investments and other FEMA Regulations.</li> <li>• Consultations and documentations on property related acquisitions, dispositions, land use regulations, Power of Attorney, Building Development and Construction Contracts acquisitions including joint developments.</li> </ul>



<p><b>Nature of expertise in specific functional areas</b></p>		<ul style="list-style-type: none"> <li>Specialising on tailoring all types of agreements including licence agreements, franchise distribution agreements, MOU's, NDA's Term Sheets Terms and Conditions, Management Agreements, Service Agreements, Partnerships, LLP's and a broad range of other agreements and contract in almost all the sectors in the industry upon client's request.</li> </ul>
<p><b>Directorships (Listed Entities)</b></p>	<p>Shiva Texyarn Limited</p>	<ul style="list-style-type: none"> <li>Precot Ltd</li> <li>Elgi Rubber Company Ltd</li> <li>Kovai Medical Center And Hospital Ltd</li> <li>KPR Mill Ltd</li> </ul>
<p><b>Membership of Committees of the Board (Listed entities)</b></p>	<p><b>Shiva Texyarn Ltd</b> CSR Committee – Member</p>	<p><b>Precot Ltd</b> Audit Committee - Member Nomination and Remuneration Committee - Member</p> <p><b>Elgi Rubber Company Ltd</b> Audit Committee - Member Nomination and Remuneration Committee - Member</p> <p><b>Kovai Medical Center And Hospital Ltd</b> Audit Committee - Member Nomination and Remuneration Committee - Member Corporate Social Responsibility Committee - Member</p>
<p><b>Name of the listed entities from which the Director has resigned in the past three years</b></p>	<p>Nil</p>	<p>Nil</p>
<p><b>Relationship between the inter-se directors</b></p>	<p>Spouse of Sri S K Sundararaman &amp; Daughter in Law of Dr. S V Kandasami</p>	<p>NIL</p>
<p><b>Shareholding of non-executive Director in the Listed Entity including Beneficial Ownership</b></p>	<p>Nil</p>	<p>Nil</p>



**Additional Disclosure for appointment of Independent Director (Smt. V Bhuvaneshwari (DIN:01628512) as required under Regulationn 36(3)(f) of SEBI (LODR), Regulations, 2015**

**Skills and Capabilities required for the role and the manner in which the proposed person meets such requirements**

The appointee is possessing expertise in Corporate and Allied Laws including SEBI, NBFC, FEMA Regulations and Compliance Management. Therefore, she fulfills the required criteria for appointment as an Independent Director.



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

Dear Members,

Your Directors have pleasure in presenting the 42nd Annual Report together with Audited Financial Statements of the Company for the year ended 31st March, 2023. (₹ in lakhs)

<b>Financial Results</b>	<b>Financial Year</b>	
	<b>2022-23</b>	2021-22
<b>Profit before Interest and Depreciation</b>	<b>2438.27</b>	5646.76
Less: Interest	<b>1381.22</b>	1380.61
<b>Profit before Depreciation</b>	<b>1057.05</b>	4266.15
Less: Depreciation	<b>1411.23</b>	1265.55
<b>Profit before Tax</b>	<b>(354.18)</b>	3000.60
Less: Provision for Income Tax		
- Current Tax	-	860.99
- Taxation for Earlier Years	<b>32.37</b>	76.58
- Deferred Tax Liability (Net)	<b>277.45</b>	61.84
<b>Profit after Tax</b>	<b>(664.00)</b>	2001.19
Add: Other comprehensive income/(Loss)	<b>9.16</b>	39.56
<b>Total comprehensive income/(Loss) for the Year</b>	<b>(654.84)</b>	2040.75

**DIVIDEND**

The Board has not recommended any dividend for the financial year 2022-23.

**STATE OF COMPANY'S AFFAIRS & REVIEW OF OPERATIONS**

The Company's turnover from sale of goods and services is ₹ 41009.28 Lacs during the year compared to ₹ 47456.71 Lacs in the previous year. During the year under review, the spinning unit produced 8187.45 tonnes (10417.13 tonnes) of yarn. The spinning unit sold 8427.05 tonnes (10116.96 tonnes) of yarn and out of which exports accounted for 237.89 tonnes (1130.42 tonnes). Further, during the year under review, the Company sold 2512.63 tonnes (3289.63 tonnes) of waste cotton of which exports accounted for 341.24 tonnes (655.97 tonnes).

The Wind Mills, with aggregate installed capacity of 13.195 MW generated 107.86 lakh units of Wind Electricity as against 117.09 lakh units in the last year. The entire power generated by Wind Mills was utilized for captive consumption at the spinning unit.



Your Company is continuously putting efforts to widen the Product Mix under Technical Textile segment. The Coating Division has been shifted to Arakulam, Paruvai Village for administrative convenience.

### **PRESENTATION OF FINANCIAL STATEMENTS**

The financial statements for the year ended 31.03.2023 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**

The Spinning Units performance is solely depends upon the availability of cotton at normal rates and domestic demand for cotton yarn. 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**

No such changes during the period under review.

### **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 2015-2016 and the respective shares to the Investor Education and Protection Fund and the details will be hosted in the website of the company.

### **EXTRACT OF ANNUAL RETURN**

Pursuant to the sub-section (3) of Section 92 of the Companies Act, 2013, Annual Return for Financial Year ended on 31st March 2023, is posted on the website of the Company viz., <https://www.shivatex.in/shares/annual-returns/>.

### **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**

Smt. S Sujana Abirami, Director (DIN:06939773) is required to retire by rotation at the ensuing Annual General Meeting, she is eligible and seeks re-appointment.

Sri K N V Ramani, Non-Executive Independent Director (DIN:00007931) of the Company passed away on 30.03.2023. His sudden and unexpected demise was an irreparable loss to the Company. The Directors deeply regret for his sudden demise and record their sincere heart-felt condolences.

The Board placed its sincere appreciation on record for the valuable contributions made by Sri K N V Ramani, who was associated with the Company for a period of 15 years and the Company has immensely benefitted from his vision and guidance during his tenure.

The Board of Directors at its meeting held on 26.06.2023 has appointed Smt. V Bhuvaneshwari (DIN:01628512) as an Independent Director of the Company for a period of five years w.e.f. 26.06.2023 to 25.06.2028 and no Independent Director was re-appointed during the year under review.

Sri S K Sundararaman, Managing Director of Shiva Texyarn Ltd is eligible for a Commission of 5% on the net profits of the Company. He is also holding the position of Managing Director in M/s. Vedanayagam Hospital Private Ltd (Holding Company) without any remuneration.



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.

### **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 the following members:-

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

\*Sri K N V Ramani, due to his demise was ceased to be a Director of the Company w.e.f. 30.03.2023.

\*\* Sri A Dhananjayan was designated as Chairman of the Committee w.e.f 31.03.2023.

\*\*\* Smt. V Bhuvaneshwari was inducted in to the Committee w.e.f 26.06.2023.

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., <https://www.shivatex.in/shares/595/policies/>.

**COMPANY’S POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION**

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 appointment and 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 Charter on Nomination and Remuneration can be accessed at Company’s website <https://www.shivatex.in/shares/129/policies/>.

**PARTICULARS OF CONTRACTS AND ARRANGEMENTS & 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 for mutual benefits. Form AOC-2 is annexed elsewhere in this annual report. 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 <https://www.shivatex.in/shares/542/policies/>.

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

S.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 2023.



S.No.	Particulars	Remarks																		
iii	The details of Directors or Key Managerial Personnel who were appointed or have resigned during the year	Sri K N V Ramani, due to his sudden demise ceased to be a Director of the Company on 30.03.2023. Smt. V Bhuvaneshwari (DIN:01628512) was appointed as an Additional Director in the capacity of Independent Director of the Company w.e.f. 26.06.2023.																		
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	Smt. V Bhuvaneshwari (DIN:01628512) was appointed as an Independent Director of the Company w.e.f. 26.06.2023 and the Board is of the opinion that she meets the criteria of integrity, expertise and relevant experience (including the proficiency) for appointment.																		
iv	The names of companies which have become or ceased to be its Subsidiaries, Joint Ventures or Associate Companies during the year	The Company has acquired 26% of equity shares in L K Distributors Private Ltd on 27.04.2022 and due to the said acquisition it has become an Associate Company w.e.f 27.04.2022.																		
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.																		



S.No.	Particulars	Remarks
viii	The details in respect of adequacy of internal financial 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. Apart from this the Company has appointed an Internal Auditor as required under Section 138 of the Companies Act, 2013. 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 directly 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.



S.No.	Particulars	Remarks												
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 constituted Internal Complaints Committee and has in place an Anti-Sexual Harassment Policy as stipulated under 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"> <thead> <tr> <th>S. no.</th> <th>Particulars</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>a.</td> <td>No. of Complaints filed during the Financial Year 2022-23</td> <td>NIL</td> </tr> <tr> <td>b.</td> <td>No. of Complaints disposed off during the Financial Year 2022-23</td> <td>NIL</td> </tr> <tr> <td>c.</td> <td>No. of Complaints pending as on end of the Financial Year 2022-23</td> <td>NIL</td> </tr> </tbody> </table>	S. no.	Particulars	Remarks	a.	No. of Complaints filed during the Financial Year 2022-23	NIL	b.	No. of Complaints disposed off during the Financial Year 2022-23	NIL	c.	No. of Complaints pending as on end of the Financial Year 2022-23	NIL
S. no.	Particulars	Remarks												
a.	No. of Complaints filed during the Financial Year 2022-23	NIL												
b.	No. of Complaints disposed off during the Financial Year 2022-23	NIL												
c.	No. of Complaints pending as on end of the Financial Year 2022-23	NIL												
xi.	The details of application made or any proceedings pending under the Insolvency and Bankruptcy Code 2016 during the year along with their status as at the end of the financial year	NIL												
xii.	The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof	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. VKS Aiyer & Co., Chartered Accountants, Coimbatore (Firm Registration No. 0000665) were appointed as Statutory Auditors of the Company for a term of 5 consecutive years in the 41st Annual General Meeting held on 12.09.2022 and will hold office up to 46th Annual General Meeting without requirement of further ratification ever 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.

No adverse qualifications/comments have been made in the Statutory Auditor's Report 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 Secretarial Audit report is attached herewith as **Annexure – I**.

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 2023-2024 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 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 31.03.2023), nevertheless the Company has constituted the same voluntarily. Pursuant to Section 134(3) (n) of the Companies Act, 2013, the Company have a Risk Management Policy including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company.

Company's Risk Management Policy can be accessed at Company's website <https://www.shivatex.in/shares/130/policies/>.

## CSR INITIATIVES AND 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 of 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 II.**

## 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, 2023 relating to Conservation of Energy, etc., is enclosed as **Annexure III.**

### 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, 2023 is provided as **Annexure IV** 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  
26th June, 2023

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

**FORM NO. AOC -2**

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

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

**1.Details of contracts or arrangements or transactions not at Arm’s length basis.**

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NOT APPLICABLE
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	



## 2. Details of material contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NOT APPLICABLE
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Date of approval by the Board	
f)	Amount paid as advances, if any	

There were no material contracts or arrangements or transactions with related parties during the year under review.

Coimbatore  
26th June, 2023

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



**ANNEXURE I**

**FORM NO.MR-3**

**SECRETARIAL AUDIT REPORT**

**(FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2023)**

**[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, 2023, 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 2023 (‘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. However, a vacancy has arisen in the board due to the demise of an independent director on 30th March, 2023 and the company is required to fill the vacancy at the next board meeting or three months from the date of such vacancy, whichever is later to comply with the proviso to regulation 17 (1) (b) of SEBI (LODR), 2015 as per the status on this report for the financial year ended 31st March, 2023. Except the above change there were no changes in the composition of the Board of Directors that took place during the period under review.

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.

**R Dhanasekaran**

Company Secretary in Practice

FCS 7070 / CP 7745

Peer Review No 811/2020

ICSI UDIN: F007070E000514148

Place: Coimbatore

Date: 26th June, 2023

**ANNEXURE – II**

**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 Taxyarn 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 Directors	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	3
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 executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable. **Not Applicable**
5. (a) Average net profit of the Company as per sub-section (5) of section 135. – ₹ **15,94,65,278/-**  
 (b) Two percent of average net profits of the company as per sub-section (5) of section 135. ₹ **31,89,305/-**  
 (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years - **Nil**  
 (d) Amount required to be set-off for the financial year if any. - **NIL**  
 (e) Total CSR obligations for the financial year [(b)+(c)-(d)]. – ₹ **31,89,305/-**
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). ₹ **31,90,103/-**  
 (b) Amount spent in Administrative Overheads. - **N.A**  
 (c) Amount spend on Impact Assessment, if applicable. – **N.A**  
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)]. – ₹ **31,90,103/-**



(e) 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
₹ 31,90,103/-	Not Applicable				

(f) Excess amount for set-off, if any

Sl. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135 (5)	31,89,305
(ii)	Total amount spent for the Financial Year	31,90,103
(iii)	Excess amount spent for the financial year ((ii)-(i))	797
(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)	-

**7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:**

SL.No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Balance Amount to unspent CSR Account under sub-section (6) of section 135 (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	2019-20	-	-	-	-	-	-	-
2	2020-21	-	-	-	-	-	-	-
3	2021-22	-	-	-	-	-	-	-
	<b>TOTAL</b>	-	-	-	-	-	-	-



8 Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes No

If yes, enter the number of Capital assets created/acquired.

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spend	Details of entity / Authority / beneficiary of the registered owner.
(1)	(2)	(3)	(4)	(5)	(6)
<b>Not Applicable</b>					

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per sub-section (5) of section 135 - Not applicable

<b>Sri S K Sundararaman (Managing Director)</b>	<b>Dr S V Kandsami (Chairman - CSR Committee)</b>
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**ANNEXURE - III**

**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, 2023 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 step taken or impact on conservation of energy;	1) Compressor Air leakage arrested 2) 10 Numbers of Spinning pneumafile fan retrofitted with closed loop VFD wherein 15% power saving observed. 3) Existing 250W sodium street light replaced with 72W LED lights 4) Spinning compact suction pressure optimized wherein 5% power saving observed 5) Autoconer & Linkconers suction optimized with closed loop 6 % power saving observed 6) Blow room and Carding WRS centrifugal fans suction optimization 8% power saving observed
(ii)	The steps taken by the Company for utilizing alternate sources of energy	During the year under review the Company has entered in to arrangements with M/s. L K Distributors Private Ltd for availing wind power and has made suitable capital investments in non-conventional energy sources (solar energy) through Captive generator-Captive consumer model.
(iii)	The capital investment on energy conservation equipment	

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

SI NO	PARTICULARS	RELATED DISCLOSURES
(B)	<b>Technology Absorption</b>	
(i)	Efforts made towards technology absorption;	The Company has not absorbed any technology from outsiders
(ii)	Benefits derived like product improvement, cost reduction, product development or import substitution;	Not Applicable



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;	Not Applicable
(iv)	Expenditure incurred on Research and Development	NIL

#### FOREIGN EXCHANGE OUTGO AND EARNINGS

SI NO	PARTICULARS	₹ in Lakhs
(i)	Foreign Exchange Earned	1,682.70
(ii)	Foreign Exchange Used	1,036.41

Coimbatore  
26th June, 2023

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



**ANNEXURE IV****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

<b>Rule 5(1)</b>		<b>Director's Name</b>	<b>Ratio</b>
<b>i.</b>	The Ratio of the remuneration of each director to the median remuneration of the employees of the company for the Financial year 2022 -23	Sri S K Sundararaman, Managing Director	21:1
<b>ii.</b>	The Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial year 2022-23  (In respect of other Directors, the Company is paying only sitting fees. Hence, not considered for the above purpose).	<b>Director's Name/CS /CFO</b>	<b>% increase in remuneration</b>
		Sri S K Sundararaman, Managing Director	-79.57
		Sri R Srinivasan, Company Secretary	10.21
		Sri C Krishnakumar (CFO)	13.08
<b>iii.</b>	Percentage increase in the median remuneration of employees in the Financial year 2022-23	46.40%	
<b>iv.</b>	Number of permanent employees on the rolls of the Company	1,721	
<b>v.</b>	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: 5.14%  The percentile increase granted to Managerial Personnel : -79.57%	
<b>vi.</b>	Affirmation that the remuneration is as per the remuneration policy of the Company	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.	



vii. 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 (58)	Vice President	35,26,337	DTT	01.09.2007 (16 Years)	Bannariamman Spinning Mills Ltd
2	C Krishnakumar (45)	Chief Financial Officer	26,40,842	M.Com, FCA, ACS	01.06.2012 (11 Years)	Sabare International Ltd
3	K Venurajagopal (58)	General Manager – HR & Admin	26,27,659	MA, BL	28.08.1991 (32 Years)	-
4	P N Kumar (61)	General Manager	26,26,904	DTT	03.10.2019 (4 Years)	Zenith Textiles Ltd
5	R Srinivasan (50)	Company Secretary	24,90,508	B.Sc, ACS, BL	18.05.2017 (6 Years)	Shriram Capital Ltd
6	N Baskaran (68)	GM Admin	24,40,555	M.com, MPhil, LLB	17.03.2022 (1 Year)	Bharatia Vidhya Bhavan
7	Tirlok Nath Kaul (61)	Vice President - Marketing	23,75,978	MTech, MBA	11.04.2022 (1 Year)	Bharath Dianomic Ltd (BDL)
8	Ravikumar (47)	DGM Corporate Affairs	22,67,957	MBA	27.09.2021 (2 Years)	Ministry of Home Affairs
9	V K Manoharan (45)	General Manager – Production	20,86,312	M.Sc	06.01.2020 (3 Years)	BKS Textiles Ltd, Palladam
10	Rajesh Kumar Singh (45)	Head Modern Trade Sales	17,16,122	MBA	02.04.2018 (5 Years)	Future Consumer Ltd

All the employees are in regular employment. No employees were in receipt of remuneration in excess of that drawn by the Managing Director. Therefore, reporting under the Rule 5(iii)(viii) of the aforesaid rule is not attracted.

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

By Order of the Board

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

Coimbatore  
26th June, 2023



**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 remains 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 (reduced to seven from eight, due to sudden demise of Sri K N V Ramani on 30.03.2023) viz., Two Non-Executive Non-Independent Directors (including one non-executive Chairman), One Managing Director, One Woman Non-Executive Non-Independent Director and four Non-Executive Independent Directors.

During the financial year, 5 Board Meetings were convened during the year. The meetings were held on 11.04.2022, 25.05.2022, 09.08.2022, 12.11.2022 and 11.02.2023.

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 12.09.2022:

Sl. No	Name of the Director	Category	Number of Directorships held 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	Promoter & Non-Executive	1	-	-	5	Yes
2.	Dr S V Kandasami	Promoter & Non-Executive	1	-	-	4	Yes
3.	Sri S K Sundararaman	Promoter & Executive	4	2	6	5	Yes
4.	Smt Sujana Abirami	Non-Executive (Women)	-	-	-	5	Yes
5.	Sri K N V Ramani ***	Non-Executive - Independent	3	3	3	4	Yes
6.	Sri S Marusamy	Non-Executive - Independent	1	-	-	5	Yes
7.	Sri A Dhananjayan	Non-Executive - Independent	1#	-	1	5	Yes
8.	Sri D Satish Krishnan	Non-Executive - Independent	2	-	-	5	No

Directors under Sl.No 1 and 2 are related (Brothers) and Director 3 is related to Director 4 (Spouse) Directors 2, 3 (Father and Son) & 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.

\*\*\* Due to demise ceased to be a Director w.e.f 30.03.2023

# Upto 10.02.2023



**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 Taxyarn Ltd	Chairman (Non-Executive)	-
		Shiva Mills Ltd	Chairman & Managing Director	21,780
2	Dr S V Kandasami	Shiva Taxyarn Ltd	Director	1,74,117
3	Sri S K Sundararaman	Shiva Taxyarn Ltd	Managing Director	50,760
		Shiva Mills Ltd	Non-Independent Director	-
		Pricol Ltd	Independent Director	-
		Shanthi Gears Ltd	Independent Director	-
4	Smt. S Sujana Abirami	Shiva Taxyarn Ltd	Women Director	-
5	Sri K N V Ramani (upto 30.03.2023)	Bannari Amman Spinning Mills Ltd	Independent Director	-
		Shiva Taxyarn Ltd	Independent Director	-
		Shiva Mills Ltd	Independent Director	-
		K.P.R Mill Ltd	Independent Director	-
6	Sri S Marusamy	Shiva Taxyarn Ltd	Independent Director	4,383
		Shiva Mills Ltd	Independent Director	4,005
7	Sri A Dhananjayan	Shiva Taxyarn Ltd	Independent Director	-
		National Fittings Ltd (upto 10.02.2023)	Independent Director	-
8	Sri D Satish Krishnan	Shiva Taxyarn Ltd	Independent Director	-
9	Smt. V Bhuvaneshwari (w.e.f. 26.06.2023)	Precot Ltd	Independent Director	-
		Elgi Rubber Company Ltd	Independent Director	-
		Kovai Medical Center and Hospital Ltd	Independent Director	-
		K.P.R Mill Ltd	Independent Director	-
		Shiva Taxyarn Ltd	Independent Director	-

**FAMILIARISATION PROGRAMME**

The details of familiarization programmes imparted to Independent Directors are hosted on the Company Website <https://www.shivatex.in/shares/665/policies/>.

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

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 (upto 30.03.2023)	<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 (specialisation 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>
9	Smt. V Bhuvaneshwari (w.e.f. 26.06.2023)	<ul style="list-style-type: none"> <li>• Expertise in Law (specialisation in Corporate Law and SEBI matters)</li> <li>• Compliance management</li> <li>• Corporate Governance</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 5 times on 11.04.2022, 24.05.2022, 08.08.2022, 11.11.2022 and 09.02.2023 and the attendance of each member is furnished below:



Name of the Member	Category	No of Meetings Attended
Sri K N V Ramani*	Chairman & Independent Director	5
Sri S K Sundararaman	Managing Director	3
Sri A Dhananjayan**	Chairman & Independent Director	4
Sri D Satish Krishnan	Independent Director	5
Smt. V Bhuvaneshwari***	Independent Director	-

\*Sri K N V Ramani, due to his demise ceased to be a Director of the Company w.e.f 30.03.2023.

\*\*Sri A Dhananjayan was designated as a Chairman of the Committee w.e.f 31.03.2023.

\*\*\* Smt. V Bhuvaneshwari was appointed as a member of the Committee w.e.f 26.06.2023.

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 Requirement) 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 4 Directors out of which 3 are Independent Directors and one Non-Executive Non-Independent Director.

During the Financial Year the Nomination and Remuneration Committee met 2 times on 11.04.2022 and 09.02.2023.

Name of the Directors	Position	No. of Meetings attended
Sri K N V Ramani*	Chairman & Independent Director	2
Sri A Dhananjayan**	Independent Director	2
Sri D Satish Krishnan	Independent Director	2
Dr. S V Kandasami***	Non-Executive Non-Independent Director	-
Smt. V Bhuvaneshwari****	Independent Director	-

\*Sri K N V Ramani, due to his demise ceased to be a Director of the Company w.e.f 30.03.2023.

\*\*Sri A Dhananjayan was designated as a Chairman of the Committee w.e.f 31.03.2023.

\*\*\*Dr. S V Kandasami was appointed as a member of the Committee w.e.f 31.03.2023.

\*\*\*\* Smt. V Bhuvaneshwari was appointed as a member of the Committee w.e.f 26.06.2023.

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

- 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.
- Formulating the policy for determining qualification, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- 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 09.02.2023 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 of 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**

**Remuneration Policy**

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: <https://www.shivatex.in/shares/129/policies/>.

The details of remuneration to Managing Director is as follows (for financial year 2022 - 2023):

Name	Position	Component	Total Remuneration (In ₹)
Sri S K Sundararaman	Managing Director	Salary	36,00,000
		PF Contribution	4,32,000


**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. Further, Independent Directors are paid with a sitting fee of ₹ 10,000/- for their meeting.

**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 9 times on 11.04.2022, 05.05.2022, 07.07.2022, 30.07.2022, 10.10.2022, 10.01.2023, 25.01.2023, 13.03.2023 and 27.03.2023 and the attendance of each member is furnished below:

**The Stakeholders Relationship Committee consists of:**

Name of the Directors	Position	No. of Meetings attended
Sri S V Alagappan	Chairman	9
Sri S K Sundararaman	Member	9
Sri S Marusamy	Member	9
Sri D Satish Krishnan	Member	9

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 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**

Your Company is not covered under Regulation 21(5) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and hence, the constitution of Risk Management Committee is not attracted.

**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
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.
40th	20.09.2021 11.30 A.M	Video Conferencing (VC) / Other Audio Visual Means (OAVM)	Partial modification on the remuneration payable to Sri S K Sundararaman, (DIN:00002691) Managing Director of the Company w.e.f 01.04.2021 to 30.08.2022.
41st	12.09.2022 11.00 A.M	Video Conferencing (VC) / Other Audio Visual Means (OAVM)	Consider and approve the re-appointment of Sri S K Sundararaman as a Managing Director and Key Managerial Personnel (DIN:00002691) of the Company and approval of his remuneration

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](http://www.shivatex.in). The investor presentations were filed with the Stock Exchanges and also disseminated the same on the website of the Company <https://www.shivatex.in/shares/investor-presentation/> before presenting the same to the Investors.

## GENERAL SHAREHOLDER INFORMATION

- a. Annual General Meeting Day & Date : Thursday, 21.09. 2023  
 Time : 10.00 A.M  
 Venue : Common Venue - Through Video Conferencing  
 (VC) / OAVM Mode with virtual presence of members
- b. Financial Year 2022-2023
- c. Dividend Payment Date NA

## 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 2023- 24.

## 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 2022 to March 2023 were as follows:



Month	SHARE PRICE				NSE		S&P BSE - SENSEX	
	BSE		NSE		HIGH	LOW	HIGH	LOW
	HIGH	LOW	HIGH	LOW				
April'22	272.00	204.30	272.45	198.55	15,477.80	14,617.05	60,845.10	56,009.07
May	243.00	181.95	240.00	182.00	14,798.30	13,389.75	57,184.21	52,632.48
June	206.00	140.00	202.30	140.00	14,300.00	12,855.55	56,432.65	50,921.22
July	179.95	148.05	198.00	152.05	14,677.75	13,192.90	57,619.27	52,094.25
August	188.00	152.00	179.05	153.00	15,445.50	14,666.20	60,411.20	57,367.47
September	175.50	149.85	176.65	151.35	15,724.45	14,516.30	60,676.12	56,147.23
October	173.90	147.60	170.65	147.50	15,433.05	14,585.80	60,786.70	56,683.40
November	165.50	126.00	165.80	131.00	15,991.60	15,384.35	63,303.01	60,425.47
December	140.60	114.00	141.70	114.95	16,041.65	14,985.40	63,583.07	59,754.10
January'23	169.70	117.95	164.40	116.10	15,575.70	14,675.05	61,343.96	58,699.20
February	137.00	118.80	137.20	112.00	15,154.10	14,465.70	61,682.25	58,795.97
March	134.25	107.35	134.00	107.10	14,952.85	14,177.50	60,498.48	57,084.91

**REGISTRAR AND SHARE TRANSFER AGENTS**

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 Stakeholders Relationship Committee.


**CATEGORY OF EQUITY SHAREHOLDING AS ON 31.03.2023**

Sl. no.	Category	No. of shareholders	No. of shares held	% to paid up capital
1	Promoter's Holding	5	95,97,516	74.039
2	Banks/FIs/Mutual Funds	3	720	0.006
3	Private Corporate Bodies	45	45,015	0.347
4	Indian Public	9,676	29,96,775	23.118
5	NRI/OCBs	185	1,65,857	1.279
6	IEPF	1	1,56,830	1.210
	<b>TOTAL</b>	<b>9,915</b>	<b>1,29,62,713</b>	<b>100.000</b>

**DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2023**

Shareholding (Range)	No. of Holders	% of Holders	No. of Shares	%
1 - 500	9,023	88.984	9,12,807	7.042
501 - 1000	616	6.075	4,44,291	3.427
1001 - 2000	285	2.811	4,07,280	3.142
2001 - 3000	85	0.838	2,14,544	1.655
3001 - 4000	32	0.316	1,12,723	0.870
4001 - 5000	19	0.187	86,519	0.667
5001 - 10000	49	0.483	3,55,004	2.739
10001 AND ABOVE	31	0.306	1,04,29,545	80.458
<b>Total</b>	<b>10,140</b>	<b>100.000</b>	<b>1,29,62,713</b>	<b>100.000</b>

**DEMATERIALIZATION 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 31.03.2023, 98.18% 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 FY22 (Audited) and Q1FY23 (UnAudited), our Rating Committee has reviewed the following ratings:

Facilities	Amount ( ₹ Crore)	Ratings	Rating Action
Long-term Bank Facilities	120.15 (Enhanced from 111.41)	CARE BBB; Stable(Triple B; Outlook:Stable)	Reaffirmed
Short-term Bank Facilities	40.00	CARE A3+(A Three Plus )	Reaffirmed
Long / Short Term Bank Facilities	70.00	CARE BBB; Stable / CARE A3+ (Triple B; Outlook: Stable / A Three Plus)	Reaffirmed
<b>TOTAL</b>	<b>230.15</b>	(Rupees : Two Hundred Thirty Crore And Fifteen Lakhs Only)	

#### 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: <https://www.shivatex.in/shares/521/policies/>.
- 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>2022-23 (Amount in ₹)</b>
Audit Fees	14,00,000/-
Tax Audit Fees	3,35,000/-
Other Services	1,55,000/-
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 <https://www.shivatex.in/shares/code-of-conduct/>. 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 AMOUNT PERTAINING TO FRACTIONAL SHARES**

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 a Demat Suspense Account in the name of “Shiva Texyarn Limited -Unclaimed Shares Demat Suspense Account” for transferring the shares which remains unclaimed with the Company (arisen during the Scheme of arrangement (demerger) entered between Shiva Texyarn Ltd and STYL Ventures Ltd (currently Shiva Mills Ltd) during the year 2017).

### **Details relating to Unclaimed Shares (Financial Year 2022-23)**

<b>Unclaimed Shares</b>	<b>No. of Shareholders</b>	<b>No. of shares</b>
Outstanding at the beginning of the year (Total unclaimed shares)	162	25,005
Claim received and sent to shareholders during the year	3	420
Transferred to IEPF Account during the year	31	3,540
Transferred to Unclaimed Shares Demat Suspense Account of the Company during the year on 28.03.2023	128	21,045
Balance at the end of the year	Nil	Nil

The Company has transferred 21,045 equity shares belonging to 128 shareholders to the Shiva Texyarn Limited -Unclaimed Shares Demat Suspense Account on 28.03.2023. The voting rights on these shares shall remain frozen till the rightful owners of such shares claims the shares.

### **SUSPENSE ESCROW DEMAT ACCOUNT**

SEBI vide its Circular SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 and Guidelines issued with respect to procedural aspects of Suspense Escrow Demat Account vide it's Circular SEBI/HO/MIRSD/ Pod-1/OW/P/2022/64923 dated December 30, 2022 directed all the listed entities to issue the securities in dematerialized form only while processing various Investor Service Requests. In this regard, the Companies are requested to open a separate demat account with nomenclature **SUSPENSE ESCROW DEMAT ACCOUNT** on or before January 31, 2023. Accordingly, the Company has opened a Suspense Escrow Demat Account with the Stock Holding Corporation of India Limited in the name of “SHIVA TEXYARN LIMITED SUSPENSE ESCROW DEMAT ACCOUNT” on 28.01.2023.

### **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. 4/1B Arakulam Road Palladam Tk, Paruvai, Tirupur - 641 658	D.No. 1/667, K.P. Mahal, Chinna Iyyan Kovil Pirivu, Somanur Road Ichipatti Village, Palladam Tk Tirupur-641 668
<b>Windmills</b>		
Munduelampatti 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 Texyarn 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 Texyarn 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, 2023 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 for 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

26th June, 2023

**R. Dhanasekaran**

Company Secretary in Practice

FCS 7070 / CP 7745

Peer Review No 811/2020

ICSI UDIN:F007070E000514170



## MANAGEMENT DISCUSSION AND ANALYSIS

### COMPANY'S BUSINESS

Your Company is historically involved in the manufacturing of cotton yarn, predominantly in the Hosiery Segment in medium counts, with an installed capacity of 52416 spindles near Coimbatore.

The Technical Division of the Company include one of the country's largest installations of Coating and Lamination Capacity, producing a range of B2B and B2C products catering to the home textile, digital imaging, baby and adult mattress protection, defence, medical and allied customer categories.

The Processing factory in Perundurai makes a range of speciality fabrics including Nylon & Polyester knits, pile fabrics, microfiber fabrics made of conjugate yarn and free cut as well as seamless products that cater to a range of premium customers.

The Garments Division are engaged in a range of high value added military products manufacturing, particularly in OBRNe defense, Cold weather clothing systems and Carrying Gear. It also does contract manufacturing of backpacks to global brands.

The 55 Wind Mills located in the State of Tamilnadu have an installed capacity to produce 13.195 MW of wind power which is being consumed captively.

#### a). INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian textile industry has a significant presence both in the Indian economy and in the international textile economy. The total grant announced by the Government of India for textiles for the year 2023 - 24 is fixed at ₹ 4,389.34 crore which is about 22.6 per cent higher than the revised budget grant for 2022-23. The Textile Industry in India is fast growing, and have long term sustainable future subject to the extension of supportive measures by the appropriate Governments and availability of favourable business climate.

#### b). OPPORTUNITIES AND THREATS

##### Opportunities:

Growth in income  
Immense potential for Technical Textiles  
Government Push for PLI, MITRA, TUF Schemes etc.,

##### Threats:

Raw material cost fluctuations  
Low global demand because of Russia - Ukraine war  
Shift to Man Made Fibre



**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**

Availability of Quality Cotton, erratic price movement of Cotton, High cost of Power /other Inputs and availability of skilled labour are identifiable risks and concerns to the Textile Industry. These factors may have a severe impact on the operating & financial performance of your Company.

However, the management expects more and more supportive measures from the appropriate Governments to soften the price of cotton and other raw materials.

**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 RESOURCE FRONT / INDUSTRIAL RELATIONS FRONT INCLUDING NUMBER OF PEOPLE EMPLOYED:-**

Please refer Directors Report.




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

S.No	Ratio	2022-23	2021-22	Change (%) exceeding 25%	Reasons for Change
1	Debtor Turnover	16.28	15.32	-	On account of loss as compared to previous year
2	Inventory Turnover	5.12	5.44	-	
3	Interest coverage ratio	1.76	4.09	-56.23	
4	Current Ratio	1.05	1.15	-	
5	Debt Equity Ratio	0.78	0.99	-	
6	Operating Profit Margin %	5.93%	11.83%	-49.87	
7	Net profit Margin %	-1.62%	4.19%	-138.53	
8	Net worth ₹.in Lakhs	13411.20	14247.52	-	
9	Return on Net worth (%)	-4.95%	14.26%	-	



## 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 31.03.2023

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

Coimbatore  
26th June, 2023

## 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, 2023 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. However, a vacancy has arisen in the board due to the demise of an independent director on 30th March, 2023 and the company is required to fill the vacancy at the next board meeting or three months from the date of such vacancy, whichever is later to comply with the proviso to regulation 17 (1) (b) of SEBI (LODR), 2015 as per the status on this report for the financial year ended 31st March, 2023. Except the above change there were no changes in the composition of the Board of Directors that took place during the period under review.

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  
26th June, 2023

**R. Dhanasekaran**  
Company Secretary in Practice  
FCS 7070 / CP 7745  
Peer Review No 811/2020  
ICSI UDIN:F007070E000514159



## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
Shiva Texyarn Limited  
Coimbatore

### Report on the Audit of the Ind AS Financial Statements

#### Opinion

We have audited the accompanying Ind AS financial statements of **Shiva Texyarn Limited** ("the Company"), which comprise the Balance Sheet as at **March 31, 2023**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS"), of the state of affairs of the Company as at March 31, 2023, its loss including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS 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 Ind AS financial statements under the provisions of the Act and Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### 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 not determined any matter to be the key audit matter.

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

The Company's Management and the Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the annual report for example, Director's report and



Management analysis including annexures thereon, but does not include the Financial Statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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 identified above when it becomes available 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.

When we read the other information, as stated above, which is expected to be received after the date of our audit report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, under applicable laws and regulations.

### **Management and Board of Directors Responsibilities for the Financial Statements**

The Company's Management and the Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to the Financial Statements 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 and the Board of Directors.
- Conclude on the appropriateness of the management and Board of Director'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) evaluating 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.

#### **Other Matter**

The corresponding figures and financial information of the Company for the year ended March 31, 2022 included in these Financial Statements, are based on the previously issued statutory financial statements prepared in accordance with The Companies (Accounting Standards) Rules, 2021 audited by the predecessor auditor whose report for the year ended March 31, 2022 dated May 25, 2022 expressed an unmodified opinion on those financial statements.

**Our opinion is not modified in respect of this matter.**

#### **Report on Other Legal and Regulatory Requirements**

- (1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) (A) As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - d. The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;
  - e. In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under section 133 of the Act read with relevant rules issued thereunder;
  - f. On the basis of the written representations received from the directors as on March 31, 2023, and

- taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of section 164(2) of the Act;
- g. With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, we give our separate report in "Annexure 2".
- (B) 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, 2021, 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 as on March 31, 2023 on its financial position in its Financial Statements – Refer Note no 38 on Contingent Liabilities.
- (ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- (iv)
- a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note no 52 to the Financial Statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
  - Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in Note no 52 of Financial Statements, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- Directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
  - Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

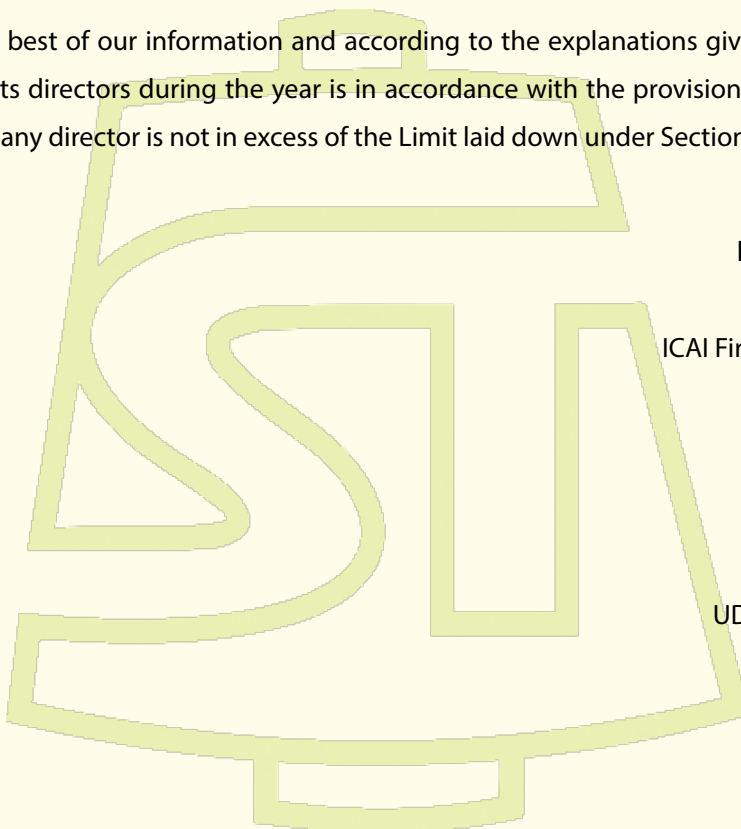




- c) Based on the audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause iv (a) and (b) contain any material misstatement.
- v) As stated in Note no 17 to the Financial Statements
- a) The final dividend proposed with respect to the previous year, has been paid by the company during the year in compliance with section 123 of the Companies Act 2013 as applicable.
- (C) 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: The remuneration paid to any director is not in excess of the Limit laid down under Section 197 of the Companies Act.

Place: Coimbatore  
Date : 25th May 2023



**For For VKS Aiyer & Co**

Chartered Accountants  
ICAI Firm Registration No.000066S

**CS Sathyanarayanan**

Partner  
Membership No.028328  
UDIN: 23028328BGUEXD6519

**ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT**

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Shiva Texyarn Limited on the financial statements for the year ended 31.03.2023]

In our opinion and to the best of knowledge and belief, the books of accounts and records examined by us and according to the information and explanations given to us, we report that:

- (i)
  - (a) (1) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
  - (2) The Company has maintained proper records showing full particulars, including quantitative details and situation of Intangible assets.
  - (b) Property, Plant and Equipment have been physically verified by the Management at reasonable intervals. Material discrepancies noticed on such physical verification have been properly dealt with in the books of account.
  - (c) The title deeds of all the immovable properties, recorded as property, plant and equipment and investment property (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) are held in the name of the Company.
  - (e) There were no proceedings initiated or pending against the Company for holding any benami property under Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii)
  - (a) The inventories, were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No Discrepancies were noticed on physical verification between the physical stock and the book records that were 10% or more in the aggregate for each class of inventory.
  - (b) The Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks or financial institutions on the basis of security of current assets. The quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters.
- (iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.



- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order 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. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) In respect of statutory dues:
- (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities during the year.
- There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
- (b) There are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on March 31, 2023.
- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) Term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.



- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The Company has not made any investment in or given any new loan or advances to any of its subsidiaries, associates or joint ventures during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) There were no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) The Company is in compliance with Section 177 and 188 of the Companies Act, 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) (a) The Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports issued till date for the period under audit.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence, reporting under clause (xv) of the Order is not applicable.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- (b) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.



- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, (Asset Liability Maturity (ALM) pattern) other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year.

**For For VKS Aiyer & Co**

Chartered Accountants

ICAI Firm Registration No.000066S

**CS Sathyanarayanan**

Partner

Membership No.028328

UDIN: 23028328BGUEXD6519

Place: Coimbatore

Date : 25th May 2023



## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Shiva Texyarn Limited on the financial statements for the year ended 31.03.2023.]

### **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, 2023** in conjunction with our audit of the financial statements of the Company for the year ended on that date

#### **Opinion**

In our opinion, 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, 2023, 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 (the "Guidance Note").

#### **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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.



Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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.

**For For VKS Aiyer & Co**

Chartered Accountants

ICAI Firm Registration No.000066S

**CS Sathyanarayanan**

Partner

Membership No.028328

UDIN: 23028328BGUEXD6519

Place: Coimbatore

Date : 25th May 2023





## BALANCE SHEET AS AT 31st MARCH 2023

Amount in Rupees Lakhs except shares data or as otherwise stated

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>I ASSETS</b>			
<b>A) Non-current assets</b>			
(a) Property, plant and equipment	3	18,304.97	17,175.21
(b) Capital work-in-progress	4	112.00	1,032.93
(c) Right of use assets	5	934.29	23.85
(d) Intangible assets	6	471.74	14.74
(e) Investment property	7	2.95	12.29
(f) Financial assets			
(i) Investments	8	320.54	199.83
(g) Other non-current assets	9	792.99	968.19
<b>Total non-current assets</b>		<b>20,939.48</b>	<b>19,427.04</b>
<b>B) Current assets</b>			
(a) Inventories	10	5,780.50	9,889.32
(b) Financial assets			
(i) Trade receivables	11	2,263.38	2,614.82
(ii) Cash and cash equivalents	12	71.80	127.32
(iii) Other bank balances	13	687.46	857.37
(iv) Loans	14	52.69	62.79
(v) Other financial assets	15	80.66	141.80
(c) Other current assets	16	951.83	1,235.17
<b>Total current assets</b>		<b>9,888.32</b>	<b>14,928.59</b>
<b>TOTAL ASSETS</b>		<b>30,827.80</b>	<b>34,355.63</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>A) Equity</b>			
(a) Equity share capital	17	1,296.27	1,296.27
(b) Other equity	18	12,114.93	12,951.25
<b>Total equity</b>		<b>13,411.20</b>	<b>14,247.52</b>
<b>B) LIABILITIES</b>			
<b>1) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	19	4,264.58	4,679.25
(ii) Lease liability	20	799.44	-
(b) Deferred tax liabilities (net)	21	2,830.21	2,415.15
(c) Provisions	22	62.98	74.12
<b>Total non-current liabilities</b>		<b>7,957.21</b>	<b>7,168.52</b>
<b>2) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	23	5,180.38	9,421.70
(ii) Trade payables	24		
a) Total outstanding dues of micro enterprises and small enterprises		70.69	20.68
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,345.21	1,338.02
(iii) Lease liabilities	25	182.56	41.12
(iv) Other financial liabilities	26	1,478.38	1,519.19
(b) Current Tax liability	27	-	211.82
(c) Other current liabilities	28	202.17	387.06
<b>Total current liabilities</b>		<b>9,459.39</b>	<b>12,939.59</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>30,827.80</b>	<b>34,355.63</b>

See accompanying notes forming part of the financial statements 1- 54

Subject to our report of even date attached.

For and on behalf of the Board of Directors

**For VKS Aiyer & co**  
Chartered Accountants

**S V Alagappan**  
Chairman  
DIN:00002450

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

**C S Sathyanarayanan**  
Partner  
Membership No. 028328  
Coimbatore  
May 25, 2023

**C Krishnakumar**  
Chief Financial Officer

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

**Statement of Profit and Loss for the year ended March 31, 2023**

Amount in Rupees Lakhs except shares data or as otherwise stated

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
<b>I</b> Revenue from operations	29	41,087.26	47,707.38
<b>II</b> Other income	30	1,601.17	137.35
<b>III Total revenue (I + II)</b>		<b>42,688.43</b>	<b>47,844.73</b>
<b>IV EXPENSES</b>			
(a) Cost of materials consumed	31	27,436.18	29,340.16
(b) Purchase of stock-in-trade	32	393.20	1,277.69
(c) Changes in inventories of finished goods,WIP and stock-in-trade	33	1,105.20	(914.73)
(d) Employee benefits expense	34	4,249.37	4,390.63
(e) Finance costs	35	1,381.22	1,380.61
(f) Depreciation and amortisation expense	36	1,411.23	1,265.55
(g) Other expenses	37	7,066.21	8,104.22
<b>Total expenses (IV)</b>		<b>43,042.61</b>	<b>44,844.13</b>
<b>V Profit before tax (III - IV)</b>		<b>(354.18)</b>	<b>3,000.60</b>
<b>VI Tax Expense</b>			
(1) Current Tax		-	860.99
(2) Taxation for earlier years		32.37	76.58
(3) Deferred tax		277.45	61.84
<b>Total tax expense</b>		<b>309.82</b>	<b>999.41</b>
<b>VII Profit/(Loss) for the year (V + VI)</b>		<b>(664.00)</b>	<b>2,001.19</b>
<b>VIII Other comprehensive income/(loss)</b>		<b>9.16</b>	<b>39.56</b>
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit plans		10.58	25.95
(b) Equity instruments through other comprehensive income		3.50	29.86
(ii) Income tax relating to items that will not be reclassified to profit or loss		(4.92)	(16.25)
<b>IX Total comprehensive income/(Loss) for the year (VII + VIII)</b>		<b>(654.84)</b>	<b>2,040.75</b>
<b>X Earnings/(loss) per equity share:</b>	43		
(1) Basic		(5.12)	15.44
(2) Diluted		(5.12)	15.44

**See accompanying notes forming part of the financial statements 1- 54**

Subject to our report of even date attached.

For and on behalf of the Board of Directors

**For VKS Aiyer & co**  
Chartered Accountants

**S V Alagappan**  
Chairman  
DIN:00002450

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

**C S Sathyanarayanan**  
Partner  
Membership No. 028328

**C Krishnakumar**  
Chief Financial Officer

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

Coimbatore  
May 25, 2023

**Statement of cash flows for the year ended March 31, 2023**

Amount in Rupees Lakhs except shares data or as otherwise stated

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / ( Loss ) Before Tax	(354.18)	3,000.60
<b>a) Adjustments for non-cash / non-operating items</b>		
Depreciation & Amortization Expenses	1,411.23	1,265.55
Loss on dimunition of Investments	4.32	-
Dividend Income	(4.89)	(2.82)
Interest Income	(64.87)	(35.99)
Profit on sale of Fixed Assets	(1,461.90)	(3.46)
Loss on sale of Fixed Assets	97.16	46.59
Rental Income	(0.02)	(0.02)
Interest on Lease	70.93	8.10
Remeasurements of the defined benefit liabilities / (asset)	10.58	-
Interest & Finance charges	1,310.29	1,372.52
<b>Operating Profit Before Working Capital Changes</b>	<b>1,018.64</b>	<b>5,651.07</b>
<b>b) Adjustments for changes in working capital</b>		
(Increase) / decrease in Trade and other receivables	351.43	803.06
(Increase) / decrease in Inventories	4,108.82	(2,658.43)
(Increase) / decrease in Other Non- Current Assets	175.20	-
(Increase) / decrease in Other Current Assets	366.24	(200.67)
(Increase) / decrease in Financial Assets	(13.69)	(21.93)
Increase / (decrease) in Provisions	(11.13)	(10.03)
Increase / (decrease) in Other Financial Liabilities	(38.77)	214.17
Increase / (decrease) in Other Liabilities	(184.88)	15.25
Increase / (decrease) in Trade and other payables	1,057.20	(1,186.18)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>6,829.06</b>	<b>2,606.31</b>
Income taxes refund/(paid)	(111.50)	(627.70)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES - (A)</b>	<b>6,717.56</b>	<b>1,978.61</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(2,754.10)	(2,544.26)
Sale of Fixed Assets	2,247.60	41.84
Purchase of investments	(121.58)	(60.00)
Sale of Investments	0.05	-
Rental Income	0.02	0.02
Dividend Income	4.89	2.82
Interest income	64.87	35.99
<b>NET CASH FLOW FROM INVESTING ACTIVITIES - (B)</b>	<b>(558.25)</b>	<b>(2,523.59)</b>



**Statement of cash flows for the year ended March 31, 2023**

Amount in Rupees Lakhs except shares data or as otherwise stated

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds / (Repayment) of long term borrowings	(414.68)	(626.05)
Proceeds / (Repayment) of short term borrowings	(4,241.33)	2,678.92
Repayment of Lease Liability (IND AS)	(236.97)	1.14
Dividend paid	(181.48)	(155.55)
Interest and finance charges paid	(1,310.29)	(1,372.52)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES - (C)</b>	<b>(6,384.74)</b>	<b>525.94</b>
<b>D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(225.43)</b>	<b>(19.04)</b>
<b>Cash and Bank balances as at the beginning of the reporting period (Opening Balance)</b>	<b>984.69</b>	<b>1,003.71</b>
Less: Bank Balances not considered as cash and cash equivalents	687.46	857.37
<b>Cash and cash equivalents as at the end of the reporting period (Closing Balance)</b>	<b>71.80</b>	<b>127.32</b>

See accompanying notes forming part of the financial statements 1 - 54

Subject to our report of even date attached.

**For VKS Aiyer & co**  
Chartered Accountants

**S V Alagappan**  
Chairman  
DIN:00002450

For and on behalf of the Board of Directors

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

**C S Sathyanarayanan**  
Partner  
Membership No. 028328

**C Krishnakumar**  
Chief Financial Officer

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

Coimbatore  
May 25, 2023


**Statement of changes in equity for the year ended March 31, 2023**

(₹ in Lakhs)

<b>1 (a) Equity Share Capital</b>	<b>Amount</b>
Balance as at April 1, 2021	1296.27
Changes in equity during the year	-
<b>Balance as at the March 31, 2022</b>	<b>1296.27</b>
Balance as at April 1, 2022	1296.27
Changes in equity during the year	-
<b>Balance as at March 31, 2023</b>	<b>1296.27</b>

**(b) Other equity**

Particulars	Reserves and Surplus			Items of other comprehensive income			Total other equity
	Securities premium	General reserve	Re-tained earnings / (deficit)	Remeasurements of the defined benefit liabilities / (asset) net of tax	Equity instruments through other comprehensive income	Other items of other comprehensive income	
<b>Balance as at April 1, 2021</b>	<b>2,243.01</b>	<b>4,851.13</b>	<b>4,006.39</b>	<b>(81.05)</b>	<b>65.97</b>	<b>(19.40)</b>	<b>11,066.05</b>
Profit/(loss) for the year	-	-	2,001.19	-	-	-	2,001.19
Impact on adoption of Ind As 116	-	-	(155.55)	-	-	-	(155.55)
Other comprehensive income (net of taxes)	-	-	-	-	21.16	-	21.16
Remeasurements of the defined benefit liabilities / (asset) (net of taxes)	-	-	-	18.40	-	-	18.40
<b>Balance as at March 31, 2022</b>	<b>2,243.01</b>	<b>4,851.13</b>	<b>5,852.03</b>	<b>(62.65)</b>	<b>87.13</b>	<b>(19.40)</b>	<b>12,951.25</b>
Balance as at April 1, 2022	2,243.01	4,851.13	5,852.03	(62.65)	87.13	(19.40)	12,951.25
Profit/(loss) for the year	-	-	(664.00)	-	-	-	(664.00)
Other comprehensive income (net of taxes)	-	-	-	-	2.28	-	2.28
Remeasurements of the defined benefit liabilities / (asset) (net of taxes)	-	-	-	6.88	-	-	6.88
Dividend	-	-	(181.48)	-	-	-	(181.48)
<b>Balance as at March 31, 2023</b>	<b>2,243.01</b>	<b>4,851.13</b>	<b>5,006.56</b>	<b>(55.77)</b>	<b>89.41</b>	<b>(19.40)</b>	<b>12,114.93</b>

See accompanying notes forming part of the financial statements 1-54

Subject to our report of even date attached.

For and on behalf of the Board of Directors

**For VKS Aiyer & co**  
Chartered Accountants

**S V Alagappan**  
Chairman  
DIN:00002450

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

**C S Sathyanarayanan**  
Partner  
Membership No. 028328

**C Krishnakumar**  
Chief Financial Officer

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

Coimbatore  
May 25, 2023

**Notes forming part of financial statements**

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> <p>The Company's equity shares are listed in both National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).</p> <p>The Company's Financial Statements were authorized for issue as per the resolution of the Board of Directors dated 25th May, 2023.</p>
<b>2.1</b>	<p><b>General Information and Statement of compliance</b></p> <p>These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.</p>
<b>2.2</b>	<p><b>Basis of Preparation and Presentation</b></p> <p>The Financial Statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. The presentation of financial statement is based on Ind AS Schedule III of the Companies Act, 2013.</p> <p>The financial statements have been prepared on a historical cost basis, except for the following:</p> <ol style="list-style-type: none"> <li>(a) Financial assets are measured either at fair value or at amortised cost depending on their classification;</li> <li>(b) Employee defined benefit assets/ liabilities are recognised as the net total of fair value of plan assets, adjusted for actuarial gains/losses and the present value of defined benefit obligations;</li> <li>(c) Right -of - use of assets are recognised at the present value of lease payments that are not paid on that date. This amount is adjusted for any lease payment made at or before the commencement of the lease and initial direct cost incurred, if any.</li> <li>(d) Long term borrowings are measured at amortised cost using the effective interest rate method;</li> </ol>



## Notes forming part of financial statements

Note No	Particulars
	<p>Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.</p> <p>Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.</p>
<p><b>2.3</b></p>	<p><b>Use of estimates</b></p> <p>The preparation of Financial Statements is in conformity with generally accepted accounting principles which require the management of the Company to make Judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future period. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Application of accounting policies that require significant accounting estimates involving complex and subjective judgments and the use of assumptions in these Financial Statements have been disclosed separately under the heading "Significant accounting Judgements, Estimates and Assumption".</p>
<p><b>2.4</b></p>	<p><b>Current versus Non-Current classification</b></p> <p>The entity presents assets and liabilities in the Balance Sheet based on current/ non-current classification.</p> <p>An asset is classified as current, when:</p> <ol style="list-style-type: none"> <li>It is expected to be realised or intended to be sold or consumed in normal operating cycle.</li> <li>It is held primarily for the purpose of trading.</li> <li>It is expected to be realised within twelve months after the reporting period, or</li> <li>It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.</li> </ol>





**Notes forming part of financial statements**

Note No	Particulars
2.5	<p>All other assets are classified as non-current.</p> <p>A liability is classified as current, when:</p> <ol style="list-style-type: none"> <li>a) It is expected to be settled in normal operating cycle.</li> <li>b) It is held primarily for the purpose of trading.</li> <li>c) It is due to be settled within twelve months after the reporting period, or</li> <li>d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.</li> </ol> <p>The entity classifies all other liabilities as non-current. Deferred tax assets and liabilities are always classified as non-current assets and liabilities.</p> <p><b>Revenue recognition</b></p> <p>Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the company as part of the contract.</p> <p>Revenue from contracts with customers is recognized when control of the goods and services are transferred to the customer at an amount that reflects the consideration which the company expects to be entitled in exchange for those goods or services</p> <p>Revenue from sale of goods is recognized at the point of time when the control of the goods is transferred to the customer, which generally coincides with the delivery of the goods.</p> <p>Revenue is recognised when the performance obligation is satisfied either over time or at a point of time. The Indian accounting standards read with international terms and conditions is being appropriately factored in recognising revenue.</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>a. 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>



## Notes forming part of financial statements

Note No	Particulars
	<p><b>b. 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>c. Other operating revenue</b></p> <p>Other Operating Revenues comprise of income from ancillary activities incidental to the operations of the Company and is recognised when the right to receive the income is established as per the terms of the contract.</p> <p>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</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> <p><b>d. 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>e. Interest</b></p> <p>Interest income from a financial asset is recognized 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 taking into account the amount outstanding at the effective interest rate applicable, which is the rate that exactly discount estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.</p> <p><b>f. Rental Income</b></p> <p>The Company's policy for recognition of revenue from operating leases is described in Note 2.6 (A) below.</p>
<b>2.6</b>	<p><b>Leases</b></p> <p><b>A. 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>



**Notes forming part of financial statements**

Note No	Particulars
	<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 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>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>The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.</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 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>



## Notes forming part of financial statements

Note No	Particulars
	<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>
<b>2.7</b>	<p><b>Foreign currency transactions and translations</b></p> <p><b>a) 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>b) 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>
<b>2.8</b>	<p><b>Property plant and equipment</b></p> <p><b>Initial Cost</b></p> <p>Property, Plant and Equipment (PPE), being fixed assets are tangible items that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used for more than a period of twelve months.</p> <p>Items of PPE are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Financing costs (if any) relating to acquisition of assets which take substantial period of time to get ready for intended use are also included to the extent they relate to the period up to such assets are ready for their intended use</p>



**Notes forming part of financial statements**

Note No	Particulars
	<p>Initial Cost of an item of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its location and working condition necessary for it to be capable of operating in the manner intended by the Management and estimated costs of dismantling and removing the item and restoring the site on which it is located.</p> <p>Items such as spare parts, stand-by equipment and servicing equipment are capitalized when they meet the definition of property, plant and equipment</p> <p>If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.</p> <p><b>Subsequent costs and disposal</b></p> <p>Subsequent expenditure related to an item of PPE is added to its book value only if it increases the future economic benefits from the existing asset beyond its previously assessed standard of performance/ life.</p> <p>All other expenses on existing PPE, including day-to-day repair and maintenance expenditure and cost of replacing parts re-charged to the statement of profit and loss for the period during which such expenses are incurred</p> <p><b>Derecognition</b></p> <p>The carrying amount of an item of PPE is derecognised on disposal or when no future economic benefits are expected from its use or disposal.</p> <p>Gains or losses arising from derecognition of PPE are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognized in the statement of profit and loss when the asset is derecognized</p> <p><b>Capital work-in-progress:</b></p> <p>Assets in the course of construction are capitalized in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs (net of income) associated with the commissioning of an asset are capitalised until the period of commissioning has been completed and the asset is ready for its intended use</p>



## Notes forming part of financial statements

Note No	Particulars																												
	<p><b>Depreciation</b></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> <p>Depreciation on PPE is provided under straight line method as per the useful lives and manner prescribed under Schedule II to the Companies Act, 2013, except for Plant &amp; machinery where the useful life is estimated to be 25 years (7.5 years based on triple shift basis), based on technical evaluation</p> <p>The Management believes that the estimated useful lives as per the provisions of Schedule II to the Companies Act, 2013, wherever adopted, are realistic and reflect fair approximation of the period over which the assets are likely to be used.</p> <p>The estimated useful lives, residual values and depreciation method are reviewed annually, if there has been a significant change in the expected pattern of consumption of future economic benefits embodied in the asset, depreciation is charged prospectively to reflect the changed pattern.</p>																												
	<table border="1"> <thead> <tr> <th style="text-align: center;">Class of Assets</th> <th style="text-align: center;">Useful Lives</th> </tr> </thead> <tbody> <tr> <td>Factory Buildings</td> <td>30 Years</td> </tr> <tr> <td>Non-Factory Buildings,</td> <td>60 Years</td> </tr> <tr> <td>Plant and Machinery &amp; Equipment's (triple shift)</td> <td>7.5 Years</td> </tr> <tr> <td>Plant and machinery</td> <td>15 Years</td> </tr> <tr> <td>Furniture and Fittings</td> <td>10 years</td> </tr> <tr> <td>Lab Equipments</td> <td>10 years</td> </tr> <tr> <td>Vehicles- Four Wheelers</td> <td>8 Years</td> </tr> <tr> <td>Vehicles- Two wheelers</td> <td>10 Years</td> </tr> <tr> <td>Electrical Installations</td> <td>10 Years</td> </tr> <tr> <td>Office Equipment</td> <td>5 Years</td> </tr> <tr> <td>Computer</td> <td>3 Years</td> </tr> <tr> <td>Fences, wells, tube wells</td> <td>3 Years</td> </tr> <tr> <td>Lease hold Buildings</td> <td>Term of Lease or useful estimate life which ever is earlier</td> </tr> </tbody> </table>	Class of Assets	Useful Lives	Factory Buildings	30 Years	Non-Factory Buildings,	60 Years	Plant and Machinery & Equipment's (triple shift)	7.5 Years	Plant and machinery	15 Years	Furniture and Fittings	10 years	Lab Equipments	10 years	Vehicles- Four Wheelers	8 Years	Vehicles- Two wheelers	10 Years	Electrical Installations	10 Years	Office Equipment	5 Years	Computer	3 Years	Fences, wells, tube wells	3 Years	Lease hold Buildings	Term of Lease or useful estimate life which ever is earlier
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**Notes forming part of financial statements**

Note No	Particulars
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**2.9 Intangible Assets and Amortisation**

An intangible asset is an identifiable non-monetary asset without physical substance

Intangible assets are recognised only if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

Intangible assets are measured on initial recognition at cost and subsequently are carried at cost less accumulated amortization and impairment, if any.

Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed annually, with the effect of any changes in estimate being accounted for on a prospective basis.

The Company has used the following useful lives to amortise its intangible assets:

Class of Assets	Useful Lives
Computer software	3 Years
Technical know how	60 Months

**2.10 Impairment of Property, Plant and Equipment and Intangible Assets**

The carrying amounts of the tangible and intangible assets are reviewed, as at each Balance Sheet date, to determine if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. The recoverable amount is greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows as a cash generating unit are discounted to the present value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an extent occurring after the impairment loss was recognised.

The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

**2.11 Borrowings cost**

Borrowings are recognised initially at cost (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





## Notes forming part of financial statements

Note No	Particulars
	<p>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> <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>2.12 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>2.13 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. on item-by-item basis. Stores &amp; Spares which do not meet the definition of PPE are accounted as inventories.</p> <p>Raw Material, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value. The comparison of cost and net realisable value is made on item-by-item basis.</p>
<p><b>2.14 Cash and cash equivalents</b></p>	<p>Cash and cash equivalents comprise cash on hand, cash at bank and demand deposits with banks other than deposits pledged with government authorities and margin money deposits.</p>

**Notes forming part of financial statements**

<b>Note No</b>	<b>Particulars</b>
	<p>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>
<b>2.15</b>	<b>Cash flow statement</b>
	<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>
<b>2.16</b>	<b>Income Tax</b>
	<b>a) Current tax</b>
	<p>The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the 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>
	<b>b) Deferred tax</b>
	<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>

## Notes forming part of financial statements

Note No	Particulars
	<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 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>2.17 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</p>



**Notes forming part of financial statements**

Note No	Particulars
	<p>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><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>c) 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</p>



## Notes forming part of financial statements

Note No	Particulars
	<p>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 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>2.18 Provisions and contingencies liabilities</b></p>	<p>Provisions are recognised when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.</p> <p>The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).</p> <p>When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.</p> <p>A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.</p>
<p><b>2.19 Financial Instruments</b></p>	<p>Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through</p>



**Notes forming part of financial statements**

Note No	Particulars
	<p>Statement of Profit and Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.</p> <p>All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset and financial liabilities (other than financial assets and financial liabilities recorded at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities , as appropriate, on initial recognition. 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.</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> <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>A) Non-derivative financial assets</b></p> <p>(i) Financial assets at amortised cost</p> <p>A financial asset shall be measured at amortised cost if both of the following conditions are met</p> <p>(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</p> <p>(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.</p> <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</p>



## Notes forming part of financial statements

Note No	Particulars
	<p>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 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 reclassified 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>





**Notes forming part of financial statements**

Note No	Particulars
	<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 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>



## Notes forming part of financial statements

Note No	Particulars
	<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 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>
<b>2.20</b>	<b>Impairment</b>
	<p><b>(i) 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>



**Notes forming part of financial statements**

Note No	Particulars
	<p>For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.</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 effective interest rate. When estimating the cash flows, an entity is required to consider:</p> <ul style="list-style-type: none"> <li>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.</li> <li>(ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.</li> </ul> <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</p>



## Notes forming part of financial statements

Note No	Particulars
	<p>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>(ii) <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> <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>
2.21	<p><b>Fair Value Measurements</b></p> <p>The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:</p> <ol style="list-style-type: none"> <li>In the principal market for the asset or liability, or</li> <li>In the absence of a principal market, in the most advantageous market for the asset or liability</li> </ol> <p>The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non financial assets takes into account a market participant's ability to generate</p>



**Notes forming part of financial statements**

Note No	Particulars
	<p>economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.</p> <p>For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level Input that is significant to the fair value measurement as a whole) at the end of each reporting period.</p> <p><b>2.22 Significant accounting judgements, estimates and assumptions:</b></p> <p>The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgments, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.</p> <p>The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized 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 period, if the revision affects current and future period.</p> <p>The following are the areas of estimation uncertainty and critical judgments that the management has made in the process of applying the Company's accounting policies:</p> <p><b>i) Useful life of Property Plant and Equipment:</b></p> <p>Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly, depreciable lives are reviewed annually using the best information available to the Management</p> <p><b>ii) Impairment</b></p> <p>Determining whether the assets are impaired requires an estimate in the value in use of the assets. The value in use calculation requires the Management to estimate the future cash flows expected to arise from the asset and a suitable discount rate in order to calculate present value. When the actual cash flows are less than expected, a material impairment loss may arise.</p>



## Notes forming part of financial statements

Note No	Particulars
<b>iii) Provisions and Contingencies</b>	<p>Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.</p>
<b>iv) Fair Value Measurement</b>	<p>When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility.</p>
<b>v) Defined benefit obligation:</b>	<p>The costs of providing Gratuity and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates.</p>
<b>vi) Taxes</b>	<p>Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies</p>
<b>vii) Inventories</b>	<p>An inventory provision is recognised for cases where the realisable value is estimated to be lower than the inventory carrying value. The inventory provision is estimated taking into account various factors, including prevailing sales prices of inventory item and losses associated with obsolete / prices of inventory item and losses associated with obsolete.</p>



**Notes forming part of financial statements**

Note No	Particulars
	<p><b>viii) Leases</b></p> <p>Significant judgments are required in the assumption and estimates in order to determine the ROU include application of practical expedients, selection of accounting policy choices, assessment of lease terms, applicable incremental borrowing rate, among others</p> <p><b>2.23 Recent Amendments and Pronouncements:</b></p> <p>Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:</p> <p><b>Ind AS 1 - Presentation of Financial Statements</b></p> <p>This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.</p> <p><b>Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors</b></p> <p>This amendment has introduced a definition of ‘accounting estimates’ and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.</p> <p><b>Ind AS 12 - Income Taxes</b></p> <p>This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statement.</p> <p>The Company does not expect the above amendments to have any significant impact in the financial statements.</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
I. Gross Carrying Value											
Balance as at April 1, 2021	540.34	31.30	5,975.75	11,863.71	179.89	151.53	422.87	69.95	66.57	125.31	19,427.22
Additions during the year	28.99	-	69.12	863.03	22.43	14.83	61.08	11.30	67.58	38.07	1,176.43
Disposals during the year	-	-	-	(109.13)	-	-	(10.37)	-	-	-	(119.50)
Balance as at March 31, 2022	569.33	31.30	6,044.87	12,617.61	202.32	166.36	473.58	81.25	134.15	163.38	20,484.15
Additions for the year	184.12	-	927.76	1,827.61	40.90	62.97	43.16	5.23	12.23	108.41	3,212.39
Disposals for the year	(275.57)	-	(551.08)	(169.54)	-	-	-	(0.15)	-	(19.22)	(1,015.56)
Balance as at March 31, 2023	477.88	31.30	6,421.55	14,275.68	243.22	229.33	516.74	86.33	146.38	252.57	22,680.98
II. Accumulated depreciation and impairment											
Balance as at April 1, 2021	-	1.34	809.47	919.58	125.79	62.79	158.27	45.66	19.75	52.79	2,195.44
Depreciation for the year	-	0.33	213.86	797.99	22.79	18.22	54.74	11.76	12.80	16.47	1,148.96
Depreciation on disposals for the year	-	-	-	(29.77)	-	-	(5.69)	-	-	-	(35.46)
Balance as at March 31, 2022	-	1.67	1,023.33	1,687.80	148.58	81.01	207.32	57.42	32.55	69.26	3,308.94
Depreciation for the year	-	0.34	204.00	864.36	20.87	20.41	56.24	9.21	8.91	25.22	1,209.56
Depreciation on disposals for the year	-	-	(57.41)	(73.29)	-	-	-	(0.14)	-	(11.65)	(142.49)
Balance as at March 31, 2023	-	2.01	1,169.92	2,478.87	169.45	101.42	263.56	66.49	41.46	82.83	4,376.01
III. Net Carrying Value (I-II)											
Balance as at March 31, 2022	569.33	29.63	5,021.54	10,929.81	53.74	85.35	266.26	23.83	101.60	94.12	17,175.21
Balance as at March 31, 2023	477.88	29.29	5,251.63	11,796.81	73.77	127.91	253.18	19.84	104.92	169.74	18,304.97

# 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.



**Notes forming part of financial statements**

(₹ in Lakhs)

**4 Capital work-in-progress (CWIP)**

Particulars	As at March 31, 2023	As at March 31, 2022
Capital work-in-progress	112.00	1,032.93
<b>Total</b>	<b>112.00</b>	<b>1,032.93</b>

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance at the beginning of the year	1,032.93	295.86
Additions during the year	300.73	1,051.56
Capitalised during the year	<b>(1,221.66)</b>	<b>(314.49)</b>
<b>Closing balance at the end of the year</b>	<b>112.00</b>	<b>1,032.93</b>

**Capital work in progress (WIP) Ageing Schedule:****As at 31st March 2023**

Particulars	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Projects in progress	112.00	-	-	-	112.00
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>112.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>112.00</b>

**As at 31st March 2022**

Particulars	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Projects in progress	1,032.93	-	-	-	1,032.93
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>1,032.93</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,032.93</b>

Note:

There are no overdue projects as on 31-March - 2023

There are no items of CWIP whose completion is overdue or has exceeded its cost compared to original plan during the current year and previous year.

## Notes forming part of financial statements

(₹ in Lakhs)

## 5 Right of Use Assets

	As at March 31, 2023	As at March 31, 2022
Right of use assets	934.29	23.85
<b>Total</b>	<b>934.29</b>	<b>23.85</b>

## 5 Right of Use Assets

Description of Assets	TOTAL
<b>I. Gross Carrying Value</b>	
<b>Balance as at April 1, 2021</b>	56.92
Additions during the year	9.14
Disposals during the year	-
Balance as at March 31, 2022	66.06
Additions during the year	1,106.92
Disposals during the year	-
<b>Balance as at March 31, 2023</b>	<b>1,172.98</b>
<b>II. Accumulated depreciation and impairment</b>	
Balance as at April 1, 2021	-
Depreciation for the year	42.21
Depreciation on disposals for the year	-
<b>Balance as at March 31, 2022</b>	<b>42.21</b>
Depreciation for the year	196.48
Depreciation on disposals for the year	-
<b>Balance as at March 31, 2023</b>	<b>238.69</b>
<b>III. Net Carrying Value (I-II)</b>	
Balance as at March 31, 2022	23.85
<b>Balance as at March 31, 2023</b>	<b>934.29</b>



## Notes forming part of financial statements

(₹ in Lakhs)

## 6 Intangible assets - Capitalisation

Description of Assets	Computer software	Knowhow	Total
<b>I. Gross Carrying Value</b>			
Balance as at April 1, 2021	67.76	400.29	468.05
Additions during the year	1.83	-	1.83
Disposals during the year	-	-	-
<b>Balance as at March 31, 2022</b>	<b>69.59</b>	<b>400.29</b>	<b>469.88</b>
Additions during the year*	3.01	459.63	462.64
Disposals during the year	(0.85)	-	(0.85)
<b>Balance as at March 31, 2023</b>	<b>71.75</b>	<b>859.92</b>	<b>931.67</b>
<b>II. Accumulated depreciation and impairment</b>			
Balance as at April 1, 2021	60.28	320.55	380.83
Amortisation for the year	6.15	68.16	74.31
<b>Amortisation on disposal of assets for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>
Balance as at March 31, 2022	66.43	388.71	455.14
Amortisation for the year	5.12	-	5.12
<b>Amortisation on disposal of assets for the year</b>	<b>(0.33)</b>	<b>-</b>	<b>(0.33)</b>
<b>Balance as at March 31, 2023</b>	<b>71.22</b>	<b>388.71</b>	<b>459.93</b>
<b>III. Net Carrying Value (I-II)</b>			
Balance as at March 31, 2022	3.16	11.58	14.74
<b>Balance as at March 31, 2023</b>	<b>0.53</b>	<b>471.21</b>	<b>471.74</b>

\* The Technical know how under intangible assets is to be writtern off over a period of 60 months.

## Notes forming part of financial statements

(₹ in Lakhs)

**7 Investment Property**

Particulars	Land	Building	Total
<b>I. Gross Carrying Value</b>			
Balance as at April 1, 2021	0.76	2.33	3.09
Additions during the year	9.27	-	9.27
Disposals during the year	-	-	-
Balance as at March 31, 2022	10.03	2.33	12.36
Additions during the year	-	-	-
Disposals during the year	(9.27)	-	(9.27)
Balance as at March 31, 2023	0.76	2.33	3.09
<b>II. Accumulated depreciation and impairment</b>			
Balance as at April 1, 2021	-	-	-
Depreciation for the year	-	0.07	0.07
Depreciation on disposals during the year	-	-	-
Balance as at March 31, 2022	-	0.07	0.07
Depreciation for the year	-	0.07	0.07
Depreciation on disposals during the year	-	-	-
Balance as at March 31, 2023	-	0.14	0.14
<b>III. Net Carrying Value (I-II)</b>			
Balance as at March 31, 2022	10.03	2.26	12.29
Balance as at March 31, 2023	0.76	2.19	2.95

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

**Notes forming part of financial statements****8 Investments**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>A. Investment in Equity Instruments (at fair value through OCI)</b>		
<b>I. Quoted Investments - traded (fully paid)</b>		
i) 17,500 (As at March 31, 2022 17,500) Equity Shares of Rs.10/- each in Eastern Sugars & Industries Ltd	0.19	0.19
ii) 100 (As at March 31, 2022 100) Equity Shares of Rs.10/- each in Hindalco Industries Ltd	0.41	0.57
iii) 8,057 (As at March 31, 2022 8,057) Equity Shares of Rs.10/- each in ICICI Bank	70.68	58.84
iv) 640 (As at March 31, 2022 640) Equity Shares of Rs.10/- each in IDBI Bank	-	0.27
v) 14,100 (As at March 31, 2022 14,100) Equity Shares of Rs.10/- each in IFCI Limited	1.38	1.57
vi) 5,000 (As at March 31, 2022 5,000) Equity Shares of Rs.10/- each in KG Denim Limited	1.15	2.20
vii) 13,000 (As at March 31, 2022 13,000) Equity Shares of Rs.10/- each in NEPC India Limited	1.30	1.30
viii) 3,030 (As at March 31, 2022 3,030) Equity Shares of Rs.10/- each in Ponni Sugars & Chemicals Ltd	0.30	0.30
ix) 30,000 (As at March 31, 2022 30,000) Equity Shares of Rs.10/- each in Shree Karthik Papers Ltd	1.97	2.06
x) 500 (As at March 31, 2022 500) Equity Shares of Rs.10/- each in State bank of India	2.62	2.47
xi) 1,000 (As at March 31, 2022 1,000) Equity Shares of Rs.10/- each in Steel Authority of India Ltd	0.83	0.99
xii) 5,430 (As at March 31, 2022 5,430) Equity Shares of Rs.10/- each in Sesa Sterlite Ltd (Vedanta Ltd)	14.90	21.90
xiii) 2,300 (As at March 31, 2022 2,300) Equity Shares of Rs.10/- each in Super Sales Agencies Ltd	17.66	20.09
xiv) 1,000 (As at March 31, 2022 1,000) Equity Shares of Rs.10/- each in Telephone Cables Ltd	0.02	0.02
xv) 700 (As at March 31, 2022 700) Equity Shares of Rs.10/- each in Sterlite Technologies Ltd	1.03	1.57
xvi) 10000 (As at March 31, 2022 10000) Equity Shares of Rs.10/- each in The Catholic Syrian Bank Ltd	24.51	21.12
xvii) 280 (As at March 31, 2022 280) Equity Shares of Rs.10/- each in Sterlite Power Transmission Limited	0.01	0.00
<b>Total quoted investments</b>	<b>138.96</b>	<b>135.46</b>

## Notes forming part of financial statements

(₹ in Lakhs)

## 8 Investments (contd...)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>B. Investment in Equity Instruments (at fair value through P&amp;L)</b>		
<b>I. Unquoted Investments non-traded (fully paid)</b>		
i) 1200000 (As at March 31, 2022 600000 ) Equity shares of Nellai Renewable Pvt Ltd of Rs.10 each	120.00	60.00
ii) 2600 Equity Shares of Rs.2362/- each in L K Distributors Private Limited	61.58	-
<b>Total unquoted Investments - non-traded</b>	<b>181.58</b>	<b>60.00</b>
<b>II. Unquoted Investments - traded (fully paid)</b>		
i) 1000 (As at March 31, 2022 1000 ) Equity shares of Arun Fuels Limited of Rs.10 each	0.10	0.10
ii) 20,000 (As at March 31, 2022 20,000 ) Equity shares of Sakthi Beverages Ltd of Rs.10 each	2.00	2.00
iii) 1,200 (As at March 31, 2022 1,200 ) Equity shares of Tulya Alloy Castings Ltd of Rs.10 each	-	0.12
iv). 500 (As at March 31, 2022 500) Equity Shares of Rs.10/- each in VGP Finance Ltd	0.05	0.05
v). 1000 (As at March 31, 2022 1000 ) Equity Shares of Rs.10/- each in Arvind Liquid Gases Limited.	0.10	0.10
vi). 20,000 (As at March 31, 2022 20,000 ) Equity Shares of Rs.10/- each in Dyna Lamps & Glass Works Ltd.	2.00	2.00
<b>Total unquoted investments - traded</b>	<b>4.25</b>	<b>4.37</b>
<b>Total Unquoted Investments</b>	<b>185.83</b>	<b>64.37</b>
<b>Less: Provision for diminution in Value of Investments</b>	<b>4.25</b>	<b>-</b>
	<b>181.58</b>	<b>64.37</b>
<b>Total investments</b>	<b>320.54</b>	<b>199.83</b>
Aggregate amount of quoted investments	138.96	135.46
Aggregate market value of quoted investments	138.96	135.46
Aggregate amount of unquoted investments	185.83	64.37
Aggregate amount of impairment in vlaue of investments	4.25	-

Note: The Investments in Nellai Renewables Private Limited has been valued at cost approach arrive at the fair values as there is a wide range of possible fair value mesurments and cost represents the estimate of fair value within the range considering the purpose and restriction on the transferability of instruments.

**Notes forming part of financial statements**

(₹ in Lakhs)

**9 Other Non-Current Assets**

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Capital Advances	266.69	750.72
Security Deposits	283.05	140.44
Rental and lease deposits	88.76	74.43
Other advances	-	2.60
Advance payment of taxes (net)	154.49	-
<b>Total</b>	<b>792.99</b>	<b>968.19</b>

**CURRENT ASSETS****10 Inventories**

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Raw Materials	2,690.91	5,565.10
Work-in-progress	126.91	187.56
Finished Goods	2,144.70	3,224.51
By-Product	77.00	21.61
Stores and Spares	697.47	826.90
Stock in Trade	43.51	63.64
<b>Total</b>	<b>5,780.50</b>	<b>9,889.32</b>

Inventories have been pledged as securities against borrowings availed by the company ( Refer Note no.23)

The cost of inventories recognised as an expense during the year was Rs.27436.18 Lakhs. (Previous year Rs.29340.16 Lakhs)

**Financial Assets****11. Trade receivables**

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b><u>Unsecured:</u></b>	2,263.38	2,614.82
A) Trade receivables considered good		
B) Trade receivables which have significant increase in credit risk	-	-
C) Trade receivables - Credit impaired- refer note below:	102.57	56.90
	<b>2,365.95</b>	<b>2,671.72</b>
Less: Allowance for expected credit loss	(102.57)	(56.90)
<b>Total</b>	<b>2,263.38</b>	<b>2,614.82</b>

## Notes forming part of financial statements

## Trade receivable - Credit impaired

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	56.90	106.85
Current year Provisions	47.67	56.90
Provision reversed	(2.00)	-
Provision utilised	-	(106.85)
<b>Closing balance</b>	<b>102.57</b>	<b>56.90</b>

## Trade receivable - Ageing Schedule as on 31 March 2023

## Outstanding for the following period from transaction date

Particulars	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables - Considered Good	1,565.07	506.52	2.26	3.29	22.11	216.42	2,315.67
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	8.08	42.20	-	50.28
Disputed Trade Receivables - Credit Impaired	-	-	-	-	(25.50)	(77.07)	(102.57)
<b>Total</b>	<b>1,565.07</b>	<b>506.52</b>	<b>2.26</b>	<b>11.37</b>	<b>38.81</b>	<b>139.35</b>	<b>2,263.38</b>





**Trade receivable - Ageing Schedule as on 31 March 2022**  
**Outstanding for the following period from transaction date**

(₹ in Lakhs)

Particulars	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables - Considered Good	1,410.74	955.33	19.29	119.98	33.49	132.89	2,671.72
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables - Credit Impaired	-	-	(5.56)	(6.44)	(30.19)	(14.71)	(56.90)
<b>Total</b>	<b>1,410.74</b>	<b>955.33</b>	<b>13.73</b>	<b>113.54</b>	<b>3.30</b>	<b>118.18</b>	<b>2,614.82</b>

Trade Receivables have been pledged as security against working capital loan . (Refer Note no.23)

Trade Receivables are non-interest bearing and generally have a credit period of 30 to 45 days.

The company has used a practical expedient by computing the expected credit loss allowances for trade receivables based on a provision matrix.

The company has Business Credit Shield Policy for significant portion of receivables which has been factored in ECL computation.

## 12 Cash and Cash Equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
i) Cash on hand	5.02	5.57
Balances with banks :	-	-
ii) In current accounts	66.78	121.75
<b>Total</b>	<b>71.80</b>	<b>127.32</b>

## 13 Other bank balances

Particulars	As at March 31, 2023	As at March 31, 2022
In earmarked accounts		
- Margin money deposits	668.52	836.64
- Unpaid dividend accounts	18.94	20.72
<b>Total</b>	<b>687.46</b>	<b>857.37</b>

\* Margin Money deposits includes security for loan/margin for Bank Guarantee and Letter of Credit



## Notes forming part of financial statements

### 14 Loans

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Employees and other advances	54.73	62.79
Less: Provision for doubtful advances	(2.04)	-
<b>Total</b>	<b>52.69</b>	<b>62.79</b>

### 15 Other financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Insurance claim receivable	0.66	-
Export incentive receivable	25.37	108.26
Accrued income	54.63	33.53
<b>Total</b>	<b>80.66</b>	<b>141.80</b>

### 16 Other Current Assets

Particulars	As at March 31, 2023	As at March 31, 2022
Advance to Suppliers	404.40	593.15
Prepaid expenses	156.41	135.76
Balances with government authorities:		
- GST credit receivable	391.02	506.26
<b>Total</b>	<b>951.83</b>	<b>1,235.17</b>

### 17 Equity Share Capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Rs.	Number of shares	Rs.
(a) Authorised:				
(i) Equity share capital				
Equity shares of Rs.10/- each	2,20,00,000	2,200.00	2,20,00,000	2,200.00
<b>Total</b>	<b>2,20,00,000</b>	<b>2,200.00</b>	<b>2,20,00,000</b>	<b>2,200.00</b>
(b) Issued, subscribed and fully paid-up:				
(i) Equity share capital				
Equity shares of Rs. 10/- each	1,29,62,713	1,296.27	1,29,62,713	1,296.27
<b>Total</b>	<b>1, 29,62,713</b>	<b>1,296.27</b>	<b>1,29,62,713</b>	<b>1,296.27</b>

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Rs.	Number of shares	Rs.
Equity shares of Rs. 10/- each	1,29,62,713	1,296.27	1,29,62,713	1,296.27
At the beginning of the year	-	-	-	-
Add: Issued during the year				
<b>Outstanding at the end of the year</b>	<b>1,29,62,713</b>	<b>1,296.27</b>	<b>1,29,62,713</b>	<b>1,296.27</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) Distribution made and proposed**

Dividend recognized as distributions to equity shareholders for the year ended March 31, 2022 was Rs.1.40 per share as discussed in the Board of Directors meeting held on May 25, 2022.

Further no dividend has been declared for the year ended March 31, 2023.

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

Name of the share holders	As at March 31, 2023		As at March 31, 2022	
	Number of shares held	% of holding	Number of shares held	% of holding
Vedanayagam Hospital Private Limited	93,55,466	72.17%	93,55,466	72.17%

**(v) Details of shares held by Holding company**

Name of the share holders	Number of shares held	
	As at March 31, 2023	As at March 31, 2022
Vedanayagam Hospital Private Limited	93,55,466	93,55,466

## Notes forming part of financial statements

(₹ in Lakhs)

## (vi) Share holding of Promoters

Name of the share holders	As at March 31, 2023		As at March 31, 2022		% change during the year
	Number of shares held	% of holding	Number of shares held	% of holding	
Vedanayagam Hospital Private Limited	93,55,466	72.17%	93,55,466	72.17%	0.00%
Sundar Ram Enterprise private Limited	14,473	0.11%	14,473	0.11%	0.00%
S V Kandasami	1,74,117	1.34%	1,74,117	1.34%	0.00%
S K Sundararaman	50,760	0.39%	50,760	0.39%	0.00%
K Leelavathi	2,700	0.02%	2,700	0.02%	0.00%
<b>Total</b>	<b>95,97,516</b>	<b>74.04%</b>	<b>95,97,516</b>	<b>74.04%</b>	<b>0.00%</b>

No shares were allotted as bonus shares and no shares were bought back in the immediately preceding five years.

## 18 Other Equity

Particulars	As at March 31, 2023	As at March 31, 2022
a) Securities premium	2,243.01	2,243.01
b) General reserve	4,851.13	4,851.13
c) Retained earnings/(deficit)		
Opening Balance	5,852.03	4,006.39
Add: Profit/(Loss) for the year	(664.00)	2,001.19
Less: Dividend paid during the year	(181.48)	(155.55)
Closing Balance	5,006.56	5,852.03
d) Other Comprehensive Income		
Opening Balance	5.08	(34.48)
Add: Additions during the year	9.16	39.56
Closing Balance	14.24	5.08
<b>Total (a+b+c+d)</b>	<b>12,114.93</b>	<b>12,951.25</b>

- a) **Securities Premium** : Amounts received on issue of shares in excess of the par value has been classified as securities premium.
- b) **General Reserve** : This represents appropriation of profit by the Company.
- c) **Retained earnings/(deficit)** : It comprises of the Company's current and prior years' undistributed earnings after taxes
- d) **Other Comprehensive Income** : Other items of other comprehensive income consists of fair value changes on FVTOCI financial assets and re-measurement of net defined benefit liabilities/assets.

**NON-CURRENT LIABILITIES****Financial Liabilities**

## 19 Borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Secured</b>		
(a) Term Loans		
-From banks	4,199.58	3,664.25
-From others		
<b>UnSecured</b>		
Loans from others		
(b) Loans from related parties	65.00	1,015.00
<b>Total</b>	<b>4,264.58</b>	<b>4,679.25</b>



## Notes forming part of financial statements

(₹ in Lakhs)

## (i) Details of terms of repayments in respect of secured term loans:

Note No.	Terms of Loans	Name of the Bank	Current Maturities		Non-current Maturities	
			As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
1	Repayable in 24 quarterly instalments, commencing from March 2019. Rate of Interest 10.95% p.a	Axis Bank	500.00	400.00	500.00	1,000.00
2	Repayable in tenure of 48 monthly instalments after a moratorium of 12 months from the date of first disbursement. Rate of Interest 8.40% p.a	Axis Bank	225.00	225.00	412.50	637.50
3	Repayable in tenure of 72 monthly instalments after a moratorium of first 24 months. Rate of Interest 8.45% p.a	Axis Bank	-	-	490.00	-
4	Repayable in tenure of 60 monthly instalments after a moratorium of first 12 months. Rate of Interest 8.25% p.a	Bank of Baroda	73.25	36.62	183.12	256.38
5	Repayable in tenure of 72 monthly instalments after a moratorium of first 24 months. Rate of Interest 8.45% p.a	Bank Of Baroda	-	-	146.00	-
6	Repayable in tenure of 72 monthly instalments after a moratorium of first 24 months. Rate of Interest 8.45% p.a	Canara Bank	-	-	150.00	-
7	Repayable in tenure of 60 monthly instalments after a moratorium of first 12 months. Rate of Interest 8.45% p.a	Indian Overseas Bank	150.00	75.00	362.50	525.00
8	Repayable in tenure of 72 monthly instalments after a moratorium of first 24 months. Rate of Interest 8.45% p.a	Indian Overseas Bank	-	-	510.00	-
9	Repayable in tenure of 60 monthly instalments after a moratorium of first 12 months. Rate of Interest 8.20% p.a	Karur Vysya Bank	200.00	216.67	366.67	550.00
10	Repayable in tenure of 60 monthly instalments of Rs. 25 lakhs each commencing from November 2017	Karur Vysya Bank	74.20	296.73	-	74.25
11	Repayable in tenure of 60 monthly instalments of varying amounts commencing from September 2020. Rate of Interest 9.90%	Karur Vysya Bank	2.69	2.87	3.82	6.51
12	Repayable in 20 quarterly instalments of Rs.23.40 lakhs each, commencing from July 2020. Rate of Interest 12% p.a	Karur Vysya Bank	93.30	93.30	152.09	250.24
13	Repayable in tenure of 72 monthly instalments after a moratorium of first 24 months. Rate of Interest 8.45% p.a	Karur Vysya Bank	-	-	426.00	-
14	Repayable in 20 quarterly instalments of Rs.150 lakhs each, commencing from March 2019, partly prepaid in the month of March 2021. Rate of Interest 9.85% p.a	RBL bank	-	350.00	-	-
15	Repayable in tenure of 72 monthly instalments after a moratorium of first 24 months. Rate of Interest 8.45% p.a	RBL bank	-	-	265.00	-
16	Repayable in tenure of 60 monthly instalments after a moratorium of first 12 months. Rate of Interest 8.75% p.a	RBL bank	132.50	132.50	231.88	364.37
	<b>Total</b>		<b>1450.93</b>	<b>1828.69</b>	<b>4199.58</b>	<b>3664.25</b>

**Notes forming part of financial statements**

(₹ in Lakhs)

**(ii) Details of security provided in respect of secured term loans:**

Note No.	Particulars
1.	Paripasu First charge on the immovable property and hypothecation of movables of spinning unit of the company.
-	Working capital term loan under guaranteed emergency credit line (GECL 2.0 extension), first charge 100% guaranteed by national credit guarantee trust company and second paripassu charge of security offered to Banks (Axis Bank, BOB , Canara bank, KVB, IOB, RBL) for other facilities. (Note no. 2 to 9, 13, 15 to 16)
10.	Exclusive equitable mortgage charge on vacant land belonging to group company.
11.	Hypothecation of motor car.
12.	Exclusive charge on vacant land 2.87 acres belonging to Shiva Texyarn Limited and additional charge of vacant land 6.96 acres belonging to Sundar Ram Enterprise Pvt Ltd.
14.	Paripasu First charge on the immovable property and hypothecation of movables of spinning unit of the company.

**Notes forming part of financial statements**

(₹ in Lakhs)

**20 Lease liability**

Particulars	As at March 31, 2023	As at March 31, 2022
Obligation in respect of Lease liability (Refer note 49)	799.44	-
<b>Total</b>	<b>799.44</b>	<b>-</b>

**21 Deferred tax liabilities**

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax Assets	(87.37)	(85.65)
Deferred tax liabilities	3,725.75	3,441.67
Less: Mat Credit availed	(808.17)	(940.87)
<b>Deferred tax liabilities (Net)</b>	<b>2,830.21</b>	<b>2,415.15</b>

**22 PROVISIONS**

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Gratuity (Refer note 41)	62.98	74.12
<b>TOTAL</b>	<b>62.98</b>	<b>74.12</b>

**CURRENT LIABILITIES  
FINANCIAL LIABILITIES****23 Borrowings**

Particulars	As at March 31, 2023	As at March 31, 2022
Working capital loan from banks (Secured)	3,729.45	7,593.01
Current Maturities of Long-term Debt (Refer Note 19.1)	1,450.93	1,828.69
<b>Total</b>	<b>5,180.38</b>	<b>9,421.70</b>

**(i) Details to Working capital loan from banks**

Name of the Bank	Description	Rate of Interest	As at March 31, 2023	As at March 31, 2022
1. Axis Bank	Cash Credit	9.00%	203.32	810.93
2. Bank of Baroda	Cash Credit	9.95%	476.89	1,141.97
3. Canara Bank	Cash Credit	9.75%	192.46	481.16
4. Indian Overseas Bank	Cash Credit	9.00%	1,116.09	2,413.15
5. Indian Overseas Bank	PCFC	4.00%	-	152.04
6. Indian Overseas Bank	Cash Credit	9.00%	-	4.20
7. Karur Vysya Bank	Cash Credit	9.00%	1,630.54	2,314.64
8. RBL Bank	Demand loan	7.30%	-	250.00
9. RBL Bank	Cash Credit	9.00%	110.15	24.92
<b>Total</b>			<b>3,729.45</b>	<b>7,593.01</b>

\* Working capital loan from banks were secured by hypothecation of inventories and trade receivables

**Notes forming part of financial statements****24 Trade payables**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade payables		
-Total outstanding dues of micro enterprises and small enterprises (Refer Note 24)	70.69	20.68
-Total outstanding dues of creditors other than micro enterprises and small enterprises	2,345.21	1,338.02
<b>Total</b>	<b>2,415.90</b>	<b>1,358.70</b>

**Trade receivable - Ageing Schedule as on 31 March 2023****Outstanding for the following period from transaction date**

No	Particulars	Not Due	Less than 1 year	1 year to 2 years	2-3 years	More than 3 years	Total
1.	Total Outstanding dues to Micro & small Enterprises	70.69	-	-	-	-	70.69
2.	Total Outstanding dues to creditors other than Micro & small Enterprises	1,927.98	408.17	7.02	-	2.04	2,345.21
3.	Disputed dues - dues to Micro & small Enterprises	-	-	-	-	-	-
4.	Disputed dues - dues to creditors other than Micro & small Enterprises	-	-	-	-	-	-
	<b>Total</b>	<b>1,998.67</b>	<b>408.17</b>	<b>7.02</b>	<b>-</b>	<b>2.04</b>	<b>2,415.90</b>

**Trade payable - Ageing Schedule as on 31 March 2022**

No	Particulars	Not Due	Less than 1 year	1 year to 2 years	2-3 years	More than 3 years	Total
1.	Total Outstanding dues to Micro & small Enterprises	20.68	-	-	-	-	20.68
2.	Total Outstanding dues to creditors other than Micro & small Enterprises	974.53	120.52	5.79	90.87	146.31	1,338.02
3.	Disputed dues - dues to Micro & small Enterprises	-	-	-	-	-	-
4.	Disputed dues - dues to creditors other than Micro & small Enterprises	-	-	-	-	-	-
	<b>Total</b>	<b>995.21</b>	<b>120.52</b>	<b>5.79</b>	<b>90.87</b>	<b>146.31</b>	<b>1,358.70</b>

The company's exposure to currency risk in relation to trade payables are disclosed in note no.50



**Notes forming part of financial statements**

(₹ in Lakhs)

**25 Lease liabilities**

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022†</b>
Obligation in respect of Lease liability (Refer note 49)	182.56	41.12
<b>Total</b>	<b>182.56</b>	<b>41.12</b>

**26 Other financial liabilities**

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Unpaid Dividend	18.94	20.72
Liability for Expenses	1,147.05	1,014.33
Unclaimed matured deposits and interest accrued thereon	4.71	4.71
Other liabilities	117.22	354.26
Payables on purchase of fixed assets	190.46	125.17
<b>Total</b>	<b>1,478.38</b>	<b>1,519.19</b>

**27 Current tax liabilities**

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Income tax payable	-	1,961.57
Less: Advance tax paid	-	(1,749.75)
<b>Total</b>	<b>-</b>	<b>211.82</b>

**28 Other Current Liabilities**

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Advances from customers	105.29	308.50
Statutory dues payable	69.34	61.48
Retention Money payable	25.43	14.95
Income received in advance	2.11	2.13
<b>Total</b>	<b>202.17</b>	<b>387.06</b>

## Notes forming part of financial statements

(₹ in Lakhs)

## 29 Revenue From Operations

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	Sale of goods		
	a. Manufactured goods		
	Yarn	27,821.04	31,836.42
	Fabrics	6,345.85	6,817.03
	Waste Cotton	2,527.36	2,237.89
	Garments	3,149.42	4,519.19
	[A]	<b>39,843.67</b>	<b>45,410.54</b>
	b. Traded goods		
	Yarn	401.39	1,332.43
	Fabric	2.92	-
	Garments	84.96	93.16
	[B]	<b>489.27</b>	<b>1,425.59</b>
	Gross total [A]+[B]	<b>40,332.94</b>	<b>46,836.13</b>
	Less: Discount on sales [C]	(203.38)	(290.77)
	Total Sales [B]-[C]	<b>40,129.57</b>	<b>46,545.35</b>
(b)	Sale of services		
	Coating Dying and Lamination charges	879.72	911.36
(c)	Other operating income		
	Duty drawback and other export incentives	59.52	250.12
	Others*	18.45	0.55
		77.97	250.67
	<b>Total</b>	<b>41,087.26</b>	<b>47,707.38</b>

\* Others includes scrap sales

## Details of product sold:

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A.	Export Sales	1,682.70	4,813.60
B.	Domestic Sales	38,446.87	41,731.75
	<b>Total</b>	<b>40,129.57</b>	<b>46,545.35</b>

**Notes forming part of financial statements**

(₹ in Lakhs)

**30 Other Income**

	<b>Particulars</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
	Interest income (Refer Note 30.1 below)	64.87	35.99
	Dividend income from investments	4.89	2.82
	Profit on sale of assets	1,461.90	3.46
	Gain on foreign currency transactions	30.27	49.54
	Other non-operating income (Refer Note 30.2 below)	39.24	45.55
	<b>Total</b>	<b>1,601.17</b>	<b>137.35</b>

**Other non-operating income:**

<b>Note</b>	<b>Particulars</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
<b>30.1</b>	<b>Interest income comprises:</b>		
	Interest income from fixed deposits	52.80	35.99
	Interest on others	12.07	-
	<b>Total - Interest income</b>	<b>64.87</b>	<b>35.99</b>
<b>30.2</b>	<b>Other non-operating income comprises:</b>		
	Rental income	0.02	0.02
	Prior period income	1.59	-
	Recovery of bad debts	12.93	19.77
	Sundry balances written back	7.54	6.72
	Other Miscellaneous income	17.16	19.03
	<b>Total - Other non-operating income</b>	<b>39.24</b>	<b>45.55</b>

**31 Cost of Materials Consumed**

	<b>Particulars</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
	Opening stock	5,565.10	3,975.05
	Add: Purchases	24,561.99	30,930.21
		30,127.09	34,905.26
	Less: Closing stock	(2,690.91)	(5,565.10)
	<b>Cost of material consumed</b>	<b>27,436.18</b>	<b>29,340.16</b>
	Material consumed comprises:		
	- Cotton	24,080.71	25,334.80
	- Others	3,355.47	4,005.36
	<b>Total</b>	<b>27,436.18</b>	<b>29,340.16</b>

## Notes forming part of financial statements

(₹ in Lakhs)

**32 Purchase of Traded Goods**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Purchases of Traded Goods	393.20	1,277.69
<b>Total</b>	<b>393.20</b>	<b>1,277.69</b>

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Inventories at the end of the year:</b>		
Finished goods	2,144.70	3,224.51
Work-in-progress	126.91	187.56
stock in trade	43.52	63.65
Waste-cotton	77.00	21.61
	<b>2,392.13</b>	<b>3,497.33</b>
<b>Inventories at the beginning of the year:</b>		
Finished goods	3,224.51	2,191.09
Work-in-progress	187.56	259.49
stock in trade	63.65	90.48
Waste-cotton	21.61	41.54
<b>Total</b>	<b>3,497.33</b>	<b>2,582.60</b>
<b>Net Increase / (Decrease) in inventories of finished goods and WIP</b>	<b>1,105.20</b>	<b>(914.73)</b>

**34 Employee Benefit Expenses**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	3,601.75	3,679.31
Contributions to provident and other funds (Refer Note 41.1.a & 41.1.b)	276.82	167.30
Staff welfare expenses	370.80	544.02
<b>Total</b>	<b>4,249.37</b>	<b>4,390.63</b>

**Notes forming part of financial statements**

(₹ in Lakhs)

**35 Finance Costs**

	<b>Particulars</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
	Interest on Borrowings	1,147.50	1,152.40
	Interest on Lease liability	70.93	40.17
	Other borrowing costs	162.79	188.04
	<b>Total</b>	<b>1,381.22</b>	<b>1,380.61</b>

**36 Depreciation and Amortisation**

	<b>Particulars</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
	Depreciation on Property plant and equipment (Refer note 3)	1,209.56	1,148.96
	Depreciation on Right of use assets (Refer note 5)	196.48	42.21
	Amortisation of Intangibles (Refer note 6)	5.12	74.31
	Depreciation on Investment property (Refer note 7)	0.07	0.07
	<b>Total</b>	<b>1,411.23</b>	<b>1,265.55</b>

## Notes forming part of financial statements

(₹ in Lakhs)

**37 Other Expenses**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Consumption of stores and spare parts	1,824.35	2,439.14
Manufacturing expenses	540.58	615.44
Power, fuel and water charges	1,908.92	2,242.48
Rent	26.74	136.93
Repairs and Maintenance		
-Building	63.44	60.52
-Machinery	714.19	531.99
-Others	153.61	142.51
Insurance	169.09	163.52
License, Rates and Taxes	93.95	57.69
Communication expenses	190.40	155.64
Travelling and Conveyance	463.17	344.36
Printing & Stationery	18.41	20.35
Freight and Forwarding Charges	114.86	274.66
Commission on sales	216.09	283.26
Director's sitting fee	5.10	4.00
Loss on sale/disposal of assets	97.16	46.59
Business Promotion Expenses	148.04	242.97
Donation	1.25	26.90
Legal and Professional charges	107.41	108.88
Payments to Auditors (Refer Note no. 1 below)	18.90	15.35
Corporate Social Responsibility (Refer Note no.2 below)	31.90	13.69
Loss on foreign currency transactions	0.40	-
Provision for Expected Credit Loss	47.67	56.90
Royalty expenses	-	11.95
Loss on Sale/Disposal of Investments	0.07	-
Provision for diminution in Value of Investments	4.25	-
Miscellaneous Expenses	106.26	108.51
<b>TOTAL</b>	<b>7,066.21</b>	<b>8,104.22</b>



(₹ in Lakhs)

**Note 1 - Payments to Auditors:**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Payments to auditors comprises (net of service tax input credit, where applicable):		
Statutory audit fees	14.00	12.00
For taxation matters	3.35	3.35
For other services	1.55	-
<b>Total</b>	<b>18.90</b>	<b>15.35</b>

**Note 2 - Corporate Social Responsibility:**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Gross amount required to be spent by the company during the year	31.89	13.69
b) Amount spent during the year		
i) Construction/Acquisition of any asset	-	-
ii) On purposes other than (i) above	31.90	13.69
c) Excess to be carried forward (b-a)	(0.01)	-

Nature of CSR Activities carried out by the entity :

The CSR activities carried out by the entity are promoting health care and sanitation.

**Contingent liabilities:**

Note	Particulars	As at March 31, 2023	As at March 31, 2022
<b>38</b>	<b>Contingent liabilities and commitments (to the extent not provided for)</b>		
(i)	(a) Disputed claims of TANGEDCO as part of energy supply bill	242.82	289.90
	Commitments:		
(ii)	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for:		
	Tangible assets	155.74	250.81
(iii)	The company has on going dispute with one of its vendor regarding the pricing of Cotton	144.00	144.00
	<b>TOTAL</b>	<b>542.56</b>	<b>684.71</b>

(₹ in Lakhs)

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

	<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year.	70.69	20.68
(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.	-	-
(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	-	-
<p>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.</p>			

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

The company's business relates to a single segment only i.e., Textiles. Accordingly, there is no more than one reportable business segment.



**Notes forming part of financial statements**

(₹ in Lakhs)

**(b) Secondary Geographic Segment Information**

<b>Geographic Segment</b>	<b>Revenues</b>	<b>Segment assets</b>	<b>Capital expenditure incurred</b>
Outside India			
March 31, 2023	1,682.70	67.97	646.11
March 31, 2022	4,813.60	52.22	1,063.48
India and Others			
March 31, 2023	39,404.56	30,759.83	3,329.66
March 31, 2022	42,893.78	34,303.41	114.78
Unallocated			
March 31, 2023	-	-	-
March 31, 2022	-	-	-
<b>Total</b>			
March 31, 2023	41,087.26	30,827.80	3,975.77
March 31, 2022	47,707.38	34,355.63	1,178.26

(₹ in Lakhs)

**40 Disclosure for raw materials, purchased goods and finished goods under broad heads**

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	Sale of goods		
	a. Manufactured goods		
	Yarn	27,821.04	31,836.42
	Fabrics	932.02	734.41
	Garments	3,149.42	4,519.19
	Coated fabrics (Canvas)	1,091.03	1,565.45
	Laminated fabrics	4,322.80	4,517.17
	Waste Cotton	2,527.36	2,237.89
	[A]	<b>39,843.67</b>	<b>45,410.54</b>
	b. Traded goods		
	Yarn	401.39	1,332.43
	Fabric	2.92	-
	Garments	84.96	93.16
	[B]	<b>489.27</b>	<b>1,425.59</b>
	Gross total [A]+[B]	<b>40,332.94</b>	<b>46,836.13</b>
	Less: Discount on sales [C]	(203.38)	(290.77)
	Total Sales [B]-[C]	<b>40,129.57</b>	<b>46,545.35</b>
(b)	Sale of services		
	Coating Dying and Lamination charges	879.72	911.36
(c)	Other operating income		
	Duty drawback and other export incentives	59.52	250.12
	Others*	18.45	0.55
		77.97	250.67
	<b>Total</b>	<b>41,087.26</b>	<b>47,707.38</b>

\* Others includes scrap sales

**Notes forming part of financial statements****2. Raw materials consumption**

(₹ in Lakhs)

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Cotton		24,080.71	25,334.80
(b) Others		3,355.47	4,005.36
<b>Total</b>		<b>27,436.18</b>	<b>29,340.16</b>

**3. Purchase of traded goods**

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Cotton		-	-
(b) Waste		-	-
(c) Yarn		345.12	1,231.64
(d) Fabrics		-	-
(e) Garments		48.08	46.05
<b>Total</b>		<b>393.20</b>	<b>1,277.69</b>

**4. 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;**

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Raw materials</b>			
Indigenous	(Rs.)	27,216.01	28,388.37
	(%)	99.20%	96.76%
Imported	(Rs.)	220.17	951.79
	(%)	0.80%	3.24%
<b>Total</b>		<b>27,436.18</b>	<b>29,340.16</b>
<b>Stores and spares</b>			
Indigenous	(Rs.)	2,394.56	2,704.52
	(%)	95.09%	93.58%
Imported	(Rs.)	123.76	185.62
	(%)	4.91%	6.42%
<b>Total</b>		<b>2,518.32</b>	<b>2,890.14</b>

## Notes forming part of financial statements

(₹ in Lakhs)

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
5	Value of imports calculated on CIF basis by the company during the financial year in respect of		
	(i) Raw materials	220.17	648.29
	(ii) Components and spare parts	123.76	185.62
	(iii) Capital goods	646.11	1,063.48
	(iv) traded goods	-	-
	<b>Total</b>	<b>990.04</b>	<b>1,897.39</b>
6.	Expenditure in foreign currency during the financial year on account of:		
	Royalty, know-how, professional and consultation fees	21.15	73.51
	Travelling, training and others	13.35	0.13
	<b>Total</b>	<b>34.50</b>	<b>73.64</b>
7.	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	There are no shares held by non -resident. Hence it is not applicable	
	(ii) Total number of shares held	-	-
	(iii) Total amount of dividend due/paid	-	-
	(iv) Year to which the dividend related	-	-
8.	Earnings in foreign exchange classified under the following heads, namely:-		
	(i) Export of goods calculated on FOB basis	1,468.39	4,696.69
	(ii) Royalty, know-how, professional and consultation fees	-	-
	(iii) Interest and dividend	-	-
	(iv) Other income, indicating the nature thereof	-	-
	<b>TOTAL</b>	<b>1,468.39</b>	<b>4,696.69</b>
9.	Expenditure in foreign currency paid to trade related research institutions by way of recurring / non recurring contribution:-		
	Testing Charges Paid	11.87	35.15

**Notes forming part of financial statements****41 Employee benefit plans**

(₹ in Lakhs)

**41.1 a 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.

	<b>Particulars</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
	Provident fund	254.34	139.17
	Employee state insurance	22.48	28.13
	<b>TOTAL</b>	<b>276.82</b>	<b>167.30</b>

**41.1.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 34 Employee benefit expense. Under this plan, the settlement obligation remains with the Company.

**Description of Risk Exposures**

- 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.



## Notes forming part of financial statements

(₹ in Lakhs)

- 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.
- 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, 2023 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, 2023	For the year ended March 31, 2022
Components of employer expense		
Current service cost	57.52	54.67
Past service cost	-	-
Interest cost	28.30	25.47
Expected return on plan assets	(25.03)	(20.49)
Recognised in statement of profit and loss	60.79	59.65
Re-measurement - actuarial (gain)/loss recognised in OCI	(10.58)	(25.94)
<b>Total expense recognised in the Statement of total comprehensive income</b>	<b>50.21</b>	<b>33.71</b>
<b>Other Comprehensive Income ( OCI )</b>		
Actuarial (gain)/loss due to DBO assumption experience	-	(12.87)
Actuarial (gain)/loss due to DBO experience	(24.63)	(16.70)
Actuarial (gain)/loss due to DBO assumption changes	-	-
Actuarial (gain)/loss arising during period	(24.63)	(29.57)
Actual return on plan assets (greater)/less interest on plan assets	14.05	3.63
<b>Actuarial (gains)/ losses recognized in OCI</b>	<b>(10.58)</b>	<b>(25.94)</b>



## Notes forming part of financial statements

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Defined Benefit Cost</b>		
Service cost	57.52	54.67
Net interest on net defined benefit liability / (asset)	3.27	4.98
Actuarial (gains)/ losses recognized in OCI	(10.58)	(25.94)
<b>Defined Benefit Cost</b>	<b>50.21</b>	<b>33.71</b>
<b>Change in defined benefit obligation (DBO) during the year</b>		
Present value of DBO at beginning of the year	401.31	369.89
Current service cost	57.52	54.67
Past service cost	-	-
Interest cost	28.30	25.47
Actuarial (gains) / losses	(24.63)	(29.57)
Benefits paid	(50.05)	(19.15)
Present value of DBO at the end of the year	412.45	401.31
Actual contribution and benefit payments for year		
Actual benefit payments	50.05	19.15
Actual contributions	61.34	60.27
<b>Particulars</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
Change in fair value of assets during the year		
Plan assets at beginning of the year	327.19	269.21
Expected return on plan assets	25.03	20.49
Actual company contributions	61.34	60.27
Actuarial gain / (loss)	(14.05)	(3.63)
Benefits paid	(50.05)	(19.15)
Plan assets at the end of the year	349.46	327.19
Actual return on plan assets	10.98	16.87



## Notes forming part of financial statements

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Current and Non Current Liability portion</b>		
Current Liability	(62.99)	(74.12)
Non current liability	-	-
Net liability	(62.99)	(74.12)
<b>Net asset / (liability) recognised in the Balance Sheet</b>		
Present value of defined benefit obligation	412.45	401.31
Fair value of plan assets	349.46	327.19
Funded status [Surplus / (Deficit)]	(62.99)	(74.11)
<b>Net liability recognised in the Balance Sheet</b>	(62.99)	(74.11)
<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>	349.46	327.19
*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.		
<b>Actuarial assumptions</b>		
Discount rate	7.52%	7.52%
Expected return on plan assets	7.52%	7.07%
Salary escalation	6.50%	6.50%
<b>Attrition Rate</b>	5.00%	5.00%



**Notes forming part of financial statements**

(₹ in Lakhs)

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.

**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, 2023</b>	<b>March 31, 2022</b>
Estimate value of obligation if discount rate is taken 1% higher	374.39	372.72
Estimated value of obligation if discount rate is taken 1% lower	452.38	431.91
Estimate value of obligation if salary growth rate is taken 1% higher	377.95	374.66
Estimate value of obligation if salary growth rate is taken 1% lower	414.54	401.75
Estimate value of obligation if attrition rate is taken 1% higher	412.55	401.33
Estimate value of obligation if attrition rate is taken 1% lower	453.46	431.91

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, 2023</b>	<b>March 31, 2022</b>
1		32.63	24.50
2		22.40	41.01
3		25.30	19.43
4		37.67	22.87
5		23.17	29.01
	Next 5 year pay-outs (6-10 years)	145.96	133.51
	Pay-outs above Ten years	855.85	209.61

**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).

## Notes forming part of financial statements

(₹ in Lakhs)

**42 Related party transactions****A. Details of related parties:**

Description of relationship	Name of related parties
i) Enterprises that have significant influence on the company	Vedanayagam Hospital Private Limited
ii) Enterprises in which the Key managerial Personnel or relatives have significant influence	Anamallais Agencies Private Limited Anamallais Automobiles Private Limited Sundar Ram Enterprise Private Limited Firebird Institute of Research in Management Dr SVK Educational Charities Annamalai Retreading Company Private Limited Alagammal Charitable Trust Anamallais Motors Private Limited Anamallais Agencies (stadium) Private Limited Annamalai Retreading Company Private Limited Shiva Automobiles Private Limited Abirami Ecoplast Private Limited Shiva Mills Limited Firebird Enterprenuerial Ventures Private Limited Abirami Distributors Private Limited S KS Agencies Private Limited L K Distributors Private Limited Young Brand Apparel Private Limited Sri Rangalakshmi Agro Private Limited
iii) Key Managerial Personnel (KMP)	Sri S K Sundararaman, Managing Director Sri C Krishnakumar, Chief Financial Officer Sri R Srinivasan, Company Secretary Sri S Marusamy - Director
Relatives of key management personnel :	Sri S V Kandasami - Father of Managing Director Smt K Leelavathi - Mother of Managing Director Smt S Sujana Abirami - Spouse of Managing Director

**Notes forming part of financial statements**

(₹ in Lakhs)

**B. Details of transactions during the year and balance outstanding as at the balance sheet date:**

Particulars	Related Party	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Transactions during the year:			
Sale of goods and services	Abirami Ecoplast Private Limited	589.92	514.29
	Vedanayagam Hospital Private Limited	0.33	4.09
	Young Brand Apparel Private Limited	0.24	-
Purchase of goods and services	Abirami Distributors Private Limited	4.92	2.72
	Abirami Ecoplast Private Limited	14.07	2.01
	Anamallais Agencies Private Limited	-	0.52
	Anamallais Agencies Stadium Private Limited	1.44	16.97
	Anamallais Automobiles Private Limited	-	0.22
	Anamallais Motors Private Limited	2.50	1.12
	Firebird Enterprenuerial Ventures Private Limited	17.70	18.03
	Firebird Institute of Research in Management	-	1.55
	L K Distributors Private Limited	5.91	-
	Shiva Automobiles Private Limited	-	9.38
Purchase of Land	Sundar Ram Enterprise Private Limited	102.00	-
Interest paid	Dr S V Kandasami	18.80	37.50
	Sundar Ram Enterprise Private Limited	28.60	30.00
Rent Paid	Sundar Ram Enterprise Private Limited	0.90	0.90
	Vedanayagam Hospital Private Limited	0.71	1.40
Dividend Paid	Dr S V Kandasami	2.44	2.09
	Smt K Leelavathi	0.04	-
	Sri S K Sundararaman	0.71	0.14
	Sri S Marusamy	0.06	-
	Sri S V Alagappan	-	0.39
	Sundar Ram Enterprise Private Limited	0.20	0.17
	Vedanayagam Hospital Private Limited	130.98	75.66
	Annamalai Retreading Company Private Limited	-	36.60
Director Sitting fee	Dr S V Kandasami	0.40	0.40
	Smt S Sujana Abirami	0.50	0.30
	Sri A Dhananjayan	1.00	0.70
	Sri D Sathish Krishnan	1.10	0.80
	Sri K N V Ramani	1.00	0.90
	Sri S Marusamy	0.60	0.50



## Notes forming part of financial statements

(₹ in Lakhs)

Particulars	Related Party	For the year ended March 31, 2023	For the year ended March 31, 2022
	Sri S V Alagappan	0.50	0.40
Director Remuneration	Sri S K Sundararaman	36.00	193.00
Director PF Contribution	Sri S K Sundararaman	4.32	4.32
Remuneration to KMP	Sri C Krishnakumar - Chief Financial Officer	26.41	23.35
	Sri R Srinivasan - Company Secretary	24.91	22.60
Loan from Related Parties	Sundar Ram Enterprise Private Limited	300.00	-
	Dr S V Kandasami	500.00	-
Loan -Repayment	Sri S K Sundararaman	50.00	-
	Sundar Ram Enterprise Private Limited	700.00	-
b) Transactions at the end of the year			
(i) Receivables	Abirami Ecoplast private Limited	85.30	95.02
(ii) Payables	Abirami Ecoplast private Limited	-	0.79
(iii) Payables for Expenses	Abirami Distributors Pvt Ltd	0.19	0.76
	L K Distributors Private Limited	5.91	-
(iv) Rent Payable	Sundar Ram Enterprise Private Limited	0.08	0.08
	Vedanayagam Hospital Private Limited	0.06	-
(v) Loans Payable	Sri S V Alagappan	25.00	25.00
	Sri S K Sundararaman	40.00	90.00
	Dr S V Kandasami	-	500.00
	Sundar Ram Enterprise Private Limited	-	400.00
(vi) Land pledged as collateral security (10.19 acres)	Sundar Ram Enterprise Private Limited	1,941.60	1,957.08

Note No	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>43</b>	<b>Earnings per equity share</b>		
	Net Profit \ (Loss) attributable to equity shareholders (Rs.)	(664.00)	2001.19
	Weighted average number of equity shares ( Nos.)	129.63	129.63
	Par value per equity share (Rs.)	10.00	10.00
	Earning per share - Basic & Diluted (Rs.)	(5.12)	15.44



## Notes forming part of financial statements

(₹ in Lakhs)

## 44 Income Tax Recognised :

Particulars	For the year ended 31 March, 2023		For the year ended 31 March, 2023	
	Statement of profit and loss	Other comprehensive income	Statement of profit and loss	Other comprehensive income
Current Tax:				
- pertaining to current year	-	4.92	860.99	16.25
- pertaining to earlier year	32.37		76.58	
Deferred Tax:				
In respect of current year	277.45	-	61.84	-
Income tax expense	309.82	4.92	999.41	16.25

## 45 Movement in deferred tax balances

Particulars	Opening Balance	Recognised in profit and Loss	Recognised in Other Compre hensive Income	Recog nised directly in equity	Closing Balance
<b>For the year ended March 31, 2023</b>					
Tax effect of items constituting deferred tax asset					
Provision for doubtful debts	57.61	(21.77)	-	-	35.84
Disallowances under section 43B of Income Tax Act, 1961	160.39	(108.86)	-	-	51.53
Carry forwarded Loss for set off	18.76	(18.76)	-	-	-
<b>Tax effect of items constituting deferred tax asset</b>	<b>236.76</b>	<b>(149.39)</b>	<b>-</b>	<b>-</b>	<b>87.37</b>
Tax effect of items constituting deferred tax (liability)					
On difference between book balance and tax balance of fixed assets	(3,592.79)	(128.04)	-	-	(3,720.83)
Gain on Actuarial valuation		(3.70)			(3.70)
Gain on Fair value of investments		(1.22)			(1.22)
Tax effect of items constituting deferred tax (liability)	(3,592.79)	(132.96)	-	-	(3,725.75)
Less: MAT credit availed	940.87	(132.70)	-	-	808.17
<b>Net Deferred tax asset/(liability)</b>	<b>(2,415.16)</b>	<b>(415.05)</b>	<b>-</b>	<b>-</b>	<b>(2,830.21)</b>



## Notes forming part of financial statements

(₹ in Lakhs)

Particulars	Opening Balance	Recognised in profit and Loss	Recognised in Other Comprehensive Income	Recognised directly in equity	Closing Balance
For the year ended March 31, 2022					
Tax effect of items constituting deferred tax asset					
Fair value/Provision for investments	-	-	-	-	-
Provision for doubtful debts	37.34	20.27	-	-	57.61
Disallowances under section 43B of Income Tax Act, 1961	104.39	56.00	-	-	160.39
Carry forwarded Loss for set off	9.38	9.38	-	-	18.76
Tax effect of items constituting deferred tax asset	151.11	85.65	-	-	236.76
Tax effect of items constituting deferred tax (liability)					
On difference between book base and tax base of property plant and equipment	(3,445.30)	(147.49)	-	-	(3,592.79)
Tax effect of items constituting deferred tax (liability)	(3,445.30)	(147.49)	-	-	(3,592.79)
Less: MAT credit Receivable transferred to Deferred tax Liability	1,283.33	(342.46)	-	-	940.87
<b>Net Deferred tax asset/(liability)</b>	<b>(2,010.86)</b>	<b>(404.30)</b>	<b>-</b>	<b>-</b>	<b>(2,415.16)</b>



## Notes forming part of financial statements

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Tax effect of items constituting deferred tax Assets		
Fair value/Provision for investments	-	-
Provision for doubtful debts	35.84	57.61
Disallowances under section 43B of Income Tax Act, 1961	51.53	160.39
Carry forward Loss for set off	-	18.76
<b>Tax effect of items constituting deferred tax Asset</b>	<b>87.37</b>	<b>236.76</b>
Tax effect of items constituting deferred tax (liability)		
On difference between book balance and tax balance of fixed assets	(3,720.83)	(3,592.79)
Gain on Actuarial valuation	(3.70)	
Gain on Fair value of investments	(1.22)	
Tax effect of items constituting deferred tax (liability)	(3,725.75)	(3,592.79)
Less: MAT credit availed	808.17	940.87
<b>Net deferred tax (liability) / asset</b>	<b>(2,830.21)</b>	<b>(2,415.16)</b>
<b>46 Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:</b>		
Particulars	As at March 31, 2023	As at March 31, 2022
Profit before tax	(354.18)	3,000.60
Enacted income tax rate in India	29.12%	29.12%
Computed expected tax expense	(103.14)	873.77
Effect on account of exempted income	-	-
Effect on account of permanent difference	25.38	25.38
Effect on account of earlier year tax	32.37	76.58
Others	-	23.67
<b>Income tax expense recognised in the statement of profit and loss</b>	<b>-45.38</b>	<b>999.40</b>

(₹ in Lakhs)

**47 Financial instruments**

The carrying value and fair value of financial instruments by categories as at March 31, 2023 and March 31, 2022 is as follows:

Particulars	Carrying value		Fair value	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>Financial assets</b>				
<b>Amortised cost</b>				
Loans	52.69	62.79	52.69	62.79
Trade receivable	-	2,614.82	-	2,614.82
Cash and cash equivalents				
Cash on hand	5.02	5.57	5.02	5.57
Balance with Banks	66.78	121.75	66.78	121.75
Bank balances other than cash	687.46	857.37	687.46	857.37
Other financial assets	80.66	141.80	80.66	141.80
FVTOCI				
Investment in equity instruments	138.96	135.46	138.96	135.46
FVTOCI				
Investment in equity instruments (unquoted)	181.58	64.37	181.58	64.37
<b>Total assets</b>	<b>1,213.15</b>	<b>4,003.92</b>	<b>1,213.15</b>	<b>4,003.92</b>
<b>Financial liabilities</b>				
Amortised cost				
Borrowings	9,444.96	14,100.96	9,444.96	14,100.96
Trade payables	2,415.89	1,358.70	2,415.89	1,358.70
Other financial liabilities	1,478.38	1,519.19	1,478.38	1,519.19
<b>Total liabilities</b>	<b>13,339.23</b>	<b>16,978.84</b>	<b>13,339.23</b>	<b>16,978.84</b>

The management assessed that fair value of cash and Balances with Bank, 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.



**Notes forming part of financial statements**

(₹ in Lakhs)

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, 2023 was assessed to be insignificant.
- iii) 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.

**48 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, 2023, March 31, 2022

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)
<b>Financial assets measured at fair value:</b>						
1) FVTOCI financial assets designated at fair value:						
Investment in equity instruments (quoted)	March 31, 2023	March 31, 2023	138.96	138.96	-	-
	March 31, 2022	March 31, 2022	135.46	135.46	-	-
2) FVTOCI financial assets designated at fair value:						
Investment in equity instruments (unquoted)	March 31, 2023	March 31, 2023	181.58	-	-	181.58
	March 31, 2022	March 31, 2022	64.37	-	-	64.37

There is transfer from Level 3 to Level 1

## Notes forming part of financial statements

(₹ in Lakhs)

**49 Leases**

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

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. 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. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The right-of-use assets are also subject to impairment. Right-of-use assets mainly consists of land and building.

**Movement in right-of-use assets and lease liabilities during the year:****49.1 Right-of-use assets**

Particulars	As at March 31, 2023	As at March 31, 2022
Opeing Balance	23.85	56.92
Additions	1,106.92	9.14
Amortisation	196.48	42.21
<b>Closing balance</b>	<b>934.29</b>	<b>23.85</b>

**49.2 Lease liabilities**

Particulars	As at March 31, 2023	As at March 31, 2022
Opeing Balance	41.12	64.95
Accruals	1,105.97	(1.13)
Interest	71.87	-
Lease payments	236.97	22.70
<b>Closing balance</b>	<b>982.00</b>	<b>41.12</b>
Current	182.56	41.12
Non-current	799.44	-

**49.3 Maturity analysis of lease liabilities**

Particulars	As at March 31, 2023	As at March 31, 2022
1 year	182.56	41.12
1 to 5 years	799.44	-

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

Particulars	As at March 31, 2023	As at March 31, 2022
Lease rent	26.74	136.93

**50 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.

**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	March 31, 2023	March 31, 2022
	Revenue from top customer	1,931.93
Revenue from top 5 customers	7,483.84	8,318.08



## Notes forming part of financial statements

(₹ in Lakhs)

Five customer accounted for more than 10% of the revenue for the year ended March 31, 2023 , however two customers accounted for more than 10% of the receivables for the year ended March 31, 2022. Four customers accounted for more than 10% of the revenue for the year ended March 31, 2020, however three of the customers accounted for more than 10% of the receivables for the year ended March 31, 2022.

### 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 counterparties, 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	March 31, 2023	March 31, 2022
	Cash and cash equivalents	71.80
<b>Total</b>	<b>71.80</b>	<b>127.32</b>

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2023, March 31, 2022 and April 1, 2021

Particulars	As at	Less than 1 year	1-2 years	2 years and above
Borrowings	March 31, 2023	5,180.38	4,199.58	65.00
	March 31, 2022	9,421.70	4,064.25	615.00
Trade payables	March 31, 2023	2,415.90	-	-
	March 31, 2022	1,358.70	-	-
Other financial liabilities	March 31, 2023	1,478.38	-	-
	March 31, 2022	1,519.19	-	-

**Notes forming part of financial statements**

(₹ in Lakhs)

**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

The following table presents foreign currency risk from non-derivative financial instruments as of March 31, 2023 and March 31, 2022

Particulars	As at	US\$	Euro	Total
<b>Assets</b>				
Trade receivables	March 31, 2023	83,056	-	83,056
	March 31, 2022	24,957	38,937	63,894
Cash and cash equivalents	March 31, 2023	-	-	-
	March 31, 2022	-	-	-
<b>Liabilities</b>				
Trade payable	March 31, 2023	-	-	-
	March 31, 2022	-	-	-
Borrowings	March 31, 2023	-	-	-
	March 31, 2022	-	-	-
Net assets/(liabilities)	March 31, 2023	83,056	-	83,056
	March 31, 2022	24,957	38,937	63,894
Net assets/(liabilities)	March 31, 2022	83,056	-	83,056
	March 31, 2023			
	March 31, 2022	24,957	38,937	63,894

**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.



## Notes forming part of financial statements

(₹ in Lakhs)

Particulars	For the year ended March 31,2023	For the year ended March 31,2022
Impact on profit for the year	(2.88)	(2.63)

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 31,2023	For the year ended March 31,2022
Increase / (decrease) in the Profit for the year	(148.79)	(117.77)

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 31,2023	As at March 31,2022†
Total equity attributable to the equity share holders of the company	13,411.20	14,247.52
As percentage of total capital	59%	50%
Current borrowings	5,180.38	9,421.70
Non-current borrowings	4,264.58	4,679.25
Total borrowings	9,444.96	14,100.96
As a percentage of total capital	41%	50%
<b>Total capital (borrowings and equity)</b>	<b>22,856.15</b>	<b>28,348.48</b>

The company is financed by both Debt and Equity, which is evident from the capital structure table



## Notes forming part of financial statements

(₹ in Lakhs)

## 51. Financial Ratios for the year ended 31 March 2023

Sl. No.	Particulars	Year Ended			Comments
		31.03.2023	31.03.2022	% Change	
1	Current Ratio (Current Assets / Current Liabilities)	1.05	1.15	-9.39%	Increase in trade payable and decrease in inventories and export incentives receivable.
2	Debt-Equity Ratio (Borrowings / Shareholders' Fund)	0.78	0.99	-21.67%	Repayment of long term debt is higher comparatively.
3	Debt Service Coverage Ratio (Net Operating Income/ [Finance cost + Principal repayments + lease payments])	0.22	1.61	-86.27%	On account of loss as compared to previous year.
4	Return on Equity Ratio (Net Profit after Taxes Less Preference Dividend / Shareholder's Fund)	-4.95%	14.05%	-135.25%	On account of loss and reduction of other equity as compared to previous year.
5	Inventory Turnover Ratio (Net Sales / Average Inventory)	5.12	5.44	-5.80%	-
6	Trade Receivables Turnover Ratio (Net Sales / Average trade receivables)	16.28	15.32	6.29%	-
7	Trade Payables Turnover Ratio (Net Credit Purchases / Average Trade Payables)	13.22	13.10	0.95%	-
8	Working Capital Turnover Ratio (Sales / Working Capital)	95.79	23.99	299.37%	On account of increased cash collections.
9	Net Profit Ratio (PAT / Total Sales)	-1.62%	4.19%	-138.53%	On account of loss as compared to previous year.
10	Return on Capital Employed (PBIT / Capital Employed)	4.29%	15.35%	-72.06%	On account of decrease in production as compared to previous year.
11	Return on Net Worth (PAT / Shareholders' Fund)	-4.95%	14.26%	-134.73%	On account of loss as compared to previous year.
12	Return on Investment (Capital Appreciation / Investments at the beginning of the year)	29.59%	27.15%	8.98%	-

**Notes forming part of financial statements**

(₹ in Lakhs)

**52 Additional Disclosure relating to Schedule III Amendment of Companies Act ,2013****(i) Details of Benami property :**

No proceedings have been initiated or are pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

**(ii) Utilisation of borrowed funds and share premium:**

- A) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- a) Directly or indirectly lend or invest in other persons or entitie identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - b) Provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

**(iii) Compliance with number of layers of companies:**

The Company has complied with the number of layers prescribed under the Companies Act,2013.

**(iv) Undisclosed income:**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

**(v) Details of crypto currency or virtual currency:**

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

**(vi) Valuation of Property, Plant and Equipment, intangible asset and investment property:**

The Company has not revalued its property, plant and equipment (including Right of Use Assets) or intangible assets or both during the current or previous year.

**(vii) Struck off Companies:**

The company does not have any transaction with companies struck off .





**(viii) Wilful Defaulter:**

The Company had not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

**(ix)** The Company does not have any charges or satisfaction which is yet to be register with Registrar of Companies (ROC) beyond the statutory period.

**Note 53**

The amounts and disclosures included in the financial statements of the previous year have been reclassified wherever necessary to conform to the current year classification.

**Note 54**

All figures are in lakhs unless otherwise stated and rounded off to the nearest two decimals.

Subject to our report of even date attached.

For and on behalf of the Board of Directors

**For VKS Aiyer & co**  
Chartered Accountants

**C S Sathyanarayanan**  
Partner  
Membership No. 028328

Place: Coimbatore  
Date: May 25, 2023

**S V Alagappan**  
Chairman  
DIN:00002450

**C Krishnakumar**  
Chief Financial Officer

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

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

## Notes forming part of financial statements

## 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)	2,160.45	6,869.35	10,932.18	1,917.95	1,526.88	391.07	9
2001-2003 (15 months)	2,160.45	6,044.31	10,594.30	1,313.28	1,040.98	272.30	6
2003-2004	2,160.45	6,097.48	9,441.91	1,089.09	749.24	339.85	7.5
2004-2005	2,160.45	5,827.91	9,469.61	1,380.96	771.84	609.12	10
2005-2006	2,160.45	6,987.36	8,972.52	2,007.82	697.04	1,521.74	15
2006-2007	2,160.45	8,151.39	10,136.23	2,318.59	720.79	1,553.23	15
2007-2008	2,160.45	7,753.55	9,582.46	1,788.07	743.42	1,119.20	15
2008-2009	2,160.45	7,976.09	10,136.02	1,431.79	832.46	601.57	9
2009-2010	2,160.45	8,254.40	19,796.65	2,178.64	1,350.33	828.31	10
2010-2011	2,160.45	10,538.23	42,336.50	5,567.24	1,765.98	3,801.25	15
2011-2012	2,160.45	8,595.89	33,194.77	(992.86)	1,870.32	(2,863.18)	-
2012-2013	2,160.45	10,521.78	41,139.32	5,072.42	1,916.97	3,155.45	12
2013-2014	2,160.45	12,304.74	49,244.10	5,004.16	2,008.74	2,995.42	12
2014-2015	2,160.45	12,932.84	45,769.57	2,959.23	1,687.01	1,272.22	10
2015-2016	2,160.45	12,932.84	44,235.60	3,163.94	1,709.40	1,454.54	11
2016-2017	2,160.45	14,151.64	37,793.34	2,929.47	1,282.57	1,646.90	16
2017-2018	1,296.27	9,514.15	35,551.51	2,808.41	1,343.64	1,464.77	16
2018-2019	1,296.27	9,903.46	35,110.33	2,136.70	1,336.21	800.49	11
2019-2020	1,296.27	9,817.62	36,655.37	1,591.67	1,468.93	122.74	-
2020-2021	1,296.27	11,066.05	34,027.77	3,228.99	1,568.38	1,660.61	12
2021-2022	1,296.27	12,951.25	47,456.71	4,266.16	1,265.55	3,000.60	14
2022-2023	1,296.27	12,114.93	41,087.26	1,057.04	1,411.23	(354.18)	-

<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. 4/1B Arakulam Road Palladam Tk, Paruvai, Tirupur - 641 658	D.No. 1/667, K.P. Mahal, Chinna lyyan Kovil Pirivu, Somanur Road Ichipatti Village, Palladam Tk Tirupur-641 668

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**Racksack Bag**



**ART  
CANVAS**



**EXTREME  
COLD WEATHER  
CLOTHING SYSTEM**



**SHIVA TEXYARN LIMITED**

**A TECHNICAL TEXTILE COMPANY**

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