



SHIVA TEXYARN LIMITED

Regd. Office : 252, Mettupalayam Road, Coimbatore - 641 043, Tamilnadu INDIA

Telephone : 0422 - 2435555 E-mail : shares@shivatex.co.in

Website : www.shivatex.co.in CIN : L65921TZ1980PLC000945 GSTRN : 33AABCA6617M1Z0

STYL/SEC/SE/62/2020-21

31st August 2020

To

BSE LIMITED Phiroze Jeejeebhoy Towers 25 th 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 2019-20 – 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 2019- 2020.

The said Annual Report has also been uploaded on the website of the Company at www.shivatex.in.

Thanking you

Yours faithfully

For Shiva Texyarn Limited


R. SRINIVASAN
Company Secretary
M.No.21254



SHIVA TEXYARN LIMITED

A TECHNICAL TEXTILE COMPANY



39th ANNUAL REPORT 2020

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BOARD OF DIRECTORS

Sri S V Alagappan	Chairman
Dr S V Kandasami	Director
Sri S K Sundararaman	Managing Director
Smt S Sujana Abirami	Director
Sri K N V Ramani	Director
Sri C S K Prabhu	Director (upto 24.08.2019)
Sri S Palaniswami	Director (upto 24.08.2019)
Dr K R Thillainathan	Director (upto 24.08.2019)
Sri S Marusamy	Director
Sri A Dhananjayan	Director (w.e.f 29.05.2019)
Sri D Satish Krishnan	Director (w.e.f 29.05.2019)

AUDITORS

M/s. Deloitte Haskins & Sells LLP
Chartered Accountants
Coimbatore - 641 018

INTERNAL AUDITORS

M/s B M & Associates
Chartered Accountants
Coimbatore - 641 018

COST AUDITOR

Sri M Nagarajan
Cost Auditor
Coimbatore - 641 018

REGISTERED OFFICE

252, Mettupalayam Road
Coimbatore - 641 043
Tamilnadu
Phone : 91-422-2435555
Fax : 91-422-2434446
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
UCO Bank
R B L Bank Ltd
Bank of Baroda
Karur Vysya Bank
Axis Bank Limited

SHARE TRANSFER AGENT

M/s. SKDC Consultants Ltd
Kanapathy Towers
3rd Floor, 1391/A-1 Sathy Road
Ganapathy, Coimbatore - 641 006

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 39th Annual General Meeting of the Members of the Company will be held on Wednesday the 23rd September, 2020 at 10.00 AM through Video Conferencing (VC) / Other Audio Visual Means (OAVM) from the Registered Office situated at 252, Mettupalayam Road, Coimbatore – 641 043 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, 2020, 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. **To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution:**

RESOLVED that in accordance with Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, and other applicable provisions, if any, consent of the shareholders of the Company be and is hereby accorded for continuation of present term of Directorship of Sri S Marusamy (DIN:00610091) as a Non-Executive Independent Director of the Company who has attained the age of 75 years during the tenure of his present appointment.

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

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

RESOLVED that pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 and pursuant to the recommendation of Audit Committee the remuneration of ₹ 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 2021, be and is hereby ratified and confirmed.

Coimbatore
14th August, 2020

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

Notes:

1. **In view of continuing Covid-19 pandemic, Ministry of Corporate Affairs Circular Ref. Nos: 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 permitted the holding of Annual General Meeting through VC/OAVM without the physical presence of the members at the common Venue. In compliance with these MCA Circulars and 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 the 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 RTA at info@skdc-consultants.com.
4. Members are requested to submit the questions in advance on the e-mail address shares@shivatex.co.in.
5. As per MCA General Circular No. 20/2020 dated May 5, 2020 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. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business in respect of items starting from 3 and 4 of the Agenda are annexed hereto.
9. Previous year figures are given in brackets for the purpose of comparison.
10. Relevant documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection through electronic mode only.
11. The dividend remaining unclaimed and unclaimed shares remaining unclaimed for a period of 7 years pertaining to the period 2012-2013 will be transferred to the IEPF account and the investors may claim the same from the Central Government as per the applicable provisions. The list of shares transferred is available in the website of the Company www.shivatex.in.
12. In compliance with the provisions of Section 108 of the Act, 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, as an alternate, to all its Members to enable them to cast their votes electronically instead of casting their vote at a meeting.



13. The voting through electronic means will commence on 20th September 2020 at 10.00 A.M and will end on 22nd September 2020 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 e-voting system shall be disabled for voting thereafter. The persons those who are holding shares as on the cut-off date of 16th September 2020 are only eligible to cast their e-voting.
14. Registration of email ID and Bank Account details:

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

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

 - (i) Members holding shares in physical mode are requested to communicate their change of postal address (enclose copy of aadhar card) e-mail address if any, self attested copy of PAN Card and Bank Account details (enclose cancelled cheque leaf) quoting their Folio Nos. to the Registrar and Share Transfer Agents, M/s. SKDC Consultants Ltd., Kanapathy Towers, 3-A, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006.
 - (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.
15. The Notice of the Annual General Meeting along with the Annual Report for the financial year 2019-20 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/ Depositories in accordance with the aforesaid MCA Circulars and circular issued by SEBI dated May 12, 2020. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2019-20 will also be available on the Company's website www.shivatex.in; websites of the Stock Exchanges i.e. National Stock Exchange of India Ltd and BSE Limited at nseindia.com and bseindia.com respectively. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.
16. 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.
17. Instructions for e-voting and joining the Annual General Meeting are as follows:
18. Instructions for shareholders to vote electronically:
 - ❖ **Log-in to e-Voting website of Link Intime India Private Limited (LIPL)**
 1. Visit the e-voting system of LIPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
 2. Click on "Login" tab, available under 'Shareholders' section.
 3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
 4. Your User ID details are given below:
 - a. Shareholders holding shares in demat account with NSDL: Your User ID is 8 Character DP ID followed by 8 Digit Client ID

- b. Shareholders holding shares in demat account with CDSL: Your User ID is 16 Digit Beneficiary ID
 - c. Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company
5. Your Password details are given below:

If you are using e-Voting system of LIPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on "Sign Up" tab available under 'Shareholders' section register your details and set the password of your choice and confirm (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).

For Shareholders holding shares in Demat Form or Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"> ● Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number which is shared to the Members.
DOB / DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.
Bank Account Number	Enter the Bank Account number (Last Four Digits) as recorded in your demat account or in the company records for the said demat account or folio number. Please enter the DOB/ DOI or Bank Account number in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Bank Account number field as mentioned in instruction (iv-c).

If you are holding shares in demat form and had registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

Incase shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (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)

NOTE:

The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.



It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

❖ **Cast your vote electronically**

6. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No" of the company, you choose to vote.
7. On the voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

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'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/Against'.

8. If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.
9. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, 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.
10. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
11. You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

❖ **General Guidelines for shareholders:**

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <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.
- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
- In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to enotices@linkintime.co.in or Call us :- Tel : 022 - 491 86000.

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

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

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

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

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

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

Note:

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

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

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

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

InstaMeet Support Desk

Link Intime India Private Limited

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

Shareholders/ Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id, mobile number at shares@shivatex.co.in from 18th September 2020 at 10.00 AM to 20th September 2020 at 5.00 PM (preferably one day or 24 hrs. prior to the date of AGM).

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



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

Note:

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

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

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

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

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote".
2. Enter Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMeet and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired.
Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note:

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

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

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

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

Coimbatore
14th August, 2020

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

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**ITEM NO. 3**

Sri S Marusamy (DIN:00610091) was appointed as a Non-Executive and Independent Director of the Company for five consecutive years for a second term from 25th August 2019 till 24th August 2024 by way of special resolution. Sri S Marusamy is a member of Stakeholders Relationship Committee of the Board of Directors of the Company. He has more than four decades of experience in agro processing and transport agency business.

The Securities and Exchange Board of India in SEBI (Listing Obligations and Disclosure Requirements), (Amendment) Regulations, 2018 in Regulation 17 (1A), has mandated vide its notification dated 9th May, 2018, that no Director shall continue the Directorship as Non-Executive Director who has attained the age of 75 years unless a Special Resolution is passed by the members for this purpose.

The Board considers that his continued association would be benefit to the Company and it is desirable to continue to avail services of Sri S Marusamy as an Independent Director. Accordingly, the Board recommends the resolution in relation to continuation of Sri S Marusamy as an Independent Director. Accordingly, the Board recommends the resolution in relation to continuation of Sri S Marusamy as an Independent Director for the approval by the shareholders of the Company, who has attained the age of 75 years during the tenure of his present appointment.

Except Sri S Marusamy, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise in the resolution set out at Item No. 3.

ITEM No. 4

The Board of Directors of the Company on the recommendation of the Audit Committee has approved the appointment of 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, 2020.

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 to be ratified 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 2021, 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.

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
14th August, 2020

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

ANNEXURE TO THE NOTICE RE-APPOINTMENT OF DIRECTORS

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

Name	S SUJANA ABIRAMI
Date of Birth/Age	13-01-1979 / 41 Years
Qualification	B.Com
Date of Appointment	31.08.2017
Experience	10 Years in General Administration and Hospital Management
Other Directorships	Abirami Distributors Private Ltd Abirami Ecoplast Private Ltd Firebird Enterprenuerial Ventures Private Ltd
Membership of Committees of the Board (Listed entities)	Shiva Texyarn Limited CSR Committee - Member Risk Management Committee - Member
Relationship between the inter-se directors	Spouse of Sri S K Sundararaman & Daughter in Law of Dr S V Kandasami
Number of shares held in the company	-

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Thirty Ninth Annual Report together with Audited Financial Statements of the Company for the year ended 31st March, 2020.

(₹ in lakhs)

FINANCIAL RESULTS

	Financial Year	
	2019-20	2018-19
Profit before Interest and Depreciation	3822.41	4302.01
Less: Interest	2230.74	2165.31
Profit before Depreciation	1591.67	2136.70
Less: Depreciation	1468.93	1336.21
Profit before Tax	122.74	800.49
Less : Provision for Income Tax		
- Current Tax	-	162.94
- Deferred tax Liability (Net)	(31.96)	(32.74)
Profit after Tax	154.70	670.29
Add : Other comprehensive income/(Loss)	(39.00)	(30.93)
Total comprehensive income/(Loss) for the year	115.70	639.36

DIVIDEND

The Board has not recommended any dividend for the financial year 2019-2020.

REVIEW OF OPERATIONS

During the year under review, the spinning unit produced 11319.54 tonnes (10482.15 tonnes) of yarn. The spinning unit sold 11907.69 tonnes (9868.55 tonnes) of yarn and out of which exports accounted for 806.16 tonnes (1505.77 tonnes). Further, during the year under review, the Company sold 3072.24 tonnes (3318.23 tonnes) of waste cotton of which exports accounted for 256.17 tonnes (392.95 tonnes).

The Wind Mills, with aggregate installed capacity of 18.145 MW generated 187.56 lakh units of Wind Electricity as against 212.62 lakh units in the last year. The entire power generated by Wind Mills was utilized for captive consumption at the textile mills.

The performances of the Spinning Unit in terms of profitability was less compared to last year due to lack of demand and increased cotton price. And wind generation also less compared to last year its support to the extend of maintain the profitability.

The Company's non-spinning Technical Textile divisions overall performance in respect of revenue almost equal to last year, in respect of profitability was reduced due to high material and operational cost. The overall sales turnover of the

Company from all divisions aggregated to ₹ 36655.37 Lakhs (₹ 35111.33 Lakhs) of which exports including merchant exports amounted to ₹ 3315.83 Lakhs (₹ 5690.11 Lakhs), the exports contributing 9.05% (16.21%) of the overall sales of the Company.

PRESENTATION OF FINANCIAL STATEMENTS

The financial statements for the year ended 31.3.2020 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 relevant provisions of the Act.

PROSPECTS FOR THE CURRENT YEAR

The Company has approached the COVID-19 challenges optimistically and in support of the Government initiatives to combat Corona Virus, the Company has entered into the filed of Medical Textiles, has introduced the products like Protective Coverall and re-usable Face Masks. The contribution from Lamination, Coating and Garments Divisions are likely to improve in the forth coming years.

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

Covid-19 pandemic has partially affected the operational and financial performance of the company during the year under review. The impact of the same in the current financial year 2020-21 is detailed in Management and Discussion Analysis.

TRANSFER TO RESERVES

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

CHANGE IN THE NATURE OF BUSINESS

There was no change in the nature of principal business of the Company during the financial year ended 31st March 2020.

SHARE CAPITAL

During the year under review the Company has not made any fresh issue of shares.

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 2012-2013 and respective shares to the Investor Education and Protection Fund and the details are hosted in the website of the company.

EXTRACT OF ANNUAL RETURN

An extract of the Annual Return as on 31st March, 2020 pursuant to the sub-section (3) of Section 92 of the Companies Act, 2013 which forms part of the report in Form MGT-9 is also enclosed as **Annexure I** and is Posted on the website of the Company www.shivatex.in.

BOARD MEETINGS

During the year under review, Four 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 in the preparation of the annual accounts, the applicable accounting standards 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.

As per SEBI (Listing Obligations and Disclosure Requirements), (Amendments) Regulations, 2018 Sri S Marusamy (DIN:00610091) the Non-Executive Director who has attained the age of seventy five years requires the approval of shareholders by way of special resolution for continuation of his office as Director. Suitable resolutions along with explanatory statement and justification for his continuation as Director have been set out in the Notice to the members.

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.

EVALUATION OF BOARD OF 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.

KEY MANAGERIAL PERSONNEL

The Company has not appointed any Key Managerial Personnel during the year under review.

AUDIT COMMITTEE

The Audit Committee comprises of

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

ESTABLISHMENT OF VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

POLICY ON NOMINATION AND REMUNERATION COMMITTEE

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

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

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year in the ordinary course of business were on arm's length basis. Hence provisions of Section 188 of the Companies Act, 2013 are not attracted. Further no materially significant related party transactions were made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large. Hence reporting under Form

AOC-2 is not required. Approval of Audit Committee was obtained for transactions of repetitive nature on annual basis. All related party transactions are placed before the Audit Committee and Board of Directors for their review. The policy on Related Party Transactions is available in the website www.shivatex.in.

There were no transactions made with any person or entity belonging to Promoter / Promoter Group which holds 10% or more shareholding in the Company.

SUBSIDIARY COMPANY

The Company has no subsidiaries during the year under review.

PUBLIC DEPOSITS

The Company has not accepted any public deposits within the meaning of Section 73 to 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 during the year under review.

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.

SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS

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.

AUDITORS

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

DETAILS OF FRAUDS REPORTED BY AUDITORS

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

SECRETARIAL AUDIT

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

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

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 2020-2021 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 CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Company has an Internal Audit Department which monitors and evaluates the efficiency and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. The scope and authority of the Internal Audit function is defined in the Internal Audit Manual. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee and to the Chairman & Managing Director.

Based on the report of internal audit function, corrective actions are taken in the respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

INTERNAL AUDITOR

The Company has appointed M/s. B.M. Associates as Internal Auditor to conduct the internal audit of the Company.

STATEMENT ON RISK MANAGEMENT POLICY

Pursuant to Section 134(3) (n) of the Companies Act, 2013 and Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted a Risk Management Committee. The Committee has developed a Risk Management Policy and implemented the same. The details of the Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Boards Report. At present the Company has not identified any element of risk which may threaten the existence of the Company.

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.

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

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

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

STATUTORY DISCLOSURES

I. Conservation of Energy and others -

The particulars required to be included in terms of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended 31st March, 2020 relating to Conservation of Energy, etc., is enclosed as **Annexure IV**.

II. Remuneration of Directors and other details –

The information required under Section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2020 is provided as **Annexure V** to this report.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

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

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & 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.

a. No. of Complaints filed during the Financial Year 2019-20	NIL
b. No. of Complaints disposed off during the Financial Year 2019-20	NIL
c. No. of Complaints pending as on end of the Financial Year 2019-20	NIL

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
14th August, 2020

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

Annexure I

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2020

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

I REGISTRATION AND OTHER DETAILS:

- | | |
|---|--|
| i) CIN | L65921TZ1980PLC000945 |
| ii) Registration Date | 28-05-1980 |
| iii) Name of the Company | Shiva Texyarn Limited |
| iv) Category / Sub-Category of the Company | Company Limited by Shares / Indian Non -Government Company |
| v) Address of the Registered Office and contact details | 252, Mettupalayam Road,
Coimbatore, Tamilnadu 641 043.
Phone : 0422 2435555,
E-mail : shares@shivatex.co.in |
| vi) Whether Listed Company (Yes/No) | Yes |
| vii) Name, Address and Contact details of Registrar and Transfer Agent (if any) | S K D C Consultants Limited
Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road,
Ganapathy, Coimbatore, Tamilnadu- 641006
Phone : 0422 - 4958995, 2539835-836
E-mail : info@skdc-consultants.com |

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

SI. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Cotton Yarn	13111	67.07
2	Laminated Fabric	13999	11.27

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

SI No	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary/Associate	% of shares held	Applicable section
NIL					

IV Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01.04.2019)				No. of Shares held at the end of the year (as on 31.03.2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual/ HUF	227577	-	227577	1.756	227577	-	227577	1.756	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	9364890	-	9364890	72.245	9369939	-	9369939	72.284	0.039
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub - total (A) (1) :-	9592467	-	9592467	74.001	9597516	-	9597516	74.040	0.039
2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of promoter (A) = (A)(1) + (A)(2)	9592467	-	9592467	74.001	9597516	-	9597516	74.04	0.039
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	60	660	720	0.006	60	660	720	0.006	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	60	660	720	0.006	60	660	720	0.006	-



i) Category-wise Shareholding (Contd...)

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01.04.2019)				No. of Shares held at the end of the year (as on 31.03.2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	53368	2700	56068	0.433	40068	1500	41568	0.321	(0.112)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1745996	359325	2105321	16.240	1745371	317481	2062852	15.913	(0.327)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	674591	-	674591	5.204	727977	-	727977	5.616	0.412
Non Resident Indians	251459	-	251459	1.940	252905	-	252905	1.951	0.011
Director & Their relatives	4049	-	4049	0.031	180	-	180	0.001	(0.030)
Clearing Members	13575	-	13575	0.105	13030	-	13030	0.101	(0.004)
HUF	150884	-	150884	1.164	152506	-	152506	1.176	0.012
IEPF	113219	-	113219	0.873	113099	-	113099	0.872	(0.001)
Unclaimed Share Suspense Account	360	-	360	0.003	360	-	360	0.003	-
Sub-total (B)(2):-	3007501	362025	3369526	25.993	3045496	318981	3364477	25.954	(0.039)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	3007561	362685	3370246	25.999	3045556	319641	3365197	25.960	(0.039)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	12600028	362685	12962713	100.00	12643072	319641	12962713	100.000	-

ii) Shareholding of Promoters

SI No	Shareholder's Name	Shareholding at the beginning of the year (01.04.2019)			Shareholding at the end of the year (31.3.2020)			% change in shareholding during the year
		No of shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No of shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	S V Alagappan	32670	0.25	-	32670	0.25	-	-
2	S V Kandasami	174117	1.34	-	174117	1.34	-	-
3	S K Sundararaman	12060	0.09	-	12060	0.09	-	-
4	A Shenbagam	5220	0.04	-	5220	0.04	-	-
5	K Leelavathi	2700	0.02	-	2700	0.02	-	-
6	A Lalitha	810	0.01	-	810	0.01	-	-
7	Annamallai Retreading Company Private Limited	3050146	23.53	-	3050146	23.53	-	-
8	Vedanayagam Hospital Private Ltd	6305320	48.64	-	6305320	48.64	-	-
9	Sundar Ram Enterprise Private Ltd	9424	0.07	-	14473	0.112	-	0.039
	Total	9592467	74.00	-	9597516	74.039	-	0.039

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

SI No	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	9592467	74.00	-	-
	Sundar Ram Enterprise Private Ltd (Purchased shares during the year)	-	-	5049	0.039
	At the End of the year	9592467	74.00	9597516	74.039

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No	For each of top 10 shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	%	No. of shares	%
1	SABITA SHETTY MRS	125545	0.969	125545	0.969
2	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS	113219	0.873	113099	0.872
3	SANGEETHA S	100690	0.777	100690	0.777
4	ANANT JAIN	43570	0.336	55149	0.425
4	ANANT JAIN	24422	0.188	25476	0.197
5	TIRUMALA RAO NIMMAGADDA	28093	0.217	28093	0.217
5	N TIRUMALA RAO	16542	0.128	16542	0.128
5	TIRUMALA RAO NIMMAGADDA	550	0.004	4110	0.032
5	TIRUMALA RAO NIMMAGADDA	200	0.002	200	0.002
6	DEEPA JANAK PAREKH	37470	0.289	38555	0.297
6	DEEPA JANAK PAREKH	5400	0.042	1209	0.009
7	SELVAM.K.A	30519	0.235	30519	0.235
8	V SUDHA SARADA	29500	0.228	29500	0.228
9	HEMCHAND KUVARJI DEDHIA	22140	0.171	22000	0.170
9	HEMCHAND KUVARJI DEDHIA	2560	0.020	2400	0.019
10	IONA M PALIA	16200	0.125	16200	0.125

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No	Share holding of Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sri S V Alagappan, Director				
	At the beginning of the year	32670	0.25	-	-
	At the end of the year	32670	0.25	32670	0.25
2	Dr S V Kandasami, Director				
	At the beginning of the year	174117	1.34	-	-
	At the end of the year	174117	1.34	174117	1.34

v) Shareholding of Directors and Key Managerial Personnel (Contd...)

Sl. No	Share holding of Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3	Sri S K Sundararaman, Managing Director				
	At the beginning of the year	12060	0.09	-	-
	At the end of the year	12060	0.09	12060	0.09
4	SmtSujana Abirami, Director				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
5	Sri K N V Ramani, Director				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
6	Sri S Marusamy, Director				
	At the beginning of the year	3869	0.03	-	-
	Purchased Shares during the year	-	-	514	0.003
	At the end of the year	3869	0.03	4383	0.034
7	Sri A Dhananjayan, Director				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
8	Sri D Satish Krishnan , Director				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
9	Sri C Krishnakumar, Chief Financial Officer				
	At the beginning of the year	270	-	-	-
	At the end of the year	270	-	270	-
10	Sri R Srinivasan , Company Secretary				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-

V. INDEBTEDNESS
Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	19,387.56	615.00	-	20,002.56
ii) Interest due but not paid	43.44	-	-	43.44
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	19,431.00	615.00	-	20,046.00
Change in Indebtedness during the financial year				
* Addition	686.61	455.00	-	1,141.61
* Reduction	(2,492.79)	-	-	(2,492.79)
Net Change	(1,806.18)	455.00	-	(1,351.18)
Indebtedness at the end of the financial year				
i) Principal Amount	17,581.38	1,070.00	-	18,651.38
ii) Interest due but not paid	37.88	-	-	37.88
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	17,619.26	1,070.00	-	18,689.26

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager (in ₹)

Sl. No.	Particulars of Remuneration	MD/WTD/Manager	TOTAL
		S K Sundararaman Managing Director	
1	Gross salary	36,00,000	36,00,000
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	4,32,000	4,32,000
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	- as % of profit		
	- others, specify...	-	-
5	Others, please specify	-	-
	Total (A)	40,32,000	40,32,000
Ceiling as per the applicable provisions of the Companies Act, 2013			

B. Remuneration to other directors:

(in ₹)

Sl. No.	Particulars of Remuneration								Total Amount
1	Independent Directors	Sri K N V Ramani	Sri C S K Prabhu	Sri S Palaniswami	Dr. K R Thillainathan	Sri A Dhananyayan	Sri D Satish Krishnan	Sri S Marusamy	
-	Fee for attending board committee meetings	90,000	40,000	30,000	20,000	30,000	60,000	50,000	3,20,000
	Commission	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-
	Total (1)	90,000	40,000	30,000	20,000	30,000	60,000	50,000	3,20,000
2	Other Non- Executive Directors	Sri S V Alagappan	Dr S V Kandasami	Sujana Abirami					
	Fee for attending board committee meetings	40,000	40,000	40,000					1,20,000
	Commission Others, please specify								
	Total (2)	40,000	40,000	40,000					1,20,000
	Total (B)=(1+2)	1,30,000	80,000	70,000			1,60,000		4,40,000
	Total Managerial Remuneration								
	Overall Ceiling as per the Act	----- Not Applicable -----							

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Sri R Srinivasan Company Secretary	Sri C Krishnakumar Chief Financial Officer	
1	Gross salary	18,30,420	18,28,365	36,58,785
	a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	-	-	-
	b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	-	-	-
	c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others - specify	-	-	-
5	Others, please specify			
	TOTAL	18,30,420	18,28,365	36,58,785



VII. Penalties / Punishment / Compounding of Offences:

(₹ in Lakhs)

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

By Order of the Board

R SRINIVASAN
COMPANY SECRETARY

Coimbatore
14th August, 2020

ANNEXURE II
FORM NO. MR - 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020

[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)
252 Mettupalayam Road, Coimbatore 641 043

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, 2020, 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 2020 ('Audit Period') according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder and applicable provisions of the Companies Act 1956;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company;
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the Company during the Audit Period);
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the company during the Audit Period)
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the company during the Audit Period)
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the company during the Audit Period)



- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the Audit Period);
- vi. The following other laws specifically applicable to the company:
 - a. Textile Committee Act, 1963
 - b. Textiles (Development and Regulation) order, 2001
 - c. Textiles (Consumer Protection) Regulation, 1985

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The Listing Agreements entered into by the Company with the BSE Limited, National Stock Exchange of India Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

I further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

I further report that, during the audit period:

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

Coimbatore
14th August, 2020

CS. R Dhanasekaran
Company Secretary in Practice
FCS : 7070 / CP No.: 7745
ICSI UDIN : F007070B000582590

ANNEXURE III

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A Brief outline of the Company's CSR policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs. CSR Policy - Approved by the Board of Directors and applicable from 14.8.2014

Present Activities:

- ❖ Shiva Texyarn adopts Government Schools located at around factory and support construction of class rooms, water tanks, laboratory and other basic amenities to students. Provide teachers to the schools adopts by the Company
- ❖ To provide Education facility to economically backward people.
- ❖ To provide Computer Training and organize Skill development Program to Students and Teachers.
- ❖ To offer medical facilities / free medical aid to the needy people.
- ❖ Weblink: www.shivatex.in.

2. Composition of CSR Committee:

Name of the member	Designation
Dr. S V Kandasami	- Chairman
Smt S Sujana Abirami	- Director
Sri D Satish Krishnan	- Independent Director

3. Average net profit of the Company for last 3 financial years : ₹ 9,43,67,979
4. Prescribed CSR expenditure : ₹ 18,87,360
(2% of the amount as in item 3 above)
5. Details of CSR spend during the financial year
 - a) Total amount to be spent for the financial year : ₹ 19,14,950
 - b) Amount unspent, if any : Nil



c) Manner in which the amount spent during the financial year is detailed below :

(in ₹)

Sl No	Projects/ Activities	Sector	Project / program locations	Amount outlay (budget) project/ programwise	Amount spent on the project/ program	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	Sanitation Activities	Health Care	Coimbatore	1,20,000	1,20,000	1,20,000	Implementing Agency
2	Promoting Education	Educational Activities (Joy of Learning)	Coimbatore	3,00,000	3,00,000	3,00,000	Implementing Agency
3	Supply of Food to the needy people	Disaster Relief	Nilgiris	2,61,180	2,61,180	2,61,180	Implementing Agency
4	Save Endangered Species	Ensuring Environmental Sustainability	Coimbatore	50,000	50,000	50,000	Implementing Agency
5	Donation of Insulin Pumps	Health Care	Coimbatore	2,64,054	2,64,054	2,64,054	Direct
6	Free Medical Aid	Health Care	Thensangam palayam Village, Coimbatore	4,50,000	4,50,000	4,50,000	Implementing Agency
7	Computer Room Tiles Work & Damaged tiled roof of three class rooms at Govt. High School, Kangeyampalayam	Promoting Education	Kangeyampalayam, Coimbatore	4,69,716	4,69,716	4,69,716	Direct

The Company has spent the entire prescribed amount of CSR expenditure during the year 2019-2020.

Responsibility Statement of the CSR Committee

The CSR Committee hereby confirms that the implementation and monitoring of CSR activities are in compliance with CSR objectives and policy of the Company.

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

Coimbatore
 14th August, 2020

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

The information under Section 134(3)(m) of the Companies Act, 2013 read with rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended 31st March, 2020 is given here below and forms part of the Directors' Report.

A) CONSERVATION OF ENERGY

(i) Steps taken or impact on conservation of energy;

- ❖ 33 Ring frame machine Pnuemafil motor VFD installed and closed loop with ultimo.
- ❖ 40 Ring Frame and Simplex OHTC fan impeller optimization.
- ❖ WRS Suction paskal optimization & reduce pressure drop.
- ❖ 34 Ring frame machine compact suction optimization.
- ❖ Blow Room Material Line pressure optimization.
- ❖ Humidification plant VFD installation with automation.
- ❖ Link & Autoconer pressure optimization with closed loop.
- ❖ OHTC continuous waste collection converts to intermit end waste collection.
- ❖ Comber compact suction pressure optimization.
- ❖ Compressor Air consumption reduction.
- ❖ Removing of high power consumption capacitor.
- ❖ Energy audits carried out on a regular basis for reduction of energy consumption.

(ii) Steps taken by the company for utilizing alternate sources of energy;

For conservation of energy the Company purchases third party wind power. During the year under review the Company utilized wind power of 187.56 Lakh units by way of captive consumption.

B) TECHNOLOGY ABSORPTION

Research and Development activities are carried out on an ongoing basis for improving the efficiency and also for improving quality of its products.

The Company has not absorbed any particular technology from any outside source.

However the company adopts latest technology available in the Industry.

No separate expenditure was incurred for R & D

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review foreign exchange earnings were ₹ 3058.08 lakhs (Previous year ₹ 5740.39 lakhs). Foreign exchange outgo was ₹ 2841.72 lakhs (Previous year ₹ 1833.98 lakhs)

Coimbatore
14th August, 2020

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

ANNEXURE V

Disclosure in the Board's Report

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

- i) The Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial year 2019-20.

Director's Name	Ratio
Sri S K Sundararaman, Managing Director	21.19 : 1

- ii) The Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager if any in the Financial year 2019-20 compared to 2018-19 means part of the year.

Director's Name/CS/CFO	% increase in remuneration
Sri S K Sundararaman, Managing Director	0
Sri R Srinivasan, Company Secretary	19.51
Sri C Krishnakumar (CFO)	34.48

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

- iii) Percentage increase in the median remuneration of employees in the Financial year 2019-20 1.56%
- iv) Number of permanent employees on the rolls of the Company 1119
- (v) Particulars of Employees as per Rule 5(2) and Rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sl. No.	Name (Age in years)	Designation	Gross Remuneration Paid (in ₹)	Qualification	Date of commencement of employment (experience in years)	Previous Employment
1	NAVEEN SODHI - (65)	SENIOR VICE PRESIDENT	3000000	MSC, MPHIL	16.05.2013, 7 YRS	INDIAN ARMY
2	P BASKAR - (55)	VICE PRESIDENT	2412681	DTT	01.01.1989, 31 YRS	BANNARI AMMAN SPINNING MILLS LTD
3	K VENURAJAGOPAL (55)	G M HR	1830486	MA, BL	28.08.1991, 29 YRS	BANNARI AMMAN SPINNING MILLS LTD
4	R SRINIVASAN (46)	COMPANY SECRETARY	1830420	BSc, ACS, BL	18.05.2017, 3 YRS	SHRI RAM CAPITAL LTD

Sl. No.	Name (Age in years)	Designation	Gross Remuneration Paid (in ₹)	Qualification	Date of commencement of employment (experience in years)	Previous Employment
5	C KRISHNAKUMAR - (42)	C F O	1828365	M.Com, FCA, ACS	01.06.2012, 8 YRS	SABARE INTERNATIONAL LTD
6	RAJESH KUMAR SINGH (42)	HEAD MODERN TRADE SALES	1736575	MBA	02.04.2018, 2 YRS	ADITYA BIRLA GROUP
7	AMIT PAUL (49)	SR MANAGER ADMIN	1716069	BSC	06.04.2018, 2 YRS	INDIAN ARMY
8	L MANESH KUMAR (36)	CHIEF OPERATING OFFICER	1429013	MBA	11.11.2010 10 YRS	GOKAK TEXTILES LTD.
9	G SAMPATH KUMAR (35)	SR MANAGER INTER-NATIONAL MARKETING	1412889	MBA	17.10.2017, 2 YRS	SHARADHA TERRY PRODUCT
10	S SENGOTTAIYAN (68)	DGM ACCOUNTS	1238016	BA	28.8.1985, 35 YRS	TARAPURE & CO, MADRAS

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

The average percentile increase granted to employees other than managerial personnel is : 1.56%

The percentile increase granted to managerial personnel : NIL

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

The Statement of Employees receiving remuneration not less than five lakh rupees per month.

Name : S K Sundararaman
 Age : 46
 Designation : Managing Director
 Nature of Duties : Manage the day to day affairs of the Company subject to the superintendence and control of the Board of Directors
 Remuneration (₹ in lakhs) : 40.32
 Qualification & Experience (years) : MBA and more than 19 years of experience in Textiles/Business
 Date of commencement of Employment : 15.5.2006
 Last employment : Bannari Amman Spinning Mills Limited

Coimbatore
 14th August, 2020

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

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

BOARD OF DIRECTORS

The Board comprises of Eight Directors viz., One Non-Executive Chairman, One Managing Director, One Woman Director and Four Non-Executive Directors. Four Directors are Independent Directors and have no business relationship with the Company.

During the financial year, 4 Board Meetings were convened by giving advance notices to the Directors. The meetings were held on 29.05.2019, 13.08.2019, 11.11.2019 and 04.02.2020.

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 19.08.2019:

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 Yes / No.
			Chairman	Member		
1. Sri S V Alagappan	Non-Executive	2	-	-	4	Yes
2. Dr S V Kandasami	Non-Executive	1	-	-	4	Yes
3. Sri S K Sundararaman	Executive	4	-	4	4	Yes
4. Smt Sujana Abirami	Non-Executive	-	-	-	4	Yes
5. Sri K N V Ramani	Non-Executive - Independent	6	4	5	4	Yes
6. Sri C S K Prabhu*	Non-Executive - Independent	2	4	1	2	Yes
7. Dr K R Thillainathan*	Non-Executive - Independent	1	-	-	2	Yes
8. Sri S Palaniswami*	Non-Executive - Independent	2	1	4	2	Yes
9. Sri S Marusamy	Non-Executive - Independent	1	-	-	4	Yes
10. Sri A Dhananjayan	Non-Executive - Independent	1	-	1	1	No
11. Sri D Satish Krishnan	Non-Executive - Independent	2	-	-	3	Yes

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

* Tenure of office as Independent Director ended on 24.08.2019.

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

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

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

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

FAMILIARISATION PROGRAMME

At the time of appointment of Directors a formal letter of appointment is issued, which sets out roles, functions, duties and responsibilities expected from them. The Directors have also been explained the relevant regulations. The appointments are also provided with necessary information for him to understand the Company's operations, products and events relating to the Company. The details are hosted on the Company Website www.shivatex.in.

SKILLS/EXPERTISE/COMPETENCE OF THE BOARD OF DIRECTORS

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

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

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

The Non-Executive Independent Directors fulfil the conditions laid down for appointment as Independent Directors as specified in Section 149 of the Companies Act, 2013 and rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A formal letter of appointment has been issued and a copy of the same is Posted on the website of the Company viz., www.shivatex.in.

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

AUDIT COMMITTEE

The Audit Committee consists of the following 4 Directors, of whom 3 are independent. During the financial year the Audit Committee met 4 times on 27.05.2019, 09.08.2019, 11.11.2019 and 04.02.2020 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	4
Sri S K Sundararaman	Managing Director	4
Sri C S K Prabhu*	Independent Director	2
Sri S Palaniswami*	Independent Director	1
Sri A Dhananjayan**	Independent Director	1
Sri D Satish Krishnan**	Independent Director	2

(* Tenure of office as Independent Director ended on 24.08.2019)

(** Inducted in the Committee w.e.f. 13.08.2019)

The Audit Committee Chairman was present at the last Annual General Meeting.

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;
- l) Scrutiny of inter-corporate loans and investments;
- j) Valuation of undertakings or assets of the company, wherever it is necessary;
- k) Evaluation of internal financial controls and risk management systems;
- l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- n) Discussion with internal auditors of any significant findings and follow up there on;
- o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- r) To review the functioning of the Whistle Blower mechanism;
- s) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate;
- t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

NOMINATION AND REMUNERATION COMMITTEE

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

During the Financial Year the Nomination and Remuneration Committee met 3 times on 29.05.2019, 11.11.2019 and 04.02.2020.

Name of the Directors	Position	No. of Meetings Attended
Sri K N V Ramani**	Chairman & Independent Director	2
Sri C S K Prabhu*	Independent Director	1
Sri S Palaniswami*	Independent Director	1
Dr KR Thillainathan*	Independent Director	1
Sri A Dhananjayan**	Independent Director	1
Sri D Satish Krishnan**	Independent Director	2

(* Tenure of office as Independent Director ended on 24.08.2019)

(** Inducted in the Committee w.e.f. 13.08.2019)

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.

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.

Independent Directors and their meeting

During the year under review, the Independent Directors met on 06.02.2020 for the following purposes:

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

All the Independent Directors were present at the meeting.

All the Independent Directors have given declarations that they meet the criteria of independence as per 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:www.shivatex.in.

The details of remuneration paid to Managing Director is as follows:

Name	Position	Remuneration Received (in ₹)
Sri S K Sundararaman	Managing Director	40,32,000/-

Pecuniary Relationship / Transactions with Non-Executive Directors:

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee was formed to specifically look into shareholders/investors complaints, if any, on transfer 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 8 times on 08.04.2019, 08.07.2019, 12.10.2019, 23.11.2019, 18.12.2019, 19.02.2020, 24.02.2020 and 24.03.2020 the attendance of each member is furnished below:

The Stakeholders Relationship Committee consists of:

Name	Position	No. of Meetings attended
Sri S V Alagappan	Chairman	8
Sri S Palaniswami*	Member	2
Sri S K Sundararaman	Member	8
Sri S Marusamy	Member	8
Sri D Satish Krishnan**	Member	6

(* Tenure of office as Independent Director ended on 24.08.2019)

(** Inducted in the Committee w.e.f 13.08.2019)

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

The Company has not received any complaint from the Investors during the year and there was no complaint pending at the beginning of the year for redressal. No share transfer was pending as on 31.03.2020.

GENERAL BODY MEETING

Last three Annual General Meetings were held at Nani Kalaiaragam, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore - 641037 on the following dates and details of Special Resolutions passed are as follows :

AGM	Date & Time	Special Resolutions passed	Voting Pattern
36th	25.12.2017 9.15 A.M.	Appointment of Sri S K Sundararaman as Managing Director for a period of 5 years w.e.f 31.08.2017 and payment of remuneration u/s 196,197,198,199 and 203	Total Votes Polled : 97,55,206 Votes Polled for : 97,54,966 Votes against : 240 Neutral : NIL
37th	24.09.2018 10.30 A.M.	1. Continuation of present term of Directorship of Sri S V Alagappan as a Non-Executive Director of the Company who has attained the age of 75 years and whose office is liable to retire by rotation	Total Votes Polled : 96,20,432 Votes Polled for : 96,20,432 Votes against : NIL Neutral : NIL
		2. Continuation of present term of Directorship of Sri S V Kandasami as a Non-Executive Director of the Company who has attained the age of 75 years and whose office is liable to retire by rotation	Total Votes Polled : 96,20,432 Votes Polled for : 96,20,432 Votes against : NIL Neutral : NIL
		3. Continuation of present term of Directorship of Sri K N V Ramani as a Non-Executive Independent Director who has attained the age of 75 years	Total Votes Polled : 96,20,432 Votes Polled for : 96,20,432 Votes against : NIL Neutral : NIL



AGM	Date & Time	Special Resolutions passed	Voting Pattern
		4. Continuation of present term of Directorship of Sri S Palaniswami as a Non-Executive Independent Director who attains the age of 75 years during the tenure of his present appointment	Total Votes Polled : 96,20,432 Votes Polled for : 96,20,432 Votes against : NIL Neutral : NIL
38th	19.08.2019 11.00 A.M.	1. Re-appointment of Sri K N V Ramani (DIN : 00007931) as an Independent Director 2. Re-appointment of Sri S Marusamy (DIN : 00610091) as an Independent Director	Total Votes Polled : 96,06,022 Votes Polled for : 96,05,937 Votes against : 85 Neutral : NIL Total Votes Polled : 96,06,022 Votes Polled for : 96,05,937 Votes against : 85 Neutral : NIL

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.

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

MEANS OF COMMUNICATION

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

GENERAL SHAREHOLDER INFORMATION

- | | |
|---------------------------|---|
| a. Annual General Meeting | Day & Date : Wednesday 23 rd September 2020
Time : 10.00 AM
Venue : 252, Mettupalayam Road,
Coimbatore - 641 043, Tamilnadu |
| b. Financial Year | 2019-2020 |
| 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 Ltd 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 2020 - 21.

MARKET PRICE DATA

The monthly high and low of the Company's share price quoted in the BSE Limited / National Stock Exchange of India Limited / together with NSE Nifty / BSE Sensex from April 2019 to March 2020 were as follows:

MONTH	SHARE PRICE				NSE - NIFTY		S&P BSE - SENSEX	
	BSE (Rs. Ps.)		NSE (Rs. Ps.)		High	Low	High	Low
	High	Low	High	Low				
April 2019	173.00	120.00	177.35	115.30	9826.45	9577.00	39,487.45	38,460.25
May	194.75	105.25	193.65	103.00	9889.30	9108.45	40,124.96	36,956.10
June	149.00	113.50	144.35	115.00	9941.45	9476.10	40,312.07	38,870.96
July	139.85	105.20	145.00	104.75	9805.30	8928.00	40,032.41	37,128.26
August	128.00	93.00	124.95	94.15	9103.10	8628.35	37,807.55	36,102.35
September	138.40	94.40	136.00	96.00	9552.25	8738.65	39,441.12	35,987.80
October	138.00	98.25	137.90	101.50	9733.35	9008.85	40,392.22	37,415.83
November	128.00	81.00	129.00	91.10	9874.90	9596.85	41,163.79	40,014.23
December	96.20	79.10	96.75	80.05	9946.05	9574.85	41,809.96	40,135.37
January'20	106.00	84.10	108.50	85.60	10174.95	9700.35	42,273.87	40,476.55
February	98.20	72.55	99.00	75.60	10071.70	9214.10	41,709.30	38,219.97
March	83.00	40.60	85.70	46.15	9436.50	6151.60	39,083.17	25,638.90

Based on the closing quotation of ₹ 85.35 as at 31.03.2020 at National Stock Exchange of India Limited, Mumbai, the market capitalization of the Company was ₹ 11,064 Lakhs.

REGISTRAR TO AN ISSUE SHARE TRANSFER AGENTS

M/s. S K D C Consultants Ltd
 Kanapathy Towers, 3rd Floor
 1391/A-1, Sathy Road, Ganapathy
 Coimbatore - 641 006
 Telephone : 0422 6549995, 2539835 - 836
 Fax : 0422 2539837
 E-mail : info@skdc-consultants.com

Share Transfer documents, non-receipt of share certificates sent for transfer, 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 are in order. The same are approved by the Shareholders' Grievance Committee.

CATEGORY OF EQUITY SHARE HOLDING AS ON 31.3.2020

Sl.No.	Category	No.of shareholders	No.of shares held	% to paid up capital
1	Promoter's Holding	9	95,97,516	74.039
2	Banks/FIs/Mutual Funds	3	720	0.006
3	Corporate Bodies	71	54,958	0.424
4	Indian Public	6,993	29,43,515	22.708
5	NRI/OCBs	283	2,52,905	1.951
6	IEPF	1	1,13,099	0.872
	TOTAL	7360	1,29,62,713	100.000

DISTRIBUTION OF SHAREHOLDING AS ON 31.3.2020

Shareholding (Range)	No. of Holders	% of Holders	No.of shares	% of shares
1 - 500	6128	83.26	823409	6.35
501 - 1000	683	9.28	471291	3.64
1001 - 2000	330	4.48	456226	3.52
2001 - 3000	76	1.03	191339	1.48
3001 - 4000	38	0.52	130893	1.01
4001 - 5000	22	0.30	97961	0.76
5001 - 10000	45	0.61	314927	2.43
10001 AND ABOVE	38	0.52	10476667	80.81
Total	7360	100.00	12962713	100.00

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 31-03-2020, 97.53% 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 FY19 (audited) and Q1FY20 (provisional) the Rating Committee has reviewed the following ratings.



Facilities	Amount (₹ Crore)	Rating	Rating Action
Long-term Bank Facilities	139.55 (Reduced from 145.90)	CARE BBB-; Stable (Triple B Minus; Outlook : Stable)	Revised from CARE BBB; Stable (Triple B; Outlook : Stable)
Short-term Bank Facilities	50.00	CARE A3 (A Three)	Revised from CARE A3 + (A Three Plus)
Long / Short Term Bank Facilities	70.00	CARE BBB-; Stable / CARE A3 (Triple B-; Outlook : Stable / A Three)	Revised from CARE BBB; Stable / CARE A3+ (Triple B; Outlook : Stable / A Three Plus)
TOTAL	259.55	(Rupees: Two Hundred Fifty Nine Crore and Fifty Five 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 the conditions except the suggestion relating to appointment of separate person to the post of Chairman & MD / CEO and circulation of half yearly financial results to each household of the shareholder with the recommendation of financial statements with un-modified audit opinion.
- The Company has adopted policy on dealing with Related Parties. The same is disclosed in the website of the Company and is available in the following web link: www.shivatex.in.
- 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.

Payment to Statutory Auditors	2019 - 20 (Amount in ₹)
Audit Fees	10,00,000
Tax Audit Fees	-
Other Services	-
Reimbursement of Services	-

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

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

- The Company has complied with all the applicable requirements of corporate governance.
- The Company has accepted discretionary requirement as specified in Part E of Schedule II to the extent wherever required, i.e the internal auditor is reporting directly to the Audit Committee.

CODE OF CONDUCT

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

DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT

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

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

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

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

An amount aggregating to ₹ 1,840 representing seven equity shares remains unclaimed with the Company. The details are available in the website of the Company www.shivatex.in.

PLANT LOCATION

<p>Spinning Unit</p> <p>S.F No. 371/5 Karadivavi Road, Paruvai Post Karanampet Palladam 641 658</p>	<p>Processing Unit</p> <p>Factory E-16, P-11 SIPCOT Industrial Growth Estate Perundurai, Erode 638 052 Tamilnadu</p>	<p>Lamination Unit</p> <p>S.F. No. 371/5, Karadivavi Road Paruvai Post, Karanampet Palladam 641 658</p>
<p>Bag Unit</p> <p>D.No. 1/667, K.P. Mahal Chinna Iyyan Kovil Privu Somanur Road Ichipatti Village Palladam TK Tirupur-641 668</p>	<p>Knitting Unit</p> <p>Kodangipalayam Village Karadivavi Road Paruvai Post Coimbatore Dt Tamilnadu 641 658</p>	<p>Garment Division</p> <p>S.F. No. 371/5, Karadivavi Road Paruvai Post, Karanampet Palladam 641 658</p>
<p>Munduvlampatti Village Erode District Tamil Nadu</p>	<p>Windmills</p> <p>Gudimangalam Athukinathupatti & Uthukuli Villages Coimbatore District Tamil Nadu</p>	<p>Vagatholuvu Kongalnagaram Virugalpatti Tirupur District, Tamil Nadu</p>

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 Taxyarn Limited,
Regd Office : 252, Mettupalayam Road,
Coimbatore 641 043. 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: 252, Mettupalayam Road, Coimbatore-641043.

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 252, Mettupalayam Road, Coimbatore - 641043 (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) 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, 2020 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

14th August, 2020

Signature

CS. R Dhanasekaran

Company Secretary in Practice

Membership No.: 7070

CP No.: 7745

ICSI UDIN : F007070B000582612



MANAGEMENT DISCUSSION AND ANALYSIS

COMPANY'S BUSINESS

Your Company is engaged in the legacy business of manufacturing and marketing of Cotton Yarn with a spinning unit having an installed capacity of 52416 spindles near Coimbatore. Your Company is also into Technical Textile business of manufacturing of Coating & Laminated fabrics which serves the needs of the Sectors like Health-care, Armed Forces and Advertising among others. The Processing unit situated at SIPCOT, Perundurai is involved in the manufacturing of Pile fabrics. The Garment Division is equipped with state-of-the art technology to produce special outerwear garments, Load Carrying products like Ruck-Sacks and Back-Packs etc.

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

INDUSTRY STRUCTURE AND DEVELOPMENTS

Textile industry plays a significant role in the economy contributing to over 13% of the industrial output, over 2% to the GDP of India. The industry employs more than 4.5 crores citizens and also contributed significantly through export earnings of India. The Technical Textile Industry in India has a turnover of 90,000 crores per annum and is fast growing.

OPPORTUNITIES

The Spinning sector is facing a glut like situation due to poor demand both in domestic and export sector. In order to overcome these difficulties Government of India has come up with a number of export promotion policies for the textiles sector and it has permitted 100 percent Foreign Director Investment in the Indian Textiles Sector under Automatic Route. Under Union Budget 2020-21, a National Technical Textiles Mission is proposed for a period from 2020-21 to 2023-24 at an estimated cash outlay of ₹ 1,480 crore. The Government of India has taken several measures including Amended Technology Up-gradation Fund Scheme (A-TUFS), which is estimated to create employment for 35 lakh people and enable investments worth ₹ 95,000 crore by 2022.

The Technical Textile Industry is still remaining an un-tapped area in India and the growth potential is promising and unlimited. Your Company will continue to focus on developing new technical textile products to reap market benefits.

OUTLOOK

Considering huge potential of the Textile Industry several Multi-National Brands have marked their foot-print in India. With the inherent strengths, the outlook for Indian Textile Industry continues to be an optimistic one.

RISKS AND CONCERNS

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

COVID-19 AND ITS ASSOCIATED RISKS

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

affected the performance of the last quarter ending on 31st March, 2020 and severely affected the first quarter operations for the financial year 2020-21 and the impact of the same on the remaining quarters are un-fathomable.

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

Company has taken all the necessary and effective steps to create awareness among employees at all levels over Personnel hygiene, Social Distancing and other allied matters to sustain under Pandemic environment.

MEDIUM TERM AND LONG TERM STRATEGIES

Striving to improve quality continuously keeping in pace with technological developments.

Giving priority to the requirement of customer, creating new business opportunities and to focus on value maximisation.

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.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial performance of the Company has been discussed at length in Directors' Report.

S. No.	Ratio	2019 - 2020	2018 - 2019	Change (%) exceeding 25%	Reasons for Change
1	Debtor Turnover	13%	14%	NA	—
2	Inventory Turnover	22%	23%	NA	—
3	Interest coverage ratio	1.73	1.99	NA	—
4	Current Ratio	0.96	0.99	NA	—
5	Debt Equity Ratio	0.62	0.69	NA	—
6	Operating Profit Margin %	10.37%	12%	NA	—
7	Net profit Margin %	0.31%	1.81%	83%	Due to high raw material cost and operating costs
8	Net worth (₹ Lakhs)	11113.89	11199.73	NA	—

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 31.03.2020.

Coimbatore
14th August, 2020

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

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, 2020 as referred in Regulation 15(2) of the Securities Exchange Board of India (SEBI) Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015.

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

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

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

Coimbatore
14th August, 2020

CS. R Dhanasekaran
Company Secretary in Practice
FCS : 7070 / CP No.: 7745
ICSI UDIN : F007070B000582601

INDEPENDENT AUDITOR'S REPORT

To
The Members of Shiva Texyarn Limited

Report on the Audit of the Financial Statements**Opinion**

We have audited the accompanying financial statements of Shiva Texyarn Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.No.	Key Audit Matter	Auditors' Response
1.	<p>Management's estimate on amortisation, recoverability of intangible assets in relation to the products developed by the Company.</p> <p>Management's assessment on amortisation, recoverability related to products developed, estimate on future cash flows from such products as it involves estimates, judgments and the consideration of future events.</p>	<p>Principal audit procedures performed:</p> <p>i. Evaluated the design of internal controls relating to management estimates for amortisation and recoverability on intangible assets related to products developed.</p> <p>ii. Selected samples and tested the operating effectiveness of the internal control relating to management estimates for amortisation and recoverability on intangible assets related to products developed.</p> <p>iii. Verified the achievements of milestones and with customer acceptances.</p> <p>iv. Tested the amortisation workings for arithmetical accuracy.</p> <p>Tested the management estimate of cash flow from the products developed.</p>

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies;

making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Other Matters

Due to the COVID-19 related lock-down we were not able to participate in the physical verification of inventory that was carried out by the management subsequent to the year end. Consequently, we have performed alternate procedures to audit the existence of inventory as per guidance provided in SA 501 "Audit Evidence - Specific Considerations for Selected Items" and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these financial statements.

Our report on the Statement is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm Regn. No. 117366W/W - 100018)

Bengaluru
14th August, 2020

Balaji M.N.
Partner
(Membership No.202094)
ICAI UDIN : 20202094AAAACK6260

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in paragraph F under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of Shiva Texyarn Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm Regn. No. 117366W/W - 100018)

Bengaluru
14th August, 2020

Balaji M.N.
Partner
(Membership No.202094)
ICAI UDIN : 20202094AAAACK6260



ANNEXURE-B TO THE INDEPENDENT AUDITORS' REPORT

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

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

- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Services Tax, cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
- (c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax as on March 31, 2020 on account of disputes.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm Regn. No. 117366W/W - 100018)

Balaji M.N.
Partner
(Membership No.202094)
ICAI UDIN : 20202094AAAACK6260

Bengaluru
14th August, 2020

**BALANCE SHEET AS AT 31st MARCH 2020**

Amount in Rupees Lakhs except shares data or as otherwise stated

Particulars	Note No.	As at March 31, 2020	As at April 1, 2019
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3	19,596.49	20,053.88
(b) Capital work-in-progress	3A	31.31	-
(c) Right of use assets	3B	111.58	-
(d) Intangible assets	3C	364.47	67.62
(e) Intangible assets under development	3D	-	335.70
(f) Investment property	4	3.16	3.23
(g) Financial Assets			
(i) Investments	5	58.18	65.83
(f) Other non-current assets	6	538.35	557.58
Total Non - Current Assets		20,703.54	21,083.84
2 Current assets			
(a) Inventories	7	8,004.37	8,043.00
(b) Financial Assets	8		
(I) Trade receivables	8.1	4,802.48	4,993.74
(ii) Cash and cash equivalents	8.2	129.86	444.12
(iii) Bank balances other than (ii) above	8.3	612.01	733.45
(iv) Loans	8.4	97.44	110.39
(v) Other financial assets	8.5	155.01	159.63
(c) Current tax assets	9	52.38	34.06
(d) Other current assets	10	736.37	834.66
(e) Assets classified as held for sale	11	176.92	-
Total Current Assets		14,766.84	15,353.05
Total Assets (1+2)		35,470.38	36,436.89
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share capital	12	1,296.27	1,296.27
(b) Other Equity	13	9,817.62	9,903.46
Total equity		11,113.89	11,199.73
2 Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	6,973.52	7,756.45
(ii) Lease liability	15	73.07	-
(b) Deferred tax liabilities (net)	38	1,944.63	2,001.75
(c) Provisions	16	67.69	59.46
Total Non - Current Liabilities		9,058.91	9,817.66
3 Current liabilities			
(a) Financial Liabilities			
(I) Borrowings	17.1	9,967.12	9,745.61
(ii) Trade payables			
a. Total outstanding dues of micro enterprises and small enterprises	17.2	11.23	37.00
b. Total outstanding dues of creditors other than micro enterprises and small enterprises	17.2	2,939.38	2,838.21
(iii) Lease liabilities	17.3	54.75	-
(iv) Other financial liabilities	17.4	1,882.40	2,617.77
(b) Provisions	18	15.59	-
(c) Other current liabilities	19	427.11	180.91
Total Current Liabilities		15,297.58	15,419.50
Total Equity and Liabilities (1+2+3)		35,470.38	36,436.89

See accompanying notes to the financial statements

Subject to our report of even date attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

Balaji M N

Partner

Membership No. 202094

Bengaluru

August 14, 2020

For and on behalf of the Board of Directors

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

Coimbatore

August 14, 2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2020

Amount in Rupees Lakhs except shares data or as otherwise stated

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
I Revenue from operations	20	36,812.73	35,353.22
II Other Income	21	457.02	113.00
III Total Revenue (I + II)		37,269.75	35,466.22
IV EXPENSES			
(a) Cost of materials consumed	22	22,260.32	22,366.29
(b) Purchase of traded goods	23	736.34	217.87
(c) Changes in inventories of finished goods/WIP/stock-in-trade	24	442.10	(1,415.05)
(d) Employee benefits expense	25	4,113.64	4,182.35
(e) Finance costs	26	2,230.74	2,165.31
(f) Depreciation and amortisation expenses	27	1,468.93	1,336.21
(g) Other expenses	28	5,894.94	5,812.75
Total Expenses (V)		37,147.01	34,665.73
V Profit before tax (III - IV)		122.74	800.49
VI Tax Expense / (benefit)			
(1) Current tax		25.16	162.94
(2) Deferred tax		(57.12)	(32.74)
Total tax expense / (benefit)		(31.96)	130.20
VII Profit/(Loss) for the year (V - VI)		154.70	670.29
VIII Other comprehensive income/(loss)		(39.00)	(30.93)
A (i) Items that will not be recycled to profit or loss			
(a) Remeasurements of the defined benefit liabilities / (asset)		(23.81)	(27.78)
(b) Equity instruments through other comprehensive income		(15.19)	(3.15)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that may be reclassified to profit or loss		-	-
IX Total comprehensive income/(Loss) for the year (VII + VIII)		115.70	639.36
X Earnings/(loss) per equity share:			
(1) Basic		1.19	5.17
(2) Diluted		1.19	5.17
See accompanying notes to the financial statements			

Subject to our report of even date attached

For Deloitte Haskins & Sells LLP
 Chartered Accountants

Balaji M N

 Partner
 Membership No. 202094

 Bengaluru
 August 14, 2020

For and on behalf of the Board of Directors

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
 Coimbatore
 August 14, 2020

**STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2020**

Amount in Rupees Lakhs except shares data or as otherwise stated

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit for the year	-	122.74	-	800.49
Adjustments for:				
Depreciation and amortisation expenses	1,468.93	-	1,336.21	-
(Profit) / loss on sale / write off of assets	(350.27)	-	34.90	-
Provision/(Reversal of provision) for diminution in value of investments	(10.65)	-	3.15	-
Provision on Tuff subsidy receivable	25.00	-	-	-
Finance costs	2,230.74	-	2,165.31	-
Interest income	(42.79)	-	(50.17)	-
Dividend income	(0.51)	-	(1.31)	-
Bad debts recovered	(3.00)	-	(29.43)	-
Rental income	(41.98)	-	(75.62)	-
		3,275.47		3,383.04
Operating profit / (loss) before working capital changes		3,398.21		4,183.53
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Financial Assets				
Trade receivables	194.26	-	(880.55)	-
Loans	12.95	-	(8.29)	-
Other financial assets	(22.01)	-	32.83	-
Non-financial assets				
Inventories	38.63	-	(1,367.99)	-
Other assets	131.23	-	(261.08)	-
Adjustments for increase / (decrease) in operating liabilities:				
Financial liabilities				
Trade payables	75.39	-	153.77	-
Other financial liabilities	81.39	-	(158.51)	-
Non-financial liabilities				
Provisions	0.01	-	(44.31)	-
Other liabilities	246.19	-	0.86	-
		758.04		(2,533.27)
Cash generated from operations		4,156.25		1,650.26
Net income tax (paid) / refunded		(52.40)	-	(221.81)
Net cash flow from / (used in) operating activities (A)		4,103.85		1,428.45
B. CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure on property plant and equipment, including capital advances	(1,428.12)	-	(838.08)	-
Sale/(Purchase) of other investments	3.11	-	(3.51)	-
Proceeds from sale of fixed assets	677.49	-	29.21	-
Interest received	44.42	-	51.04	-
Rent received	41.98	-	75.62	-
Margin money deposits	120.98	-	(242.53)	-
Dividend received	0.51	-	1.31	-
Net cash flow from / (used in) investing activities (B)		(539.63)		(926.94)

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2020 (Contd...)

Amount in Rupees Lakhs except shares data or as otherwise stated

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from non-current borrowings	921.00	-	3,142.78	
Repayment of non-current borrowings	(2,492.27)	-	(2,752.14)	
Increase / (decrease) in working capital borrowings	221.51	-	1,583.79	
Payment of dividend including tax thereon	(171.90)	-	(250.04)	
Finance costs paid	(2,217.79)	-	(2,175.64)	
Finance cost on leasehold liability	(18.51)	-	-	
Repayment of lease liability	(120.52)	-	-	
Net cash flow from / (used in) financing activities (C)		(3,878.48)		(451.25)
Net increase / (decrease) in cash and cash equivalents (A+B+C)		(314.26)		50.26
Add: Cash and cash equivalents at the beginning of the year		444.12	-	393.86
Cash and cash equivalents at the end of the year *		129.86		444.12
Reconciliation of Cash and Cash Equivalents with the Balance Sheet:				
Cash and cash equivalents as per Cash Flow Statement		129.86		444.12
* Comprises:				
(a) Cash on hand	6.33	-	10.53	-
(b) Cheques/Drafts on Hand	14.15	-	2.00	
(c) Balances with banks:				
(i) In current accounts	109.38	-	431.59	
Total		129.86		444.12
See accompanying notes to the financial statements				

Subject to our report of even date attached

For Deloitte Haskins & Sells LLP
 Chartered Accountants

Balaji M N

 Partner
 Membership No. 202094

 Bengaluru
 August 14, 2020

For and on behalf of the Board of Directors

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
 Coimbatore
 August 14, 2020

**Statement of changes in equity for the year ended March 31, 2020**

Amount in Rupees Lakhs except shares data or as otherwise stated

1 a) Equity share capital	Amount
Balance as at April 1, 2018	1,296.27
Balance as at March 31, 2019	1,296.27
Balance as at April 1, 2019	1,296.27
Balance as at March 31, 2020	1,296.27

1 b) Other equity

Particulars	Securities premium account	General reserve	Retained earnings / (deficit)		Items of Other Comprehensive Income		Total other equity
			Retained earnings / (deficit)	Remeasurements of the defined benefit plans	Equity instruments through other comprehensive income	Other items of other comprehensive income	
Balance as at April 01, 2018	2,243.01	4,851.12	2,404.92	(4.90)	21.05	(1.06)	9,514.14
Profit for the year net of taxes	-	-	670.29	-	-	-	670.29
Cash Dividends	-	-	(207.40)	-	-	-	(207.40)
Dividend Distribution tax	-	-	(42.63)	-	-	-	(42.63)
Remeasurements of the defined benefit liabilities / (asset)	-	-	-	(27.78)	-	-	(27.78)
Other comprehensive income (net of taxes)	-	-	-	-	-	(3.15)	(3.15)
Balance as at March 31, 2019	2,243.01	4,851.13	2,825.18	(32.68)	21.05	(4.21)	9,903.46
Balance as at April 01, 2019	2,243.01	4,851.13	2,825.18	(32.68)	21.05	(4.21)	9,903.46
Profit for the year	-	-	154.70	-	-	-	154.70
Impact on adoption of Ind As 116 - Refer note 41	-	-	(29.64)	-	-	-	29.64
Cash Dividends	-	-	(142.59)	-	-	-	142.59
Dividend Distribution tax	-	-	(29.31)	-	-	-	29.31
Remeasurements of the defined benefit liabilities / (asset)	-	-	-	(23.81)	-	-	23.81
Other comprehensive income (net of taxes)	-	-	-	-	-	(15.19)	(15.19)
Balance as at the March 31, 2020	2,243.01	4,851.12	2,778.34	(56.49)	21.05	(19.40)	9,817.62

Subject to our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants**Balaji M N**Partner
Membership No. 202094Bengaluru
August 14, 2020

For and on behalf of the Board of Directors

S V AlagappanChairman
DIN : 00002450**C Krishnakumar**

Chief Financial Officer

S K SundararamanManaging Director
DIN : 00002691**R Srinivasan**Company Secretary
ACS No. 21254
Coimbatore
August 14, 2020

Notes forming part of financial statements

Amount in Rupees Lakhs except shares data or as otherwise stated

Note No.	Particulars
1.	<p>Corporate Information</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>
2.	<p>Significant Accounting Policies</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>
2.1	<p>Basis of accounting and preparation of financial statements</p> <p>(i) Compliance with Ind AS</p> <p>The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.</p> <p>(ii) The outbreak of COVID-19 pandemic and the resulting lockdown enforced from 23rd March 2020 has affected the Company's regular operations. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Property, plant and equipment, Intangibles, Inventories, Receivables and Other assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources on the expected future performance of the Company. The Company has evaluated its liquidity position, recoverability and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.</p> <p>(iii) Historical cost convention</p> <p>The financial statements have been prepared on a historical cost basis, except for the following:</p> <ul style="list-style-type: none"> (a) certain financial assets and liabilities that are measured at fair value and (b) defined benefit plans – plan assets measured at fair value
2.2	<p>Segment reporting</p> <p>Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company assesses the financial performance and position of the Company, and makes strategic decisions. The board of directors, which has been identified as being the chief operating decision maker.</p>
2.2	<p>Use of estimates</p> <p>In the application of the Company's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.</p> <p>The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.</p>



Note No.	Particulars
	<p>The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.</p> <p>a Impairment of investments :The Company reviews its carrying value of investments at cost, annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.</p> <p>b Useful lives of property, plant and equipment : The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This assessment may result in change in the depreciation expense in future periods.</p> <p>c Employee Benefits : The cost of defined benefit plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.</p>
<p>2.3</p>	<p>Inventories</p> <p>Inventories are valued at lower of cost and net realisable value. Cost of raw materials, Packing materials, Stores and Spares and consumables are valued at Cost on weighted average cost basis. Value of finished goods and work-in-progress are determined on weighted average cost basis and include appropriate share of overheads.</p>
<p>2.4</p>	<p>Cash and cash equivalents</p> <p>Cash and cash equivalents comprise cash on hand and demand deposits with banks other than deposits pledged with government authorities and margin money deposits.</p> <p>Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value. Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents. A characteristic of such banking arrangements is that the bank balance often fluctuates from being positive to overdrawn.</p>
<p>2.5</p>	<p>Cash flow statement</p> <p>Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.</p>
<p>2.6</p>	<p>Income Tax</p> <p>a) Current tax</p> <p>The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted and are applicable as at the end of the reporting period. In the absence of adequate taxable profits, the Company is required to pay Minimum Alternate Tax (MAT) on the book profits, as adjusted for certain provisions.</p> <p>b) Deferred tax</p> <p>Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally</p>

Note No.	Particulars
2.7	<p>recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.</p> <p>MAT paid in accordance with the tax laws, if any, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal tax. Accordingly, MAT is recognised as a deferred tax asset in the 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>c) Current and deferred tax for the year</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>Property plant and equipment</p> <p>Cost</p> <p>The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. Major shut-down and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset.</p> <p>An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.</p> <p>Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.</p> <p>Freehold land and leasehold land where the lease is convertible to freehold land under lease agreements at future dates at no additional cost, are not depreciated.</p> <p>Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.</p>



Note No.	Particulars
2.8	<p>Capital work-in-progress:</p> <p>Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost , comprising direct cost and related incidental expenses.</p> <p>Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.</p> <p>The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.</p> <p>Leases</p> <p>The Company as a Lessor:</p> <p>Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.</p> <p>Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded 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>The Company as a Lessee :</p> <p>Right-of-use assets:</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>Lease liabilities:</p> <p>At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.</p> <p>The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.</p> <p>In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.</p>

Note No.	Particulars
2.9	<p>Short-term leases and leases of low-value assets:</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> <p>Significant judgement in determining the lease term of contracts with renewal options:</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> <p>Revenue recognition</p> <p>Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. The Company is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.</p> <p>However, Goods and Services tax (GST) are not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.</p> <p>Sale of Goods:</p> <p>Revenue from sale of goods is recognised when control of the goods is transferred to the Customers. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.</p> <p>a Sale of services</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 Other operating revenue</p> <ul style="list-style-type: none"> - 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 - 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.
2.10	<p>Other income</p> <p>Interest</p> <p>Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.</p> <p>Dividend</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>
2.11	<p>Employee benefits</p> <p>Employee benefits include provident fund, employee state insurance, gratuity fund and compensated absences.</p>



Note No.	Particulars
	<p>a. Retirement benefit costs and termination benefits</p> <p>Payments to defined contribution Retirement Benefit Plans are recognised as an expense when employees have rendered service entitling them to the contributions.</p> <p>For defined benefit Retirement Benefit Plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.</p> <p>b. Defined benefit costs are categorised as follows:</p> <ul style="list-style-type: none"> - service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements); - net interest expense or income; and - remeasurement <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>Short-term and other long term employee benefits</p> <p>A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.</p> <p>Liabilities recognised in respect of short term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.</p> <p>Liabilities recognised in respect of other long term employee benefits are measured at the present 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>

Note No.	Particulars
2.12	<p>Foreign currency transactions and translations</p> <p>(i) Functional and presentation currency</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>(ii) Transactions and balances</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>
2.13	<p>Borrowings and Borrowing cost</p> <p>Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.</p> <p>Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.</p> <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>
2.14	<p>Earnings per share</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>
2.15	<p>Provisions and contingencies</p> <p>A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.</p>
2.16	<p>Financial Instruments</p> <p>All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by</p>



Note No.	Particulars
	<p>regulation or convention in the market place (regular way trade) are recognised on trade date. While, financial liabilities like loans and borrowings and payables are recognised net of directly attributable transaction costs.</p> <p>For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets comprising amortised cost, debt instruments at fair value through other comprehensive income (FVTOCI), equity instruments at FVTOCI or fair value through profit and loss account (FVTPL) and financial liabilities at amortised cost or FVTPL.</p> <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>1) Non-derivative financial assets</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> <ul style="list-style-type: none"> (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 (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>They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.</p> <p>The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or where appropriate, a shorter period, to the gross carrying amount on initial recognition.</p> <p>Financial assets at amortised cost are represented by trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.</p> <p>Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other Income" line item.</p> <p>2) Equity instruments at FVTOCI</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 recycled to statement of profit and loss.</p> <p>3) Financial assets at FVTPL</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</p>

Note No.	Particulars
	<p>arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.</p> <p>4) Derecognition of financial assets</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) Non-derivative financial liabilities</p> <p>(i) Financial liabilities at amortised cost</p> <p>Financial liabilities at amortised cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method.</p> <p>(ii) Financial liabilities at FVTPL</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</p>



Note No.	Particulars
2.17	<p>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>(iii) Derecognition of non-derivative financial liabilities</p> <p>The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.</p> <p>Impairment Financial Assets</p> <p>In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.</p> <p>Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12-months after the reporting date.</p> <p>ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:</p> <p>I) All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.</p> <p>(ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.</p> <p>As practical expedient, the Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated and changes in forward-looking estimates are analysed.</p> <p>ECL impairment loss allowance (or reversal) recognised during the year is recognised as income/expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:</p> <p>Financial assets measured at amortised cost, contractual revenue receivable: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.</p> <p>(b) Non-financial assets</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</p>

Note No.	Particulars
	<p>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> <p>2.18 Government grants</p> <p>Grants from the government are recognised when there is reasonable assurance that:(i) the Company will comply with the conditions attached to them; and(ii) the grant will be received.</p> <p>Government grants related to revenue are recognised on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense. When the grant relates to an asset, it is recognized as income over the expected useful life of the asset.</p> <p>Where the Company receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost it is recognised at a fair value. When loan or similar assistance are provided by government or related institutions, with an interest rate below the current applicable marketrate, the effect of this favourable interest is recognized as government rate. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received.</p> <p>2.19 Operating cycle</p> <p>Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.</p>



3 Property Plant and equipment and capital work-in-progress

(Rs. in Lakhs)

Description of Assets	Freehold Land	Leasehold land#	Building	Plant & Machinery	Office Equipment	Furniture & Fittings	Vehicles	Computers	Lab Equipments	Electrical Installations	Total
I. Cost											
Balance as at April 01, 2018	307.07	31.30	5,675.10	15,407.59	130.71	154.52	293.82	33.98	38.91	115.71	22,188.70
Additions	-	-	4.25	499.76	28.21	6.00	12.70	8.86	2.11	1.27	563.16
Disposals	-	-	(98.54)	(98.54)	-	(10.22)	-	-	-	-	(108.76)
Balance as at March 31, 2019	307.07	31.30	5,679.35	15,808.81	158.92	160.52	296.31	42.84	41.02	116.98	22,643.10
Additions	221.10	-	481.36	595.20	3.09	4.05	30.46	20.92	1.78	0.79	1,368.75
Disposals	-	-	(248.11)	(519.51)	-	-	-	-	-	-	(767.62)
Reclassified as held for sale	-	-	-	(496.72)	-	-	-	-	-	-	(496.72)
Balance as at March 31, 2020	528.17	31.30	5,912.59	15,387.78	162.01	164.57	326.76	63.76	42.80	117.77	22,737.51
II. Accumulated amortisation											
Balance as at April 01, 2018	-	-	-	-	-	-	-	-	-	-	-
Amortisation expense for the year	-	0.67	454.67	1,941.00	63.12	38.64	78.36	22.61	9.11	25.69	2,633.87
Eliminated on disposal of assets	-	-	-	(36.19)	-	-	(8.45)	-	-	-	(44.64)
Balance as at March 31, 2019	-	0.67	454.67	1,904.81	63.12	38.64	69.91	22.61	9.11	25.69	2,589.22
Amortisation expense for the year	-	0.33	220.03	959.52	39.85	18.96	44.97	9.90	4.79	13.65	1,312.00
Eliminated on disposal of assets	-	-	(93.80)	(346.61)	-	-	-	-	-	-	(440.41)
Reclassified as held for sale	-	-	-	(319.81)	-	-	-	-	-	-	(319.81)
Balance as at March 31, 2020	-	1.00	580.91	2,197.91	102.98	57.59	114.87	32.52	13.90	39.34	3,141.01
Net block (I-II)											
Balance as at March 31 2019	307.07	30.63	5,224.67	13,904.00	95.80	121.88	226.40	20.23	31.91	91.29	20,053.88
Balance as at March 31 2020	528.17	30.29	5,331.68	13,189.88	59.03	106.98	211.89	31.24	28.91	78.43	19,596.50

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.

3C Intangible assets - Capitalisation

Description of Assets	Computer Software	Knowhow	Total
I. Cost			
Balance as at April 1, 2018	48.21	14.56	62.78
Additions	7.96	48.07	56.02
Disposals	-	-	-
Balance as at March 31, 2019	56.17	62.63	118.80
Additions	10.89	335.70	346.59
Disposals	-	-	-
Balance as at March 31, 2020	67.06	398.33	465.39
II. Accumulated depreciation			
Balance as at April 01, 2018	-	-	-
Amortisation expense for the year	40.26	10.92	51.18
Eliminated on disposal of assets	-	-	-
Balance as at March 31, 2019	40.26	10.92	51.18
Amortisation expense for the year	12.76	36.97	49.74
Eliminated on disposal of assets	-	-	-
Balance as at March 31, 2020	53.03	47.89	100.92
Net block (I-II)			
Balance as at March 31 2019	15.90	51.71	67.62
Balance as at March 31 2020	14.04	350.44	364.47

3 Property Plant and equipment and capital work-in-progress

Carrying amounts of	As at	
	March 31, 2020	As at March 31, 2019
3A. Capital work-in-progress	31.31	-
Total	31.31	-
3B. Right of use assets	111.58	-
Total	111.58	-
3D. Intangible assets under development	-	335.70
Total	-	335.70

27 Depreciation and Amortisation

Particulars	Note No.	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Depreciation			
Property plant and equipment	-	1,312.00	1,311.73
Investment property	-	0.07	0.07
Amortisation - Intangibles			
Depreciation of right of use assets	-	49.74	24.41
		107.12	-
		1,468.93	1,336.21

Non-Current Assets

(₹ in Lakhs)

4 Investment in property

Particulars	As at March 31, 2020	As at March 31, 2019
Carrying amounts of :		
Land	0.76	0.76
Building	2.40	2.47
	3.16	3.23

Investment Property

Particulars	Land	Building
Gross block as at 01 April 2018	0.76	2.68
Additions -	-	
Disposals -	-	
Balance as at March 31, 2019	0.76	2.68
Accumulated depreciation		
Balance as at April 01, 2018	-	0.14
Depreciation expense for the year		0.07
Balance as at March 31, 2019	-	0.21
Net block as at March 31, 2019	0.76	2.47
Balance as at April 01, 2019	0.76	2.47
Additions -	-	
Disposals -	-	
Balance as at March 31, 2020	0.76	2.47
Accumulated depreciation		
Balance as at April 01, 2019	-	-
Depreciation expense for the year	-	0.07
Balance as at March 31, 2020	-	0.07
Net block as at March 31, 2020	0.76	2.40

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



5 Investments

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Investment carried at FVTOCI		
I. Quoted Investments (fully paid)		
Investments in equity instruments - others - Capitalisation		
i) 1,000 (As at March 31, 2019 1,000) Equity Shares of Rs.10/- each in Arvind Liquid Gases Limited.	0.48	0.41
ii) 20,000 (As at March 31, 2019 20,000) Equity Shares of Rs.10/- each in Dyna Lamps & Glass Works Ltd.	2.00	2.00
iii) 17,500 (As at March 31, 2019 17,500) Equity Shares of Rs.10/- each in Eastern Sugars & Industries Ltd	0.19	0.19
iv) 100 (As at March 31, 2019 100) Equity Shares of Rs.10/- each in Hindalco Industries Ltd	0.10	0.21
v) 8,057 (As at March 31, 2019 20) Equity Shares of Rs.10/- each in ICICI Bank	26.08	32.27
vi) 640 (As at March 31, 2019 640) Equity Shares of Rs.10/- each in IDBI Bank	0.12	0.30
vii) 14,100 (As at March 31, 2019 14,100) Equity Shares of Rs.10/- each in IFCI Limited 0.57	0.57	1.95
viii) 5,000 (As at March 31, 2019 5,000) Equity Shares of Rs.10/- each in KG Denim Limited	0.86	2.45
ix) 13,000 (As at March 31, 2019 13,000) Equity Shares of Rs.10/- each in NEPC India Limited	1.30	0.18
x) 3,030 (As at March 31, 2019 3,030) Equity Shares of Rs.10/- each in Ponni Sugars & Chemicals Ltd	0.30	0.30
xi) 30,000 (As at March 31, 2019 30,000) Equity Shares of Rs.10/- each in Shree Karthik Papers Ltd	1.11	2.98
xii) 500 (As at March 31, 2019 500) Equity Shares of Rs.10/- each in State bank of India	0.98	1.60
xiii) 1,000 (As at March 31, 2019 1,000) Equity Shares of Rs.10/- each in Steel Authority of India Ltd	0.23	0.54
xiv) 5,430 (As at March 31, 2019 5,430) Equity Shares of Rs.10/- each in Sesa Sterlite Ltd (Vedanta Ltd)	3.51	10.02
xv) 2,300 (As at March 31, 2019 2,300) Equity Shares of Rs.10/- each in Super Sales Agencies Ltd	4.30	9.47
xvi) 1,000 (As at March 31, 2019 1,000) Equity Shares of Rs.10/- each in Telephone Cables Ltd	0.02	0.02
xvii) 500 (As at March 31, 2019 500) Equity Shares of Rs.10/- each in VGP Finance Ltd	0.05	0.05
xviii) 700 (As at March 31, 2019 700) Equity Shares of Rs.10/- each in Sterlite Technologies Ltd	0.45	1.53
xix) 10,000 (As at March 31, 2019 10,000) Equity Shares of Rs.10/- each in The Catholic Syrian Bank Ltd	11.81	-
Total quoted investments	54.46	66.45

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Investments carried at FVTPL		
II. Unquoted Investments (fully paid)		
1. 1000 (As at March 31, 2019 100) Equity shares of Rs.10/- each in Arun Fuels Limited	0.10	0.10
2. 10,000(As at March 31, 2019 10,000) Equity shares of Rs.10/- each in The Catholic Syrian Bank Ltd	-	3.20
3. 20,000 (As at March 31, 2019 10,000) Equity shares of Rs.10/- each in Sakthi Beverages Ltd	2.00	2.00
4. 1,200 (As at March 31, 2019 1,200) Equity shares of Rs.10/- each in Tulya Alloy Castings Ltd	0.12	0.12
5. 27000 (As at March 31, 2019 24,500) Equity shares of Rs.10/- each in OPG Power Generation Private Limited	-	3.11
6. 15,000 (As at March 31, 2019 15,000) Equity shares of Rs.10/- each in OPG Metals Private Limited	1.50	1.50
Total unquoted investments	3.72	10.03
Less: Provision for diminution in value of investments	-	(10.65)
Total investments	58.18	65.83
Aggregate amount of quoted investments	54.46	66.44
Aggregate market value of quoted investments	54.46	66.44
Aggregate amount of unquoted investments	3.72	10.03
Aggregate amount of impairment in value of investment	3.72	10.03

6 Other non-current assets

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Advances	184.21	135.67
Security deposits paid	196.80	290.81
Other advances	83.50	83.68
Prepaid expenses	14.94	22.60
Advance tax and Tax deducted at Source (Net)	58.90	24.82
Total	538.35	557.58



(₹ in Lakhs)

7 Inventories**(At lower of cost and net realisable value)**

Particulars	As at March 31, 2020	As at March 31, 2019
Raw Materials	3,382.40	3,177.46
Work-in-progress	622.87	621.46
Finished Goods	3,131.41	3,647.98
By-Product	222.15	68.37
Stores and Spares	566.51	443.42
Stock in Trade	79.03	84.31
Total	8,004.37	8,043.00

Particulars	As at March 31, 2020	As at March 31, 2019
The amount of write-down of inventories recognised as an expense in the year	62.97	-
Total	62.97	-

8 Financial Assets**8.1 Trade receivables**

Particulars	As at March 31, 2020	As at March 31, 2019
A) Trade receivable considered good - Unsecured	4,802.48	4,993.74
B) Trade receivable - Credit impaired- refer note below:	106.85	117.73
	4,909.33	5,111.47
Less : Allowance for expected credit loss -refer note below	106.85	117.73
Total	4,802.48	4,993.74
Note:Trade receivable - Credit impaired		
Opening Balance	117.73	117.73
Current year Provisions	-	-
Less : Provision reversed	10.88	-
Closing balance	106.85	117.73

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

(₹ in Lakhs)

8.2 Cash and Cash Equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
Cash on hand	6.33	10.53
Cheques/drafts on hand	14.15	2.00
Balances with banks :		
(i) In current accounts	109.38	431.59
Total	129.86	444.12

8.3 Bank balances other than (ii) above

Particulars	As at March 31, 2020	As at March 31, 2019
In earmarked accounts		
- Margin money deposits	584.82	705.80
- Unpaid dividend accounts	27.19	27.65
Total	612.01	733.45

8.4 Loans

(Unsecured and considered good, unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
Employees and other advances	77.94	48.29
Security deposits paid -	-	0.30
Other advances	19.50	61.80
Total	97.44	110.39

8.5 Other financial assets

(Unsecured and considered good, unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
Accruals :		
Interest accrued on fixed deposits with banks	-	1.63
Insurance claim receivable	9.56	5.53
Interest subsidy on TUF Loan receivable	119.54	144.54
Accrued income	25.91	7.93
Total	155.01	159.63

9 Current tax assets

Particulars	As at March 31, 2020	As at March 31, 2019
Advance tax	60.00	185.00
Tax deducted at source	17.54	12.00
Less: Provision for tax	-	-
Current tax	(25.16)	(162.94)
Total	52.38	34.06



(₹ in Lakhs)

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

Particulars	As at	
	March 31, 2020	March 31, 2019
Prepaid expenses	134.99	238.99
Balances with government authorities:		
- CENVAT credit receivable	13.04	13.04
- GST credit receivable	172.05	259.43
- Export incentive receivable	62.92	56.86
Advance to Vendors	353.37	266.34
Total	736.37	834.66

11 Assets classified as held for sale

Particulars	As at	
	March 31, 2020	March 31, 2019
Plant and machinery*	176.92	-
Total	176.92	-

(*) Vide Board Resolution dated 11.11.2019 the company has agreed to sell certain plant and machineries which are classified under assets held for sale.

12 Equity Share Capital

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount	Number of shares	Amount
(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
Total	2,20,00,000	2,200.00	2,20,00,000	2,200.00
(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
Total	1,29,62,713	1,296.27	1,29,62,713	1,296.27

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount	Number of shares	Amount
Equity shares of Rs. 10/- each				
At the beginning of the year	1,29,62,713	1,296.27	1,29,62,713	1,296.27
Outstanding at the end of the year	1,29,62,713	1,296.27	1,29,62,713	1,296.27

(₹ in Lakhs)

(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.

Distributions made and proposed

Dividend recognized as distributions to equity shareholders for the year ended March 31, 2020 was Rs. Nil per share and March 31, 2019 was Rs 1.10 per share.

The Board of Directors at its meeting held on 29.05.2019 had recommended a dividend of 11%. The proposal was approved by shareholders at the Annual General Meeting held on 19.08.2019, this has resulted in a cash outflow of ₹ 171.90, inclusive of corporate dividend tax of ₹ 29.31. Further, the Board of Directors at its meeting held on 26.06.2020 have proposed a dividend of Nil.

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

Name of the Shareholder	As at March 31, 2020		As at March 31, 2019	
	Number of shares held	% of holding	Number of shares held	% of holding
Vedanayagam Hospital Limited	63,05,320	48.64%	63,05,320	48.64%
Annamallai Retreading Company Private Limited	30,50,146	23.53%	30,50,146	23.53%

13 Other Equity

Particulars	As at March 31, 2020	As at March 31, 2019
Securities premium account Amounts received on issue of shares in excess of the par value has been classified as securities premium.	2,243.01	2,243.01
General reserve This represents appropriation of profit by the Company.	4,851.12	4,851.12
Retained earnings Retained earnings comprise of the Company's current and prior years' undistributed earnings after taxes	2,778.33	2,825.18
Remeasurements of the defined benefit liabilities / (asset)	(56.49)	(32.69)
Equity Instruments through other comprehensive income Changes in the fair value of equity instruments is recognized in equity instruments through other comprehensive income (net of taxes), and presented within other equity.	21.05	21.04
Other items of other comprehensive income Other items of other comprehensive income consist of fair value changes on FVTOCI financial assets and re-measurement of net defined benefit liability/asset.	(19.40)	(4.22)
	9,817.62	9,903.46

**14 Financial Liabilities****14 Borrowings**

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Term Loans - Secured (Refer Note (i) below)		
-From banks	5,903.52	7,141.45
(b) Term Loans from related parties - Unsecured	1,070.00	615.00
Total	6,973.52	7,756.45

i) Details of terms of repayment and security provided in respect of secured term loans:

Indian Overseas Bank	-	518.00
Less: Current Maturities of long term debt	-	(518.00)
	-	-

Security : Hypothecation of windmills and equitable mortgage of related lands in Tirupur district, Tamilnadu. Repayable in 96 monthly instalments varying from Rs.13.00 to Rs.43.00 lakhs each, commencing from April, 2012.

The Karur Vysya Bank Limited	466.53	-
Less: Current Maturities of long term debt	(46.80)	-
	419.73	-

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

Axis Bank	1,250.00	1,750.00
Less: Current Maturities of long term debt	(500.00)	(500.00)
	750.00	1,250.00

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

Axis Bank	2,100.00	2,425.00
Less: Current Maturities of long term debt	(300.00)	(325.00)
Less: Ind AS Adjustment - processing charges	(24.17)	-
	1,775.83	2,100.00

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

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
The Karur Vysya Bank Limited	800.00	1,100.00
Less: Current Maturities of long term debt	(175.00)	(300.00)
	625.00	800.00
Exclusive EM charge on vacant land belonging to associate company. Repayable in 60 monthly instalments of Rs. 25 lakhs each commencing from November 2017		
Uco Bank	691.35	915.00
Less: Current Maturities of long term debt	(167.25)	(223.00)
	524.10	692.00
Paripasu First charge on the immovable and hypothecation of movables of spinning unit of the company. Repayable in 24 quarterly instalments of Rs.55.75 lakhs each, commencing from May 2018		
RBL bank	2,250.00	2,850.00
Less: Current Maturities of long term debt	(450.00)	(600.00)
Less: Ind AS Adjustment - processing charges	(19.58)	-
	1,780.42	2,250.00
Paripasu First charge on the immovable and hypothecation of movables of spinning unit of the company. Repayable in 20 quarterly instalments of Rs.150 lakhs each, commencing from March 2019		
The Karur Vysya Bank Limited	21.89	29.75
Less: Current Maturities of long term debt	(9.36)	(16.22)
	12.53	13.53
Hypothecation of motor car. Repayable in 24 monthly instalments of varying amounts commencing from December 2018.		
Audit Financial Services	35.91	54.20
Less: Current Maturities of long term debt	(20.00)	(18.28)
	15.91	35.91
Hypothecation of motor car. Repayable in 60 monthly instalments of varying amounts commencing from January 2017.		
Non-Current borrowings - Total	7,615.68	9,641.95
Less: Ind AS Adjustment - processing charges	(43.75)	-
Current Maturities of long term borrowings - Total	(1,668.41)	(2,500.50)
	5,903.52	7,141.44

15. Lease liability

Lease liability	73.07	-
	73.07	-



(₹ in Lakhs)

16 Provisions

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for gratuity [Refer note 32.1.b]	67.69	59.46
Total	67.69	59.46

17 Financial Liabilities**17.1 Borrowings**

Particulars	As at March 31, 2020	As at April 1, 2019
(a) Working capital loan from banks (Secured) (Refer Note 1 below)	9,967.12	8,945.61
(b) Working capital loan from banks (Unsecured) (Refer Note 2 below)	-	800.00
Total	9,967.12	9,745.61
Note 1		
Indian Overseas Bank - Cash Credit Hypothecation of inventories and trade receivables	2,987.06	3,241.93
Indian Overseas Bank - PCFC Hypothecation of inventories and trade receivables	-	142.40
Bank of Baroda - Cash Credit Hypothecation of inventories and trade receivables	1,405.63	1,498.29
Canara Bank - Cash Credit Hypothecation of inventories and trade receivables	614.23	821.92
Indian Overseas Bank Sular Hypothecation of inventories and trade receivables	99.68	-
Karur Vysya Bank - Cash Credit Hypothecation of inventories and trade receivables	2,794.42	2,750.74
Indian Overseas Bank - Working Capital Hypothecation of inventories and trade receivables	-	-
Indian Overseas bank - ILC Hypothecation of inventories and trade receivables	676.74	177.13
Axis Bank Hypothecation of inventories and trade receivables	1,027.00	-
RBL Bank Ltd Hypothecation of inventories and trade receivables	362.36	313.20
Total	9,967.12	8,945.61
Note 2		
HDFC Bank	-	800.00
Unsecured, repayable on demand	-	-
Total	-	800.00

(₹ in Lakhs)

17.2 Trade Payables

Particulars	As at March 31, 2020	As at March 31, 2019
Trade payables		
- total outstanding dues of micro enterprises and small enterprises (Refer Note 30)	11.23	37.00
- total outstanding dues of creditors other than micro enterprises and small enterprises	2,112.31	1,556.13
Liability for Expenses	827.07	1,282.08
Total	2,939.38	2,838.21

17.3 Lease liabilities-refer note : 41

Particulars	As at March 31, 2020	As at March 31, 2019
Operating lease liability	248.34	-
Finance cost	18.51	-
Lease payments	(139.03)	-
Total	127.82	-
Less: Lease prepayments	73.07	-
Total	54.75	-

17.4 Other Financial Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Current Maturities of Long-term Debt [Refer note 14.1(i) for details of security and repayment terms]	1,668.41	2,500.50
Interest accrued but not due on borrowings	37.88	43.45
Unpaid Dividend	27.18	27.64
Dues to group companies	-	(8.93)
Unclaimed matured deposits and interest accrued thereon	5.79	5.79
Other liabilities	117.17	44.72
Payables on purchase of property, plant and equipment	25.97	4.60
Total	1,882.40	2,617.77



(₹ in Lakhs)

18 Provision

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Provision for employee benefits Provision for Gratuity [Refer note 25.1.b]	15.59	-
Total	15.59	-

19 Other Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory dues	57.52	69.10
Security deposits received	14.40	24.32
Income received in advance	2.18	2.21
Advances from customers	230.26	85.28
Liability for others	122.75	-
Total	427.11	180.91

20 Revenue from operations

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Sale of goods	35,293.33	34,495.03
a. Manufactured goods		
Yarn	24585.68	22,758.91
Fabrics	7673.65	5,779.93
Waste Cotton	2028.11	1,904.56
Garments	1005.89	4,051.63
b. Traded goods		
Garments	881.31	252.96
(b) Sale of services		
Coating Dying and Lamination charges	480.73	363.34
(c) Other operating revenues	157.36	241.89
(Refer Note 1 below)		
Total	36,812.73	35,353.22
Note		
1 Other operating revenues comprises:		
Duty drawback and other export incentives	114.38	181.89
	42.98	60.00
Total	157.36	241.89

(₹ in Lakhs)

21 Other income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Interest income (Refer Note 1 below)	42.79	50.17
(b) Dividend income from non-current non-trade investments	0.51	1.30
(c) Other non-operating income (Refer Note 2 below)	413.72	61.53
Total	457.02	113.00
1 Interest income comprises:		
Interest from financial assets at amortised cost	42.79	50.17
Total - Interest income	42.79	50.17
2 Other non-operating income comprises:		
Rental income	16.98	15.62
Profit on sale of property plant and equipment (Net)	350.51	0.00
Reversal of provision for impairment on investments	10.65	0.00
Recovery of bad debts	3.00	29.43
Sundry balances written back	0.05	6.35
Net gain on foreign currency transactions	20.26	28.71
Other Miscellaneous income	12.27	-18.58
Total - Other non-operating income	413.72	61.53

22 Cost of materials consumed

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening stock	3483.55	3562.87
Add: Purchases	22540.70	22286.98
	26024.25	25849.84
Less: Closing stock	(3382.40)	(3177.46)
Less: Closing stock of WIP	(381.53)	(306.39)
Cost of material consumed	22,260.32	22,366.29
Material consumed comprises:		
-Cotton	18860.71	18306.59
-Others	3399.61	4059.70
Total	22,260.32	22,366.29

**23 Purchase of traded goods**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Purchases of traded goods	736.34	217.87
Total	736.34	217.87

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

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Inventories at the end of the year:		
Finished goods	3,131.41	3,647.42
Work-in-progress	241.34	315.93
stock in trade	79.03	84.31
Waste-cotton	222.15	68.37
	3,673.93	4,116.03
Inventories at the beginning of the year:		
Finished goods	3647.98	2249.60
Work-in-progress	315.37	320.12
Stock in trade	84.31	0.00
Waste-cotton	68.37	131.26
	4,116.03	2,700.98
Net (increase) / decrease	442.10	(1,415.05)

25 Employee benefit expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, wages and bonus	3,665.72	3,801.81
Contributions to provident and other funds (Refer Note 32.1.a & 32.1.b)	200.78	171.86
Staff welfare expenses	247.14	208.68
Total	4,113.64	4,182.35

26 Finance costs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Interest expense on financial liabilities at amortised cost:		
(i) Borrowings	2084.42	2013.69
(b) Other borrowing costs	146.32	151.62
Total	2,230.74	2,165.31

28 Other expenses

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Consumption of stores and spare parts	1529.61	1286.06
Manufacturing expenses	317.20	521.65
Power, fuel and water charges	1530.76	1486.56
Rent including lease rentals	40.28	286.21
Repairs and Maintenance - Building	58.64	53.61
Repairs and Maintenance - Machinery	532.90	459.99
Repairs and Maintenance - Others	197.60	205.22
Insurance	177.18	124.17
Rates and Taxes	33.90	27.22
Communication expenses	149.66	155.16
Travelling and Conveyance	394.45	423.54
Printing & Stationery	21.91	25.72
Freight and Forwarding Charges	255.03	229.04
Sales Commission	169.91	176.14
Director's sitting fee	4.40	3.30
Loss on sale/disposal of property plant and equipment	0.23	34.90
Business Promotion Expenses	136.24	111.32
Donation	0.10	0.01
Legal and Professional charges	123.00	73.87
Payments to Auditors (Refer Note 2)	10.00	10.00
Royalty expenses	15.86	0.00
Miscellaneous Expenses	176.93	110.92
Corporate Social Responsibility (refer note 1)	19.15	8.14
Total	5,894.94	5,812.75

Note 1 Corporate Social Responsibilities

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
a) Gross amount required to be spent by the company during the year	18.87	21.64
b) Amount spent during the year	19.15	8.14

Note 2 - Payments to auditors:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Payments to auditors comprises:		
Statutory audit fees	10.00	10.00
Total	10.00	10.00



Additional information to the financial statements

(₹ in lakhs)

29 Contingent liabilities and commitments (to the extent not provided for)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(i) Contingent liabilities:		
(a) Disputed demands from ESI Authorities	9.86	9.86
(b) Disputed TNVAT demand in respect of which interim stay granted by Hon'ble High Court of Madras	-	1.94
(c) Disputed claims of TANGEDCO as part of energy supply bill	203.22	95.96
(d) PF Note: The Supreme court of India vide judgement dated February 28, 2019, has issued clarification on the definition of "basic wage" considered for the contribution for Provident Fund which provides for the inclusion of special allowances. The said judgement is retrospective in nature. However, since all employer bodies have pleaded with EPFO and Ministry and the actual liability to be provided is unascertainable, no liabilities in the books of accounts has been created.		
(ii) Commitments:		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for:		
Tangible assets	246.04	279.43
(iii) (a) The amount of duty concession availed against the pending obligation for import of capital goods under concessional customs duty linked to fulfilment of export obligations	49.95	133.91
(b) Value of export obligation to be fulfilled	20,988.18	19,301.60

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

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	11.23	37.00
(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	-	-

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

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

(₹ in lakhs)

Particulars	Year ended 31.3.2020	Year ended 31.3.2019
1 Sale of products		
(a) Manufactured goods:		
Yarn	24,585.68	22,758.91
Fabric	2,147.48	446.82
Coated fabrics (Canvas)	1,394.77	1,198.79
Laminated fabrics	4,131.40	4,134.32
Garments	1,005.89	4,051.63
Waste	2,028.11	1,904.56
Sale of Services	480.73	363.34
(b) Traded goods		
Yarn	547.95	-
Fabrics	115.24	-
Garments	218.12	252.96
Total	36,655.37	35,111.33
(c) Other Operating Revenues	157.36	241.89
Total sale of products (a)+(b)	36,812.73	35,353.22
2 Raw materials consumption		
(a) Cotton	18,860.71	18,306.59
(b) Others	3,399.61	4,059.70
Total	22,260.32	22,366.29
Purchase of traded goods		
(a) Cotton	-	-
(b) Waste	-	-
(c) Yarn	595.75	-
(d) Fabrics	4.68	217.87
(e) Garments	135.91	-
Total	736.34	217.87

- 3** Total value of all imported raw materials, spare parts and components consumed during the financial year and the total value of all indigenous raw materials, spare parts and components similarly consumed and the percentage of each to the total consumption;



(₹ in lakhs)

Particulars		Year ended 31.3.2020	Year ended 31.3.2019
Raw materials			
Indigenous (₹)		18,659.74	20,962.77
(%)		83.83%	93.72%
Imported (₹)		3,600.58	1,403.52
(%)		16.17%	6.28%
Total		22,260.32	22,366.29
Stores and spares			
Indigenous (₹)		1,346.75	1,111.33
(%)		90.17%	90.17%
Imported (₹)		182.86	174.73
(%)		9.83%	9.83%
Total		1,529.61	1,286.06
4	Value of imports calculated on CIF basis by the company during the financial year in respect of		
	(i) Raw materials	3,600.58	1,403.52
	(ii) Components and spare parts	182.86	174.73
	(iii) Capital goods	186.67	196.53
	(iv) Traded goods	44.35	-
5.	Expenditure in foreign currency during the financial year on account of:		
	Royalty, know-how, professional and consultation fees	13.54	20.63
	Traveling, training and others	12.77	10.28
6	The amount remitted during the year in foreign currencies on account of dividends with a specific mention of the total number of non-resident shareholders, the total number of shares held by them on which the dividends were due and the year to which the dividends related;		
	i) Total number of Non-resident shareholders	Not applicable, Hence No Dividend is paid in Foreign Currency	
	ii) Total number of shares held		
	iii) Total amount of dividend due/paid		
	iv) Year to which the dividend related		

(₹ in lakhs)

Particulars	Year ended 31.3.2020	Year ended 31.3.2019
7 Earnings in foreign exchange classified under the following heads, namely:-		
(i) Export of goods calculated on FOB basis	3,058.08	5,740.39
(ii) Royalty, know-how, professional and consultation fees	-	-
(iii) Interest and dividend	-	-
(iv) Other income, indicating the nature thereof	-	-
8 The Company, has paid to trade related research institutions by way of recurring / non recurring contribution	0.79	28.29

Note No.	Particulars		
32.	Employee benefit plans		
32.1a	Defined contribution plans - provident fund and employee state insurance		
	The Company makes Provident Fund and Employee state insurance scheme contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised the following contributions in the Statement of profit and loss.		(₹ in lakhs)
	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	Provident fund	149.77	148.40
	Employee state insurance	14.12	8.89
32.1b	Defined benefit plan - gratuity		
	In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan (Gratuity plan). The Gratuity plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn eligible salary and the years of employment with the Company. The Company provides the gratuity benefit through annual contributions to a fund managed by the Insurer included as part of 'Contribution to provident and other funds' in Note 20 Employee benefit expense. Under this plan, the settlement obligation remains with the Company.		

**Notes to the financial statements for the year ended March 31, 2020**

Amount in Rupees Lakhs except shares data or as otherwise stated

Description of Risk Exposures :

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

- i) Interest Rate Risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).
- ii) Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.
- iii) Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
- iv) Demographic Risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.
- v) Liquidity Risk: This is the risk that the Company is not able to meet the short-term gratuity pay-outs. This may arise due to non-availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.
- 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, 2018 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, 2020	For the year ended March 31, 2019
Components of employer expense		
Current service cost	38.52	31.29
Past service cost	-	
Interest cost	15.57	11.56
Expected return on plan assets	(12.65)	(9.82)
Recognised in statement of profit and loss	41.44	33.03
Re-measurement - actuarial (gain)/loss recognised in OCI	23.81	27.78
Total expense recognised in the Statement of total comprehensive income	65.25	60.81

The following table sets out the funded status of the gratuity scheme: (Contd...)

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Other Comprehensive Income (OCI)		
Actuarial (gain)/loss due to DBO assumption experience	11.97	4.67
Actuarial (gain)/loss due to DBO experience	38.86	76.48
Actuarial (gain)/loss due to DBO assumption changes	(25.61)	(52.82)
Actuarial (gain)/loss arising during period	25.22	28.33
Actual return on plan assets (greater)/less interest on plan assets	(1.41)	(0.55)
Actuarial (gains)/ losses recognized in OCI	23.81	27.78
Defined Benefit Cost		
Service cost	38.52	31.29
Net interest on net defined benefit liability / (asset)	2.92	1.74
Actuarial (gains)/ losses recognized in OCI	23.81	27.78
Defined Benefit Cost	65.25	60.81
Change in defined benefit obligation (DBO) during the year		
Present value of DBO at beginning of the year	232.26	177.38
Current service cost	38.52	31.29
Past service cost	-	-
Interest cost	15.57	11.56
Actuarial (gains) / losses	25.22	28.33
Benefits paid	(8.61)	(16.30)
Present value of DBO at the end of the year	302.96	232.26
Actual contribution and benefit payments for year		
Actual benefit payments	8.61	16.30
Actual contributions	49.99	37.25
Change in fair value of assets during the year		
Plan assets at beginning of the year	164.56	133.26
Expected return on plan assets	12.65	9.82
Actual company contributions	49.99	37.25
Actuarial gain / (loss)	1.41	0.54
Benefits paid	(8.61)	(16.30)
Plan assets at the end of the year	220.00	164.56
Actual return on plan assets	14.06	10.36
Current and Non Current Liability portion		
Current Liability	(15.26)	-
on current liability	(67.69)	(67.69)
Net liability	(82.95)	(67.69)
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	302.95	232.25
Fair value of plan assets	220.00	164.56
Funded status [Surplus / (Deficit)]	(82.95)	(67.69)
Net liability recognised in the Balance Sheet	(82.95)	(67.69)



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

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Composition of the plan assets is as follows:		
Government securities		
Debentures and bonds		
Fixed deposits		
Insurer managed funds	100%	100%
Total	220.00	164.56
*Funds are managed by Life Insurance Corporation of India and composition of the fund as at the balance sheet date was not provided by the insurer.		
Actuarial assumptions		
Discount rate	6.83%	6.83%
Expected return on plan assets	6.83%	6.83%
Salary escalation	3.25%	2.00%

32 Disclosure under Accounting Standards (Contd...)

Note No.	Particulars	As at March 31, 2020	As at March 31, 2019
	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:		
	Particulars	As at March 31, 2020	As at March 31, 2019
	Estimate value of obligation if discount rate is taken 1% higher	283.02	227.81
	Estimated value of obligation if discount rate is taken 1% lower	326.05	236.90
	Estimate value of obligation if salary growth rate is taken 1% higher	324.46	235.34
	Estimate value of obligation if salary growth rate is taken 1% lower	284.21	229.21
	Estimate value of obligation if attrition rate is taken 1% higher	308.60	232.36
	Estimate value of obligation if attrition rate is taken 1% lower	296.46	232.13

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.

(₹ in lakhs)

Note No.	Particulars		
	Maturity profile of defined benefit obligation :		
	Maturity profile, if it ensues	As at March 31, 2020	As at March 31, 2019
	1	34.31	89.49
	2	17.67	51.61
	3	39.68	32.28
	4	30.14	23.91
	5	15.23	13.20
	Above 5	93.81	17.88
	Asset Liability Matching Strategies		
	The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity liability occurring during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).		

33 Segment Reporting

a) Primary Business Segment Information

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

b) Secondary Geographic Segment Information.

Geographic Segment		Revenues	Segment assets	Capital expenditure incurred
Outside India	March 31, 2020	3,058.08	127.34	240.76
	March 31, 2019	5,740.39	300.86	196.53
India and Others	March 31, 2020	33,754.65	35,231.75	1,464.58
	March 31, 2019	29,612.83	36,077.16	422.66
Unallocated	March 31, 2020	-	111.29	-
	March 31, 2019	-	58.87	-
Total	March 31, 2020	36,812.73	35,470.38	1,705.34
	March 31, 2019	35,353.22	36,436.89	619.19



Note No.	Particulars			
34	Related party transactions			
	A. Details of related parties :			
	Description of relationship	Name of related parties		
	Enterprises having significance on company	Annamallais Retreading Company Private Limited Vedhanayagam Hospitals Private Limited		
	Enterprises in which the Key management 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 Annamallais Retreading Company Private Limited Anamallais Motors Private Limited Shiva Automobiles Private Limited Abirami Ecoplast private Limited Shiva Mills Limited Jhanvi Motors		
	Key Management Personnel (KMP)	Sri S K Sundararaman, Managing Director Sri C Krishnakumar - Chief Financial Officer Sri R Srinivasan - Company Secretary		
	Relatives of key management personnel	Sri S V Kandasami - Father of Managing Director		
	B. Details of transactions during the year and balance outstanding as at the balance sheet date:			
	(₹ in lakhs)			
	Particulars	Related Party	For the year ended March 31, 2020	For the year ended March 31, 2019
	a) Transactions during the year:			
	Sale of goods and services	Young Brand Appael Private Limited	-	0.38
		Abirami Ecoplast Private Limited	242.18	-
	Purchase of goods and services	Firebird Institute of Research in Management	-	0.06
		Shiva Mills Limited	25.44	34.19
		Sundar Ram Enterprises	0.90	0.90
		Anamallais Automobiles Private Limited	1.95	1.12
		Anamallais Agencies Private Limited	1.00	0.43
		Anamallais motors Private Limited	1.26	3.43
		Jhanvi Motors	2.77	0.58
	Dividend paid	Sri S K Sundararaman, Managing Director	0.13	0.14
		Dr S V Kandasami-Director	0.36	0.38
		Sri S V Alagappan - Director	1.92	2.02
		Sri S Marusamy - Director	0.04	0.04
	Loan From Director	Dr S V Kandasami	-	500.00
	Remuneration	Sri S K Sundararaman, Managing Director	40.32	40.32
		Sri C Krishnakumar, Chief Financial Officer	18.28	13.60
		Sri R Srinivasan, Company Secretary	18.30	15.32
	Loan received	Sundar Ram Enterprises	455.00	-

(₹ in lakhs)

Particulars	Related Party	For the year ended March 31, 2020	For the year ended March 31, 2019
(i) Receivables	Shiva Mills Limited	13.28	8.93
	Firebird Institute of Research in Management	-	0.13
(ii) Payables	Sri S V Alagappan - Director	25.00	25.00
	Sri S K Sundararaman	90.00	90.00
	Dr S V Kandasami	500.00	500.00
	Annamalais Motors Private Limited	-	0.11
	Annamalais Agencies Private Limited	0.37	-
	Sundar Ram Enterprises Private Limited	455.08	0.08
	Shiva Mills Limited	-	0.44

35 Earnings per equity share

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Earnings per equity share		
Profit \ (Loss) attributable to equity shareholders (₹)	154.70	670.29
Weighted average number of equity shares (Nos.)	1,29,62,713	1,29,62,713
Par value per equity share (₹)	10.00	10.00
Earning per share - Basic & Diluted (₹)	1.19	5.17

36 Income Tax Recognised :

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Statement of profit and loss	Other comprehensive income	Statement of profit and loss	Other comprehensive income
Current Tax:				
In respect of current year	25.16	-	162.94	-
Deferred Tax:				
In respect of current year	(57.12)	-	(32.74)	-
Income tax expense	(31.96)	-	130.20	-

**37 Movement in deferred tax balance****(₹ 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 31 March, 2020					
Tax effect of items constituting deferred tax asset					
Fair value/Provision for investments	3.68	(3.68)			-
Provision for doubtful debts	40.74	(5.07)	-		35.67
Disallowances under section 43B of Income Tax Act, 1961	87.13	(38.33)	-		48.80
Carry forwarded Loss for set off	-	8.52	-	-	8.52
Tax effect of items constituting deferred tax asset	131.56	(38.57)	-	-	92.99
Tax effect of items constituting deferred tax (liability)					
On difference between book balance and tax balance of fixed assets	(4,044.90)	70.53	-		(3,974.37)
Tax effect of items constituting deferred tax (liability)	(4,044.90)	70.53	-		(3,881.38)
Less: MAT credit availed	1,911.59	25.16			1,936.75
Net Deferred tax asset/(liability)	(2,001.75)	57.12	-	-	(1,944.63)
For the year ended 31 March, 2019					
Tax effect of items constituting deferred tax asset					
Fair value/Provision for investments	7.15	(3.47)	-		3.68
Provision for doubtful debts	40.74	0.00	-		40.74
Disallowances under section 43B of Income Tax Act, 1961	95.21	(8.08)	-		87.13
Tax effect of items constituting deferred tax asset	143.10	(11.54)	-	-	131.55
Tax effect of items constituting deferred tax (liability)					
On difference between book base and tax base of property plant and equipment	(4,089.18)	44.28	-		(4,044.90)
Tax effect of items constituting deferred tax (liability)	(4,089.18)	44.28	-		(4,044.90)
Less: MAT credit Receivable transferred to Deferred tax Liability					1,911.59
Net Deferred tax asset/(liability)	(3,946.08)	32.74	-	-	(2,001.75)

38 Deferred tax (liability) / asset

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Tax effect of items constituting deferred tax Assets		
Fair value/Provision for investments	-	3.69
Provision for doubtful debts	35.68	40.74
Disallowances under section 43B of Income Tax Act, 1961	48.80	87.13
Carry forward Loss for set off	8.52	-
Tax effect of items constituting deferred tax Asset	93.00	131.56
Tax effect of items constituting deferred tax (liability)		
On difference between book balance and tax balance of fixed assets	(3,974.37)	(4,044.90)
Tax effect of items constituting deferred tax (liability)	(3,974.37)	(4,044.90)
Less: MAT credit availed	1,936.75	1,911.59
Net deferred tax (liability) / asset	(1,944.63)	(2,001.75)

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

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit before tax	122.74	800.50
Enacted income tax rate in India	33.38%	34.61%
Computed expected tax expense	40.98	277.03
Effect on account of exempted income	(0.18)	(0.45)
Effect on account of permanent difference	(5.83)	(153.93)
Effect on account of S115JB	25.16	-
Others	(3.01)	7.55
Income tax expense recognised in the statement of profit and loss	31.96	130.20

**40 Financial Instruments**

(₹ in lakhs)

The carrying value and fair value of financial instruments by categories as at March 31, 2020, March 31, 2019 is as follows:

Particulars	Carrying value		Fair value	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Financial assets				
Amortised cost				
Loans	97.44	110.39	97.44	110.39
Trade receivable	4,802.48	4,993.74	4,802.48	4,993.74
Cash and cash equivalents				
Cash on hand	6.33	10.53	6.33	10.53
Cheques on hand	14.15	2.00	14.15	2.00
Balance with Banks	109.38	431.59	109.38	431.59
Bank balances other than (ii) above	612.01	733.45	612.00	733.45
Other financial assets	155.01	159.63	155.01	159.63
FVTOCI				
Investment in equity instruments	50.74	66.45	50.74	66.45
FVTPL				
Investment in equity instruments (unquoted)	3.72	10.03	3.72	10.03
Total assets	5,851.26	6,517.81	5,851.26	6,517.81
Financial liabilities				
Amortised cost				
Borrowings	18,609.06	20,002.57	18,609.06	20,002.57
Trade payables	2,950.61	2,875.21	2,950.61	2,875.21
Other financial liabilities	268.74	117.27	268.74	117.27
Total liabilities	21,828.41	22,995.05	21,828.41	22,995.05

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

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

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

- i) Long-term fixed-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected losses of these receivables.
- iii) 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, 2020 was assessed to be insignificant.
- iv) The fair values of the unquoted equity shares have been estimated using a discounted cash flow model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility, the probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

41 Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at March 31, 2020, March 31, 2019

(₹ in lakhs)

Particulars	Fair value measurement using					
	As at	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value :						
1 FVTOCI financial assets designated at fair value:						
Investment in equity instruments (quoted)	March 31, 2020	March 31, 2020	54.46	54.46	-	-
	March 31, 2019	March 31, 2019	66.45	66.45	-	-
2 FVTPL financial assets designated at fair value:						
Investment in equity instruments (unquoted)	March 31, 2020	March 31, 2020	3.72	-	-	3.72
	March 31, 2019	March 31, 2019	10.03	-	-	10.03

There is transfer from Level 3 to Level 1

41 Leases

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

The standard permits two possible methods of transition :

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

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

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

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

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

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



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

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

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

The Company's weighted average incremental borrowing rate applied to lease liabilities recognised in the balance sheet at the date of initial application i.e 1 April 2019 is 11 % per annum.

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

Particulars	Amount
As at the date of transition, i.e., April 01, 2019	218.70
Additions	-
Depreciation	107.12
Deletions	-
Closing balance	111.58
Lease liabilities	
As at the date of transition, i.e., April 01, 2019	248.34
Additions	-
Interest	18.51
Lease payments	139.03
Closing balance	127.82
Current	54.75
Non-current	73.07
Maturity analysis of lease liabilities	
1 year	54.75
1 to 5 years	73.07
More than 5 years	-
Lease rent expense on short-term and low value lease debited to Statement of Profit and Loss	
Lease rent	40.28

43 Financial risk management

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

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

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

Credit risk

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

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	(₹ in lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from top customer	1,726.07	1,873.99
Revenue from top 5 customers	4,518.87	4,993.39

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, 2020. Three customers accounted for more than 10% of the revenue for the year ended March 31, 2019, however four of the customers accounted for more than 10% of the receivables for the year ended March 31, 2019.

Market risk

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

Liquidity risk

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

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

The working capital position of the Company is given below :

Particulars	March 31, 2020	March 31, 2019
Cash and cash equivalents	129.86	444.12
Total	129.86	444.12

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2020, March 31, 2019 and April 1, 2018.



Particulars	As at	Less than 1 year	1 - 2 years	2 years and above
Borrowings	March 31, 2020	11,635.54	6,358.52	615.00
	March 31, 2019	12,246.11	7,641.45	115.00
Trade payables	March 31, 2020	2,950.61	-	-
	March 31, 2019	2,875.21	-	-
Other financial liabilities	March 31, 2020	268.75	-	-
	March 31, 2019	117.27	-	-

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, 2020 and March 31, 2019.

Particulars	As at	US \$	Euro	Pound / Sterling	Total
Assets					
Trade receivables	March 31, 2020	1.00	0.43		1.43
	March 31, 2019	5.01	-		5.01
Cash and cash equivalents	March 31, 2020	-	-		-
	March 31, 2019	-	-		-
Liabilities					
Trade payable	March 31, 2020	-	-		-
	March 31, 2019	-	-		-
Borrowings	March 31, 2020	-	-		-
	March 31, 2019	-	-		-
Net assets/(liabilities)	March 31, 2020	1.00	0.43	-	1.43
	March 31, 2019	5.01	-	-	5.01

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.

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Impact on profit or (loss) for the year	2.50	2.35

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, 2020	For the year ended March 31, 2019
Increase / (decrease) in the Profit for the year	(120.74)	(109.83)

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 :

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Total equity attributable to the equity share holders of the company	11,113.90	11,199.73
As percentage of total capital	37%	36%
Current borrowings	9,967.12	9,745.61
Non-current borrowings	8,641.93	10,256.96
Total borrowings	18,609.05	20,002.57
As a percentage of total capital	63%	64%
Total capital (borrowings and equity)	29,722.95	31,202.30

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

For and on behalf of the Board of Directors

S V Alagappan

Chairman
DIN : 00002450

S K Sundararaman

Managing Director
DIN : 00002691

Coimbatore
August 14, 2020

C Krishnakumar

Chief Financial Officer

R Srinivasan

Company Secretary
ACS No. 21254

Financial Performance - Year Wise

(₹ in lakhs)

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



SHIVA TEXYARN LIMITED

Regd. Office. 252, Mettupalayam Road, Coimbatore 641043

Phone: 0422- 2435555, Fax: 0422- 4383325

Website: www.shivatex.in, E-mail: shares@shivatex.co.in

CIN : L65921TZ1980PLC000945

Date : 28th August, 2020

To

The Shareholders of Shiva Texyarn Ltd.

SUB : DISCOUNT ON PURCHASE OF PPE - REG.

The Management of Shiva Texyarn Limited is pleased to offer a discount of 20% on MRP (incl. GST) on the product of Personal Protective Equipments (PPE) to the esteemed shareholders.

The discount is valid until 31st March 2021.

For any clarification please contact us on 0422-2544955 or email us at customercare@quickdry.in

For Shiva Texyarn Ltd.

Sd/-

S.K. Sundararaman

Managing Director


PLANT LOCATION

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



Bag Unit	Knitting Unit	Garment Division
D.No. 1/667, K.P. Mahal Chinna Iyyan Kovil Privu Somanur Road Ichipatti Village Palladam TK Tirupur-641 668	Kodangipalayam Village Karadivavi Road Paruvai Post Coimbatore Dt Tamilnadu 641 658	S.F. No. 371/5, Karadivavi Road Paruvai Post, Karanampet Palladam 641 658

	Windmills	
Munduelampatti Village Erode District Tamil Nadu	Gudimangalam Athukinathupatti & Uthukuli Villages Coimbatore District Tamil Nadu	Vagatholuvu Kongalnagaram Virugalpatti Tirupur District, Tamil Nadu


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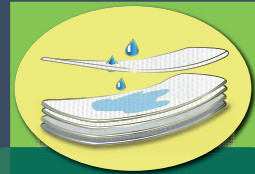
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MADE IN INDIA



Go Green



UNIQUE RAPISOAK
TECHNOLOGY



SHIVA TEXYARN LIMITED

A Technical Textile Company

Regd. Office: 252, Mettupalayam Road, Coimbatore - 641 043

Tamilnadu, INDIA. Telephone: 0422 - 2435555

Email: shares@shivatex.co.in Website: www.shivatex.in

CIN : L65921TZ1980PLC000945